

THE DEVELOPMENT OF INFLUENCING FACTORS ON THE INTEGRATION OF
MARKETING AND SALES

CHRISTINA STEFANIE REICH

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Abstract

The purpose of the study **THE DEVELOPMENT OF INFLUENCING FACTORS ON THE INTEGRATION OF MARKETING AND SALES** is to investigate which factors contribute to the *Integration* of Marketing and Sales in the business-to-business context and to examine if the *Integration* favours the creation of *Customer Value*.

Numerous studies deal with the *Integration* of business departments, but there is no consensus either on the content of the term *Integration* or on the factors influencing it. For this reason, this study derives influencing factors based on literature for *Integration* and the term *Integration* is delimited and defined. In contrast, the *Customer Value* concept still receives very little attention in research at present. There is also no uniform understanding of the term *Customer Value* and there is only a very limited number of empirical studies on this subject, which is why this study carries out a delimitation and definition of the term *Customer Value*.

Subsequently, a previously not extensively empirically investigated connection between the two concepts *Integration* and *Customer Value* is established by this study where *Customer Value* represents one possible outcome of *Integration*. It is explained that *Customer Value* represents a possibility for differentiation from the competition whereby a competitive advantage can be achieved what in turn represents a success factor for companies.

In order to examine the factors influencing *Integration* and the influence of *Integration* on *Customer Value*, a study consisting of two parts (Part A & B) is conducted. The examination included 464 valid questionnaires for the study (Part A) and 848 for the study (Part B).

The study (Part A) took into account the perception of Marketing, Sales, and Key Account Management with regard to their relationship. The most important finding from the study (Part A) is that Marketing, Sales, and Key Account Management do not have a significant different perception of the influencing and target variables examined. This allows a uniform examination of the departments in the study (Part B). To reduce the scope and complexity of the study (Part B), a Principal Component Analysis (PCA) is performed from which the content of the final questionnaire of the study (Part B) is derived.

The investigation of the study (Part B) is conducted by a partial least squares structural equation modelling (PLS-SEM) using SmartPLS3. The results of the study (Part B) indicate that the influencing factors *Communication*, *Strategy and Common Goals*, *Leadership*, and *Culture* contribute significantly to the *Integration* of Marketing and Sales. Furthermore, the

result shows that *Integration* has a strong influence on the creation of *Customer Value*, but cannot sufficiently explain it.

Thus, it can be concluded that this study provides an empirically supported new and broader perspective to key factors influencing Marketing and Sales *Integration* with regard to the creation of *Customer Value*. Therefore, a research gap is closed by the investigation of the combination of the constructs *Integration* and *Customer Value* since there are no comparable empirical studies in this context with regard to the large sample used here and the associated significance of the results as well as the multitude of examined influencing factors on *Integration*.

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Candidate declaration

This is to certify that, except where specific reference is made, the work described in this thesis is the result of my own research. Neither this thesis, nor any part of it, has been presented, or is currently submitted, in candidature for any other award at this or any other University.

Signed

Cu. Reich

Date

18.02.2020

Chapter 1: Introduction

1.1 Introduction

Much can be found in the literature about the problematic relationship between Marketing and Sales. The *Integration* approach, considered here, addresses the desirable improvement of the relationship between the Marketing and Sales departments that goes far beyond improved cooperation but there is neither a uniform understanding on the term *Integration* nor agreement on the factors that could improve it. Consequences that may arise from integrated Marketing and Sales are often examined with respect to monetary objects only whereby non-monetary consequences are mostly left out. This study, however, takes this by addressing *Customer Value*, as a possible non-monetary consequence of the *Integration* of Marketing and Sales and which has received very little attention in research so far. Moreover, the here conducted study aims to contribute to a uniform understanding of *Integration* and the definition of influence factors relying on a big database in the business-to-business context.

The rationale for the investigation is that most companies are aware of that customers are their most valuable good and, thus, they have to be cared for very well. Currently in the changing business-to-business sector (Day and Montgomery, 1999) with market leadership becoming increasingly rare due to unique selling proposition (Matthyssens and Johnston, 2006), the single customer increases in value for the supplier. More and more customers look for a single-source solution, hence, the number of customers decreases especially in a business-to-business context. Moreover, providing the lowest price, the best product, or traditionally aftersales service is not sufficient anymore to win new customers, not even to keep current customers (Kowalkowski, Witell, and Gustafsson, 2013). Moreover, due to the increasing complexity of products and services, the demands on suppliers are increasing and customers often demand tailor-made solutions. With increasing customer expectations and the alignment of most of the services and products offered, which increases competition (Woodruff, 1997), the supplier has to offer overall service and products to the customers so that he will meet all of the customers' needs and even exceed their expectations. This way the supplier may create individual, unique added value to the customers in order to enable them to reach their goals. Thereby, a company can set itself apart from its competitors by responding better to the requirements, wishes, and peculiarities of the customer and thereby creating individual

Customer Value for it and gaining a competitive advantage itself (Narver and Slater, 1990). It is stated that “those suppliers who develop strong relationships with their customers over the long-term, where customers desire to remain with those suppliers even when they have the opportunity to go elsewhere, possess a unique advantage over their competition” (Woodruff, 1997). Hence, *Customer Value* has to be created by the supplier for its customers. Therefore, internal flows have to be improved in terms of smooth cooperation or even *Integration*, not to increase efficiency and profit for the suppliers’ company in the first place, but to be able to offer comprehensive care to the customer so that all its needs are met or even exceeded in terms of *Customer Value* creation. In the long run, this also pays off for the supplier’s company in the form of a long-term, profitable business relationship as customers appreciate the resulting added value. Though, the creation of *Customer Value* is only possible if Marketing, Sales, and corresponding functions as Key Account Management interlock and pull together to achieve common goals. This requires extensive cross-departmental coordination (Grönroos, 2011; Weitz and Bradford, 1999) since these departments are mostly responsible, closest, and in direct contact with the customers (Guenzi and Troilo, 2006; Rouziès and Hulland, 2014).

However, the relationship between Marketing and Sales is difficult which is reflected in a number of studies and can be explained by the different orientation and characterisation of the two departments (Malshe, Hughes, and Le Bon, 2012; Lawrence and Lorsch, 1967; Rouziès, Anderson, Kohli, Michaels, Weitz, and Zoltners, 2005; Kotler, Rackham, and Krishnaswamy, 2006; Lorge, 1999; Cespedes, 1995). For instance, the different short-term (Sales) and long-term (Marketing) orientations play an important role since the success of Sales is measured by closed sales, whereas the success of Marketing is not so easy to measure and if so can only be measured in the long-term (Lawrence and Lorsch, 1967). Everyday life is also very different in Marketing and Sales as well as the contact to the customer. Sales is in direct contact with the customer, whereas Marketing is more project related and has a rather abstract understanding of customers, based more on the analysis of data than on the individual customer. Recently in line with Guenzi and Troilo (2007) an investigation revealed that the Marketing and Sales mostly suffer from communication paucity, lack of collaboration, and overt conflict (Malshe, Johnson, and Viio, 2017b, p. 147). For this reason this leads to friction losses which not only have a negative effect on the overall atmosphere in the company but also on the performance that can be delivered to the customer and, thus, on the overall success of the company (Malshe, Friend, Al-Khatib, Al-Habib, and Al-Torkistani, 2017a).

This consequence resulting from the bad relationship of Marketing and Sales with respect to the customer is currently given very little attention in literature and empirical research and, therefore, is addressed here by the aspect of *Customer Value*. It is also that there exists no systematically examination and classification of different Marketing and Sales interfaces (Homburg, Jensen, and Krohmer, 2008). Often a clear separation of Marketing and Sales is assumed, but with regard to customer processing, especially in business-to-business context, there exists further division. Big customers who are particularly important to the company were and are naturally treated differently from small customers. This specific treatment, known as Key Account Management, therefore, is natural and not new. However, depending on the assignment of the Key Account Management, new interfaces may arise which have not been considered so far. The literature shows that conceivable options for Key Account Management either are a line organisation, a matrix organisation, Key Account Management as a supervisory staff unit, or a combination of different organisational forms (Belz, Müllner, and Zupancic, 2015). However, these different ways of assigning Key Account Management will not be examined in detail in this study. The way of Key Account Management customer processing is to be seen as an extension of the previous view limited to Marketing and Sales. For this rational, this study also includes Key Account Management in addition to Marketing and Sales in order to cover a broader and comprehensive perspective of the regarded interfaces. Since this structure of customer processing is mainly to be expected in business-to-business context independent of the industry and size of the company, the study only includes companies from this sector.

Hence, this difficult constellation of Marketing and Sales poses a big problem. The differences of the departments make the necessary cooperation complicated, but the solution is not to simply merge the departments. It appears that the different specialisation of the departments is necessary to fulfil the respective role. Thus, the challenge is to improve the cooperation without weakening the individual strengths of the departments. However, improved cooperation is not enough to meet the mentioned expectations of the customers. In literature a concept of *Integration* can be found which goes far beyond cooperation. *Integration* deals with a holistic approach that aims at smooth and efficient processes within the company leading to a better overall situation for the company by emphasising the interdependence of the departments and by creating joint added value which the departments cannot achieve on their own. By regarding the *Integration* approach, it shows that it is necessary to clearly distinguish it from related constructs (Rouziès et al., 2005). There are

approaches that regard *Integration* as interaction and communication (Ruekert and Walker, 1987), others interpret it as collaboration (Lawrence and Lorsch, 1967), and there are approaches that include both (Gupta, Raj, and Wilemon, 1985). Therefore, it becomes clear that a common understanding and definition is lacking in literature (Kahn, 1996). Moreover, there is no uniform understanding of whether *Integration* is an interdepartmental state or a process (Lawrence and Lorsch, 1969b). The argument against a status is that the *Integration* of Sales and Marketing is a dynamic process whereby the two departments create more value for their company by working together rather than separately (Rouziès et al., 2005, p. 115) which is seen as the reason for striving for *Integration*. However, the biggest obstacle is the difficult relationship between Marketing and Sales. To improve this, influencing factors have to be defined by reviewing studies on *Integration* in literature with appropriate factors. Thus, most empirical investigations concentrate on just aspects of *Integration* with regard to Marketing and Sales as collaboration (Le Meunier-Fitzhugh and Massey, 2019; Le Meunier-Fitzhugh and Piercy, 2011; Le Meunier-Fitzhugh, Massey, and Piercy, 2011b; Le Meunier-Fitzhugh and Piercy, 2009; Le Meunier-Fitzhugh and Lane, 2009; Le Meunier-Fitzhugh and Piercy, 2007a; Ellinger, 2000), interaction (Menon, Jaworski, and Kohli, 1997), or as a combination of collaboration and interaction (Troilo, De Luca, and Guenzi, 2009). Some explore *Integration* but with regard to the ‘research and development’ department and Marketing (Ayers, Dahlstrom, and Skinner, 1997) or *Integration* of the three departments Marketing, manufacturing, and ‘research and development’ (Kahn, 1996). Other focus on related approaches as relationship quality (Gounaris and Tzempelikos, 2014), perceived relationship effectiveness (Cometto, Nisar, Palacios, Le Meunier-Fitzhugh, and Labadie, 2016; Massey and Dawes, 2007), interfunctional coordination (Narver and Slater, 1990), or on *Integration* as a precondition on perceived effectiveness and new product success (Ayers et al., 1997). With regard to reasonable influence factors few frameworks are presented (Beverland, Steel, and Dapiran, 2006; Le Meunier-Fitzhugh and Piercy, 2010; Le Meunier-Fitzhugh and Piercy, 2007b; Malshe et al., 2012) that use factors which are also suitable on *Integration* although used in a slightly different context. This clearly shows that there is no agreement on the comprehensive *Integration* approach of Marketing and Sales. Moreover, only few influence factors are presented on related concepts and no consensus in the literature on these factors can be observed. Therefore, this has to be examined more in detail by deriving relevant influencing factors on the *Integration* of Marketing and Sales by a comprehensive empirical study based on theory and supported by literature. Moreover, it shows that in connection with *Integration* performance-oriented target variables, such as

business performance (Narver and Slater, 1990; Le Meunier-Fitzhugh and Piercy, 2007a; Le Meunier-Fitzhugh and Piercy, 2007b; Le Meunier-Fitzhugh and Piercy, 2009; Le Meunier-Fitzhugh, Kenneth, and Piercy, 2011a), market performance (Troilo et al., 2009), product quality (Menon et al., 1997), new product success (Ayers et al., 1997), or more broadly defined performance outcomes (Gounaris and Tzempelikos, 2014), are usually considered. Only few studies examined primarily non-monetary consequences from *Integration* as customer related aspects like relationship quality (Gounaris and Tzempelikos, 2014), perceived relationship effectiveness (Massey and Dawes, 2007), or on superior *Customer Value* creation (Guenzi and Troilo, 2007; Troilo et al., 2009) as an essential prerequisite for any kind of success.

Therefore, a further motivation for this thesis is to take up the existing findings on the objectives of *Integration* and expand them by adding the customer's component in terms of *Customer Value* that represents potential for companies to gain competitive advantage but with little attention in research so far. Thereby, the aspect of *Customer Value* creation for the customer is investigated as a possible consequence with regard to the customer from the *Integration* of Marketing and Sales. It is necessary to differentiate whether *Customer Value* is viewed from the point of view of the company, from the point of view of the customer of the company, or as a shared value creation (Ulaga, 2001). This study focuses on the second kind of *Customer Value* creation in terms of how to improve the added value for the customer. Moreover, *Customer Value* is often wrongly mistaken for market orientation. Though, it is clearly stated that market orientation is one factor on creating *Customer Value* because of the deepened and comprehensive knowledge taken from customer and competitive analyses (Slater and Narver, 1995). This also applies to the related construct of customer orientation that is perceived as one behavioural component and interfunctional coordination or even *Integration* as another behavioural component to create *Customer Value* (Narver and Slater, 1990). Furthermore, it is also stated that *Customer Value* must be understood more broadly than the trade-off between sacrifices and benefits in the classic monetary sense of costs and rewards. In terms of benefits, e.g., economic, technical, service, and social benefits should also be included since value cannot only be created by providing products and services but also by supporting customer in its own business processes, by providing and integrating resources that perform specific functions for the customer (Grönroos, 2011). This also holds for sacrifices in terms of costs in the broad sense and can include, e.g., the effort required to acquire a product (Geraerds, 2012). Therefore, *Customer Value* creation is more than the trade-off between benefits and sacrifices, it is also about the ability of a company to solve

problems for its customer whereby it enables its customer to make better decisions, innovate, or perform (Guenzi and Troilo, 2006), to offer tailor-made performance of the product or service offered to the customer (Blocker, 2011), and to establish a close relationship (Ngo and O’cass, 2009; Blocker, Flint, Myers, and Slater, 2011). In addition, *Customer Value* is an individual assessment of a customer that cannot simply be transferred to others. It is a subjective perception of the single customer when the provided good or service offers an added value. This is not something that can be objectively determined by the supplier but something that is perceived by the customer.

The topic *Customer Value* is rarely addressed in the context of *Integration*. Some studies investigated superior *Customer Value* as a precondition to market performance (Guenzi and Troilo, 2007; Troilo et al., 2009) but *Integration* is not considered. The same applies to studies with *Customer Value* as a prerequisite to customer loyalty (Brodie, Whittome, and Brush, 2009; Blocker et al., 2011). Thus, there is a great need to examine the influence of *Integration* on *Customer Value* as a possible consequence as this relationship is also reinforced by theory (Troilo et al., 2009; Guenzi and Troilo, 2007; Guenzi and Troilo, 2006).

The research study only deals with the supplier side as this is the basis for creating *Customer Value* for the customer. On the supplier’s side there are usually Marketing and Sales which are in contact with the customer’s purchasing department. For this reason, these two are largely responsible for the success of the company. Marketing and Sales are responsible for ensuring that the products or services offered by the supplier are purchased by the customer and that the customer is not lost to competition. To prevent this, *Customer Value* must be created. Basically, however, the literature distinguishes three different ways in which *Customer Value* can be understood in terms of the buyer-seller relationship (Ulaga and Chacour, 2001). The viewpoint represented here deals with the value that a company creates for its customers. The wishes and expectations of the customers must be taken into account, beside this it has to be examined how the additional value provided is perceived in comparison to the competition (Verhoef and Lemon, 2013; Woodruff, 1997; Ulaga and Chacour, 2001). The second perspective is the *Customer Value* approach, which considers the (monetary) value of the customer for the company (Rust, Zeithaml, and Lemon, 2000). And the third *Customer Value* approach deals with the joint creation of value in networks with companies as providers and companies as customers through relationships, partnerships, and alliances (Wilson, 1995; Baumann and Le Meunier-Fitzhugh, 2015). Although the here conducted study deals with the value created for the customer, the interface to the customer

and the assessment of the value by the customer is not included in the investigation. First of all, the internal interfaces between the responsible departments of Marketing and Sales are to be examined and it is to be investigated how the *Integration* of these departments can be improved by means of suitable influencing factors. Only if frictional losses are avoided and the creation of value for the customer is pursued as an overriding common goal, a competitive advantage can be created. This study also does not take a closer look at the joint value creation as the interface to the customer must be investigated here as well. The focus is initially to be based on the internal interfaces in order to lay a foundation stone with regard to the unification of the influencing factors of *Integration*. But examining the customer interface could represent the next step in the development of the so far little empirically researched topic *Customer Value*.

1.2 Aim and Objectives

The aim of the study is to identify theory-based and literature-supported influencing factors that improve the *Integration* of Marketing and Sales in the business-to-business context. The reason for this is that there is currently no uniform definition of these factors and the studies carried out mostly only ever take a small number of influencing factors into account. The identification of the influencing factors is intended to enable the *Integration* of the Marketing and Sales departments as they facilitate the creation of the necessary environment and the active support and empowerment of the departments by the company. Relevant influencing factors are derived from literature and their relationship is theoretically underpinned.

The objectives under consideration are set out in the following.

- (1) Determine a clear distinction and definition of *Integration* with regard to Marketing and Sales.
- (2) Derive relevant influence factors on the *Integration* of Marketing and Sales based on literature.
- (3) Investigate the strength, direction and relevance of the impact of influencing factors on the *Integration* of Marketing and Sales.
- (4) Define and delimit the term *Customer Value* from related approaches.
- (5) Identify the relevance of *Integration* for the creation of *Customer Value*

The business-to-business area was chosen because there usually can be found a classical Marketing and Sales structure across all industries and sizes wherefore many organisations are affected by the problem of a bad Marketing and Sales relationship and its consequences.

Besides Marketing and Sales, Key Account Management was also included in the study, as this represents another possible constellation and another internal interface that can make an important contribution to customer processing.

Thus, this research is intended to contribute to answering the research questions, by figuring out which influencing variables are relevant for the *Integration* of Marketing and Sales by considering Key Account Management as a further variant of the Marketing and Sales constellation and whether *Integration* is a relevant influencing variable for the creation of *Customer Value*. The obtained results will present a comprehensive set of relevant influence factors that have a significant impact on the *Integration* of Marketing and Sales. These influence factors are of big interest since they enable companies to enhance *Integration* by addressing the single influence factors that build or improve the current *Integration* of Marketing and Sales. Moreover, it will be shown that *Integration* has a significant influence on the creation of *Customer Value*. This is growingly important with regard to increasing, international competition and the need for new ways of differentiation besides prices. Overall, since *Integration* cannot be addressed, directly the results will provide *Leadership, Competences, Processes, Tasks and Responsibilities, Organisational Structure, Culture, Strategy and Common Goals, Conflict Management, and Communication* as relevant influencing factors which can serve companies as levers to enable or further expand the *Integration* of Marketing and Sales. This can be beneficial by taking advantage of the opportunity to differentiate from competition and to possibly achieve a better competitive position by creating *Customer Value*.

The results are joining the contemporary conversation of the most prominent research group of Le Meunier-Fitzhugh and colleagues (Le Meunier-Fitzhugh and Lane, 2009; Le Meunier-Fitzhugh et al., 2011b; Le Meunier-Fitzhugh and Piercy, 2010; Le Meunier-Fitzhugh and Piercy, 2006; Le Meunier-Fitzhugh and Piercy, 2007b; Le Meunier-Fitzhugh and Piercy, 2007a; Le Meunier-Fitzhugh and Piercy, 2008; Le Meunier-Fitzhugh and Piercy, 2009; Le Meunier-Fitzhugh and Piercy, 2011) over the last fifteen years with regard to integration-related topics. They recently published an investigation (Le Meunier-Fitzhugh and Massey, 2019) which shows the continuing relevance of this issue and the need for further research since a comprehensive set of influence factors is still missing.

The topic of the influence of *Integration* on the creation of *Customer Value* overall received very little attention in literature and is scarcely empirical examined. This research area is dominated by Guenzi and Troilo (Guenzi, Georges, and Pardo, 2009; Guenzi, Pardo, and

Georges, 2007; Guenzi and Troilo, 2006; Guenzi and Troilo, 2007; Troilo et al., 2009) as well as by Woodruff (Woodruff, 1997; Woodruff and Gardial, 1996; Woodruff, Schuhmann, and Gardial, 1993) but no further research has been conducted lately which is why it should be resumed and built upon.

1.3 Structure

Concerning the structure of the study, overall the second chapter deals with the theoretical foundation of the *Integration* topic and its influence factors and the creation of *Customer Value* as possible consequence is addressed. The so far poorly researched *Customer Value* approach is introduced and it is explained how competitive advantage can be achieved through *Customer Value*. Following the construct, *Customer Value* is clearly explained, defined, and delimited in order to be able to base the study on a clear and uniform understanding of it and the role that Marketing and Sales play in the creation of *Customer Value* is presented. Subsequently, the meaning and delimitation of *Integration* is carried out. In this context, the terms interaction, cooperation, and collaboration are discussed and the construct *Integration* is explained and precisely delimited and defined. Following, the influencing factors *Leadership, Competences, Processes, Tasks and Responsibilities, Organisational Structure, Culture, Strategy and Common Goals, Conflict Management, and Communication* are introduced whereby the current state of research is taken into account and every influence is derived on the basis of theory and literature.

The third chapter deals with the methodological framework and the selected methods for data collection and analysis. First the epistemology and ontology of the research carried out are presented and the relationship to theory and research is discussed. Following, the methodology and criteria in social research are viewed. Subsequently, research design, operationalization, and research method are presented. Next, the sample and the process of data collection are described followed by a short statement on the ethical standards to be respected.

Chapter four addresses the evaluation and analysis of the collected data. First, the study (Part A) is explained descriptively that is followed by an explanation of the procedure of the Principal Component Analysis (PCA) used in the following for dimension reduction. Then the operationalisation of the constructs and the theoretical foundation are presented and the

correlations of the items of the constructs are examined as well as the results of the individual PCAs for the considered constructs. Subsequently, a PCA for all constructs is performed and analysed together. Based on this, the survey of the main study is designed. In order to check whether a differentiation of the six groups investigated in the study (Part A) is also necessary for the study (Part B), it is checked if there is a difference between the Sales, Marketing, and Key Account Management groups. This is followed by the evaluation of the main study and the basis of the structural equation modelling is initially outlined. Then the structural model is examined and evaluated.

The fifth chapter presents the discussion. Here, the results of the preliminary study and the results of the study (Part B) are shown. All hypotheses are examined and evaluated. The results of the hypothesis test are related to the underlying theory and existing results in literature. Following, the contribution to theory is derived and the contribution to practice that can be deduced because of the results of the study is presented.

With the sixth chapter the study concludes with a summary of the results obtained and indications for theory and practice. First, the aim of the investigation is reflected, followed by the summary of the individual chapters. Then the key finding and the implications for theory, methodology, and practice are revealed. The chapter concludes with the limitations of the work and possibilities for future research are pointed out.

Chapter 2: Literature Review

2.1 Introduction

This chapter deals with the comprehensive exploration of the literature on the relationship between Marketing and Sales, *Integration* and relevant influencing factors as well as *Customer Value*. Furthermore, the contents considered are also theoretically substantiated.

There is agreement that *Integration* is an advantage for the company in order to avoid friction losses, especially in differently oriented departments, such as Marketing and Sales. However, literature and the current state of research clearly reveal that there are numerous approaches to the topic of *Integration*, which refers both to the understanding of the term and to the associated influencing factors. What also stands out clearly is that the target variables considered in the literature vary greatly. The empirical studies that have been conducted so far mainly focus on topics, such as business performance (Narver and Slater, 1990; Le Meunier-Fitzhugh and Piercy, 2007a; Le Meunier-Fitzhugh and Piercy, 2007b), market performance (Troilo et al., 2009), product quality (Menon et al., 1997), new product success (Ayers et al., 1997) or more broadly defined performance outcomes (Gounaris and Tzempelikos, 2014). Not simple or directly quantifiable quantities are hardly taken into account. Thus, the customer's component receives little attention or is often underestimated in these investigations. Only very few studies (Guenzi and Troilo, 2007; Troilo et al., 2009) consider the customer's component as a prerequisite for market performance. Therefore, the motivation for this work is to take up the existing findings on the subject of *Integration* and expand them by adding the customer's component. Thereby, the aspect of *Customer Value* creation for the customer is investigated as this represents a great potential for companies, but has so far received little attention in research.

Therefore, a comprehensive investigation of factors that support the *Integration* of the considered Marketing, Sales, and corresponding departments is needed. The following investigation carried out here focuses on the comprehensive investigation of factors that support the *Integration* of the considered Marketing, Sales, and related departments. In addition, it will be examined to what extent this can support the previously little considered aspect of *Customer Value* creation. Thus, the initial focus of the literature review is on identifying the increasing importance of differentiation from competitors through the creation of *Customer Value* and the opportunity to achieve competitive advantage by this. The term *Customer Value* is then explained and delimited. Supported by the Transaction Cost Theory

(Williamson, 1985), the general understanding of the term is presented and, following, meaning in the special context of *Customer Value* is explained on the basis of the Means-End Theory (Gutman, 1982) and the Customer Value Hierarchy Model (Woodruff and Gardial, 1996). Following, the role of Marketing and Sales in the creation of *Customer Value* is examined. Thereby, the importance of a harmonious relationship or even *Integration* between Marketing and Sales for the creation of *Customer Value* is pointed out and is supported by Organisation Theory (Miller and Monge, 1986) and Contingency Theory (Ruekert, Walker, and Roering, 1985). However, Social Identity Theory (Tajfel and Turner, 1986) illustrates that this is difficult due to the large differences between Marketing and Sales.

Next, the meaning of the term *Integration* will be discussed. Therefore, first the Game Theory (Tucker, 1983) is consulted to illustrate how a cooperative behaviour can lead to a desired result. Thereafter, the meaning of interaction is discussed using the interaction approach (Mead, 1934). The relevance for the whole company is illustrated by the System Theory (Bertalanffy, 1969). Afterwards, the organisational aspects are addressed on the basis of the Contingency Theory of Organisational Structure (Ruekert et al., 1985). Then, the comprehensive meaning of the term *Integration* is emphasised taking into account the concept of Organisational Citizenship Behaviour (Katz, 1964).

Following, factors are carved out that are necessary to consider since they are positively correlated to an overall improvement of cooperation in order to enable *Integration*. Thereby, reference is made to the Contingency Model of Leadership by Fiedler (1967), which already points to the first three influencing factors: *Leadership, Tasks and Responsibilities* and *Culture*. The importance of the organisational *Structure* and *Strategy and Common Goals* for the success of a company as a further influencing factor is supported by the Control Theory (Ouchi, 1979). The Social Identity Theory (Tajfel, 1978; Tajfel and Turner, 1986) and Institutional Theory (DiMaggio and Powell, 1983) emphasises the importance of *Conflict Management*. The importance of *Communication* is supported by the interaction approach (Ruekert et al., 1985). The *Competences* of a companies' employees are related to the Contingency Model of Leadership by Fiedler (1967).

By considering and adjusting these comprehensive factors, a company shall be able to improve cooperation or reach *Integration* within Marketing and Sales and, therefore, lay the foundations for the creation of *Customer Value*.

Based on the presented factors, hypotheses are framed to establish the basis for developing a structural equation model to examine the influence of the selected factors on *Integration* and, following, on *Customer Value* within the next chapters.

2.2 Customer Value

Butz Jr. and Goodstein (1996) note that quality and innovation are no longer the basis for competitive advantage. Nowadays companies' selling products or services has evolved to a higher level due to global competition and global buying practices (Geraerds, 2012). Selling has become more about building, retaining, or re-establishing a long-term relationship through operational excellence to the customer that goes far beyond pricing (Dunn and Thomas, 1994; Treacy and Wiersema, 1993). For the supplier losing important customers is crucial to business due to increasing competition and a decreasing amount of customers as more and more comprehensive solutions from a single source are demanded. Long-time relationships enable suppliers to take advantage of shared insights to continuously improve quality of products or services, to meet or even exceed customers' needs and expectations by tailored products, and to offer new innovations to gain product leadership (Treacy and Wiersema, 1993). Besides, a kind of emotional bond can also arise if the customer feels an additional value through the use of the product or service. Moreover, with such relationships it is possible to see opportunities or identify shifting requirements earlier as competitors (Georges and Eggert, 2003) which is referred to as customer intimacy by Treacy and Wiersema (1993). This thorough understanding of customer needs and expectations is important in the changing environment of increasing competition because "the key to differentiation in business markets is superior *Customer Value* creation" (Geraerds, 2012, p. 11).

2.2.1 Competitive advantage through Customer Value

According to Narver and Slater (1990), it is essential for companies to develop a sustainable competitive advantage, for which the creation of sustainable superior *Customer Value* for the customer is necessary in order to achieve a high market position in the long-term. Blocker, Cannon, Panagopoulos, and Sager (2012) point out that customers are looking for and show loyalty to suppliers that deliver enhanced and specific value (Blocker et al., 2012, p. 24).

Kowalkowski et al. (2013) state that excellent products, traditional after-sales service, and logistics are not sufficient any more to gain competitive advantage but a wider range of service offerings and increased service orientation (Kowalkowski et al., 2013, p. 18) As claimed by Porter (1985), there are basically two types of competitive advantage: cost leadership and differentiation whereby Geraerds (2012) identifies the creation of *Customer Value* as the key to differentiation in the business environment. The same opinion is shared by

Keränen and Jalkala (2013) who see the creation and delivery of superior *Customer Value* as cornerstone of business-to-business marketing. Guenzi and Troilo (2006) also view the sustainable competitive advantage as a consequence of generating *Customer Value*. Porter (1985) likewise notes that “competitive advantage grows fundamentally out of value a firm is able to create for its buyers [...]“ (Porter, 1985, p. 3). Furthermore, Biggemann and Buttle (2012) also emphasises that there is more than financial dimensions that enable the supplier to build competitive advantage. This is also supported by Keränen and Jalkala (2013) who state that the specific characteristics or prices of the goods and services offered by dealers are often of secondary importance (Keränen and Jalkala, 2013, p. 1308). Also Woodruff (1997) underpins this assumption as it is determined that neither quality nor product innovation or internal processes and structures are the basis for a reliable competitive advantage. Therefore, it is recommended to “reorient strategy towards superior *Customer Value* delivery” (Woodruff, 1997, p. 140). Therefore, it is pointed out that it is important to improve organisation’s ability to match internal quality management with external strategic focus that is in agreement with the customer’s perception of value (Woodruff, 1997; Burns and Woodruff, 1992).

However, this requires a uniform understanding of *Customer Value* which is discussed in the following.

2.2.2 Definition of Customer Value

When defining *Customer Value*, it is important to note that the term value occurs in different contexts. Essentially, there are three ways to look at *Customer Value* with respect to the buyer-seller relationship (Ulaga, 2001).

First, *Customer Value* can be seen from a company’s perspective. Here the (monetary) value of the customer as a key asset of the firm in a long run is in focus (Rust et al., 2000). Second, it can be seen from a firm’s customer perspective where the value that the firm provides to the customer comes into account (Verhoef and Lemon, 2013) considering what the customers want and believe what they will get by buying and using the seller’s product (Woodruff, 1997) and how customers perceive the added value provided in comparison to the competition (Ulaga, 2001). Third, it can be noted that nowadays many business markets are organised in networks where companies as supplier and companies as customers jointly create value through relationships, partnering, and alliances (Wilson, 1995; Baumann, 2015).

This study will focus on the second kind of *Customer Value* creation in terms of how to improve the added value for the customer. But either way “value creation and value sharing can be regarded as the *raison d’être* of collaborative customer-supplier relationships” (Anderson, 1995, p. 348).

Furthermore, literature reviews on *Customer Value* reveals that there is a high divergence of meanings with regard to definition. However, in accordance with Woodruff (1997) there are a few points where the literature clearly agrees on *Customer Value*. There is agreement that *Customer Value* is a trade-off between what the customer receives in terms of quality, benefits, value, or utility and what the customer gives to acquire and use the product or service, such as the price paid or the sacrifice made. This aspect is also supported by Biggemann and Buttle (2012) who transfer the Transaction Cost Theory by Williamson (1985) to the formation of *Customer Value*. According to the Transaction Cost Theory, value is generally considered as the ratio between costs/sacrifices and benefits/rewards. Applied to the creation of *Customer Value*, this means that one side either invests in building a relationship hoping to gain enough benefits that outweigh the costs. Thus, from the customer’s point of view value is created either by increasing the benefits or reducing the sacrifices made.

Fundamentally, it is emphasised that *Customer Value* is “inherent in or linked to the use to some product” (Woodruff, 1997, p. 141). This attribute is central because it distinguishes the *Customer Value* from personal or organisational values which are “centrally and enduring beliefs about right or wrong, good and bad that cut across situations and products or services” (Woodruff, 1997, p. 141). In addition, it is important that *Customer Value* is not something that can be objectively determined by the supplier but something that is perceived by the customer. Both benefits and costs are subjective values defined by the customer himself that can be understood both in monetary and non-monetary way. The monetary approach deals with the more tangible aspects, such as the functionality or usefulness of the product or service offered as defined by Anderson, Jain, and Chintagunta (1992) as:

“Value in business markets [is] the perceived **worth** in monetary units of the set of economic, technical, service, and social **benefits** received by a customer firm in exchange for the **price paid** for a product, taking into consideration the available suppliers’ offerings and prices” (Anderson et al., 1992, p. 5).

This definition regards the price paid as the sacrifice made. However, the benefits do not only refer to the monetary aspect but also include economic, technical, service, and social benefits which illustrates the complexity of the term. This also applies to sacrifices which can also not

only be seen in a monetary way, but this term in the broad sense can also include the effort required to acquire a product (Geraerds, 2012). In principle, the non-monetary approach focuses more on the intangible aspects as reputation, skills, or knowledge among others as, for example, emphasised by Guenzi and Troilo (2006): “Customer Value creation is interpreted by respondents as the ability to **solve customer problems** by means of better knowledge and a broader perspective of the market, which allow companies to make **better decisions** and **innovate**” (Guenzi and Troilo, 2006, p. 985).

The here conducted literature review shows that “sacrifices and benefits” is the most widely used approach regarding *Customer Value*, using different perspectives and concepts. Table 1 shows that the definitions use terms like utility, worth, benefits, and quality that are not clearly defined. This fact makes it considerably more difficult to compare the concepts.

Table 1 Customer Value Definitions – Benefits and Sacrifices

| Definition | Author (Year) |
|--|---|
| Benefits and Sacrifices | |
| Value in business markets [is] the perceived worth in monetary units of the set of economic, technical, service, and social benefits received by a customer firm in exchange for the price paid for a product, taking into consideration the available suppliers’ offerings and prices. | Anderson et al. (1992), p. 5 |
| Customer value in B2B contexts is defined as the customer’s perceived trade-off between benefits and sacrifices within relationships. | Blocker (2011), p. 534 |
| Within a pricing theory context, [...] refers to [customer value] as the “ worth what paid for ” trade-off . | Brodie et al. (2009), p. 346 |
| Customer Value [Anticipation] is a supplier’s anticipation of changes in a customer’s preference for product attributes and associated benefit and sacrifice consequences arising from intended use that facilitate achieving the customer’s goals, purposes and needs. | Flint, Blocker, and Boutin (2011), p. 220 |
| The customers’ assessment of the value that has been created for them by a supplier given the trade-offs between all relevant benefits and sacrifices in a specific-use situation | Flint, Woodruff, and Gardial (1997), p. 170 |

Table 1 Customer Value Definitions – Benefits and Sacrifices (continued)

| Definition | Author (Year) |
|---|----------------------------------|
| Benefits and Sacrifices | |
| Customer value is the ratio of perceived benefits received by the customer relative to the sacrifices in terms of price paid, costs incurred, and efforts spent in order to acquire the product. | Geraerds (2012), p. 11 |
| Customer value creation is interpreted by respondents as the ability to solve customer problems by means of better knowledge and a broader perspective of the market, which allow companies to make better decisions and innovate . | Guenzi and Troilo (2006), p. 985 |
| A company creates superior customer value by offering benefits to its customers that are larger than the costs they have to bear along the product or service life cycle. | Guenzi and Troilo (2007), p. 98 |
| In short, respondents interpreted superior customer value creation as the ability to creatively, proactively and rapidly combine marketing and sales capabilities to create and transfer benefits to customers, as well as to solve customer problems, thus, reducing what they perceive as sacrifice . | Guenzi and Troilo (2007), p. 101 |
| Therefore, the meaning of “customer value” is a level of return in the product benefits for a certain amount of customer’s money (i.e., the price) in a purchase exchange (e.g., to give the buyer good value at the right price). | Lai (1995), p. 381 |
| [...] buyers’ perceptions of value represent a trade-off between the quality or benefits they perceive in the products relative to sacrifice they perceive by paying the price . Perceived value = perceived value/perceived sacrifice | Monroe (1990), p. 46 |
| Customer Value is created when the benefits to the customer associated with a product or a service exceed the offering’s life-cycle costs to the customer. | Slater and Narver (2000), p. 120 |
| [...] define value as a ratio of benefits received versus burdens endured by the customer. | Ulaga (2001), p. 318 |

Table 1 Customer Value Definitions – Benefits and Sacrifices (continued)

| Definition | Author (Year) |
|---|---|
| Benefits and Sacrifices | |
| Value is the consumers' overall assessment of the utility of a product based on perceptions of what is received and what is given . | Zeithaml (1988), p. 14 |
| The consumer's overall assessment of the utility of a product based on a perception of what is received and what is given . | Zeithaml, Parasurama, and Berry (1990), p. 11 |

In fact, non-monetary aspects also have a direct or indirect influence on the economic performance of the customer since this also depends to a large extent on the support provided by the supplier. Value is created not only by providing products and services but also by supporting customers in their own business processes, by providing and integrating resources that perform specific functions for the customer (Grönroos, 2011). Particularly in the business-to-business context considered here it can be observed that more and more companies are switching from a product to a service-oriented approach and offering combinations of goods and products (Ulaga and Reinartz, 2011). These offers are not perceived by customers as a bundle of products and services but as a “relational processes comprising customer requirements definition, customisation and integration of goods and/or services and their deployment, and post-deployment customer support” (Tuli, Kohli, and Bharadwaj, 2007, p. 2). Therefore, Shankar, Berry, and Dotzel (2007) refer to this as hybrid “offering that combines one or more goods and one or more services, creating more customer benefits than if the good and service were available separately” (Shankar et al., 2007, p. 2) in terms of *Customer Value* Creation. Furthermore, *Customer Value* also has a perceptual dimension, such as trust, commitment, and appeal (Keränen and Jalkala, 2013) as well as safety, security, and credibility (Baumann and Le Meunier-Fitzhugh, 2015).

However, *Customer Value* is not a fixed value, but according to Flint et al. (1997) has to be differentiated based on value, desired value, and/or value judgement. Flint et al. (1997) state that so-called trigger events can lead to changes in customer's values. This “trigger” can be either a singular event or the climax of a series of events that, for example, creates awareness of problems that have not yet been identified, change of view with regard to the market,

recognition of new opportunities. Because of these triggers changes in value, desired value, and/or value judgement can occur.

This change can take place either on the part of the supplier, the customer himself or in the environment to act as a trigger. All these changes have an impact on the values perception of the customer. Furthermore, it must be noted that customers perceive value differently depending on the point in time which can result in large differences between the desired value and the value actually received. Right before purchasing a product or service the assumed value is very important in decision-making and the value at this time has to meet the current need. The customer thinks about desired attributes of the product or service and which performance he expects from these attributes and what consequences from using a product is expected.

On the next stage when the customer already uses the product or experiences the service the satisfaction of the customer figures prominently with regard to the received value. The customer experiences the performance of a product and values the desired consequences that are expected from using the product or service while utilising it. The customer goes even one step further. He also takes into account whether the experienced consequences support him to reach his goals and intentions (Flint et al., 1997; Woodruff, 1997). This broader approach with regard to attributes as quality, usability, utility, and desired values and consequences is also reflected in literature as illustrated in Table 2.

Table 2 Customer Value Definition – Broader Approach

| Definition | Author (Year) |
|---|-------------------------------|
| Attributes, Value and Consequences | |
| Trade-off between desirable attributes compared with sacrifice attributes . | Woodruff et al. (1993), p. 35 |
| Quality | |
| Customer value is market perceived quality adjusted for the relative price of your product. | Gale (1994), p. 141 |
| [...] buyers' perceptions of value represent a trade-off between the quality or benefits they perceive in the products relative to sacrifice they perceive by paying the price . | Monroe (1990), p. 46 |
| Perceived value = perceived value/perceived sacrifice | |

Table 2 Customer Value Definition – Broader Approach (continued)

| Definition | Author (Year) |
|--|--------------------------------------|
| In this context, value is most frequently conceptualized as involving a relationship between quality received for price paid . | Richins (1994), p. 504 |
| Usability | |
| By customer value, we mean the emotional bond established between a customer and a producer after the customer has used a salient product or service produced by the supplier and found the product to provide an added value. | Butz Jr. and Goodstein (1996), p. 63 |
| Customer Value [Anticipation] is a supplier's anticipation of changes in a customer's preference for product attributes and associated benefit and sacrifice consequences arising from intended use that facilitate achieving the customer's goals, purposes and needs. | Flint et al. (2011), p. 220 |
| Customer value [...] takes the perspective of an organization's customers, considering what they want and believe that they get from buying and using a seller's production. | Woodruff (1997), p. 140 |
| Utility | |
| Value is the consumers' overall assessment of the utility of a product based on perceptions of what is received and what is given . | Zeithaml (1988), p. 14 |
| Value and Consequences | |
| The customers' perception of what they want to have happen (i.e., the consequences) in a specific kind of use situation, with the help of a product or service offering, in order to accomplish a desired purpose or goal . | Flint et al. (1997), p. 170 |

Table 2 Customer Value Definition – Broader Approach (continued)

| Definition | Author (Year) |
|--|-------------------------------------|
| The logic of SCA (sustainable competitive advantage) is that for a buyer to purchase offering X, the buyer must perceive that the expected value to him of that offering (i.e., that proposed solution to his need) exceeds the expected value to him of any alternative solution. | Narver and Slater (1990), p. 21 |
| Customer value [...] takes the perspective of an organization's customers, considering what they want and believe that they get from buying and using a seller's production. | Woodruff (1997), p. 140 |
| [...] the customers' perception of what they want to have happen (i.e., the consequences) in a specific kind of use situation, with the help of a product or service offering, in order to accomplish a desired purpose or goal. | Woodruff and Gardial (1996), p. 541 |

The basic aspects of *Customer Value* are summarised by Woodruff (1997) as follows and brought to a common denominator:

“Customer value is a customer's perceived preference for an evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situations.” (Woodruff, 1997, p. 142)

Furthermore, this definition is rooted in the conceptual framework of Means-End Theory by Gutman (1982). This model was originally designed to describe the categorisation of products in the memory of customers and connects the consumers' values to their behaviour (Vinson, Scott, and Lamont, 1977; Young and Feigin, 1975). Means are defined as “objects (products) or activities in which people engage (running, reading). Ends are valued states of being such as happiness, security, accomplishment” (Gutman, 1982, p. 60). Thus, the Means-End Theory aims to explain how a customer's decision for a product or service enables him to reach his desired end states or goals. It was adapted by Woodruff and Gardial (1996) to capture the essence of *Customer Value*. It is supposed that customers conceive desired value in a means-end way. The proposed *Customer Value* hierarchy model (Woodruff and Gardial, 1996, p. 65) illustrates the valuation process. Starting at the bottom of the hierarchy model, customers start

thinking about products as a bundle of certain attributes and performance of these attributes. At the next level of the hierarchy when the customer buys and uses the product, certain desires and preferences regarding certain attributes of the products are formed depending on how well these attributes facilitate achieving the desired consequences. This is reflected and judged by the customer in terms of value in use and possession value. At the highest level of the hierarchy, customers learn to desire certain consequences depending on their ability to support them in achieving certain goals. This is summarised by Clemons and Woodruff (1992) that customers use goals and purposes to attach importance to consequences. Further, the received value subsequently evaluated also can be explained by the *Customer Value Hierarchy Model*. For the evaluation of products and services, the same structure of desired attributes, consequences, and goals is used. Further, the customer's usage situation plays a decisive role both in the evaluation and in the desires. As the usage situation changes, so does the linkage between product attributes, consequences, goals and purpose. That there is a difference in pre purchase and post purchase evaluation of a product was also examined by Gardial, Clemons, Woodruff, Schumann, and Burns (1994).

Thus, with regard to the Means-End Theory it also emerges that the trade-off between sacrifice and benefits is mostly not the crucial factor for a purchase. The decision-making often goes even beyond the perceived benefits that are associated with certain product attributes. Benefits have to be taken wider in this context as desirable consequences (physiological, psychological, sociological, direct or indirect) occurring from using a product or service. The consumer's individual "values give the consequences valence and importance" (Gutman, 1982, p. 61). Additionally, it has to be stated that benefits should not be mistaken for attributes of a product. A customer can receive benefits from using a product whereas a product has attributes. Therefore, not every product or service with the same attributes may offer the same benefits to every customer (Gutman, 1982).

Hence, the feather that turns the balance lies in the personal, special, and maybe unique favoured value by the customer met by the supplier. To be provided with this, special added value helps the customer to receive his desired consequences while utilising the product, leading to an improved situation for the customer or even to reach his goals (Gardial et al., 1994).

Summing up, it has to be considered that *Customer Value* is not a static and one-dimensional construct. It consists of a variety of multidimensional components that all have to be appreciated to provide the highest possible *Customer Value* in favour of the customer. Additionally, it has to be taken into account that there may occur changes over time in terms

of the desired, experienced, and provided value. Therefore, a supplier has to stay in close touch in order to eventually be able to quickly adapt his offers. The Means-End Theory explains the individual preferences of customers and, thus, the need for customisation of provided *Customer Value* by the supplier. Overall, the continuous, close, and intent contact to the customer is absolutely necessary to keep up with the customers' needs and exceptions in order to be ahead of the competitors.

A further distinction has to be made with regard to market orientation. In literature *Customer Value* creation is often close related or even mistaken for market orientation "by means of better knowledge and a broader perspective of the market, which allow companies to make better decisions and innovate" (Guenzi and Troilo, 2006, p. 985). Narver and Slater (1990) clearly point out the differences by seeing customer orientation as one behavioural component and interfunctional coordination or even *Integration* as another behavioural component to create *Customer Value*. Slater and Narver (1995) state more precisely that market orientation is one factor on creating *Customer Value* because of the deepened and comprehensive knowledge taken from customer and competitive analyses. On the other hand, *Customer Value* considers the "trade-off between what the customer receives (e.g., quality, benefits, worth, utilities) and what he or she gives up to acquire and use a product (e.g., price, sacrifices)" (Woodruff, 1997, p. 141; Walter, Ritter, and Gemünden, 2001; Ulaga and Chacour, 2001). Therefore, it is subjective perception of the single customer when the provided good or service offers an added value and can hardly be objectively measured by the supplier.

Overall, the above discussion demonstrates that *Customer Value* is a topic that is being considered in the literature but there is a large discrepancy between the approaches used there. On the one hand, the literature refers to the trade-off between benefits and sacrifices, as shown in Table 1; on the other hand, as Table 2 shows, there are numerous references that follow a much broader approach. The approach that only considers the trade-off between benefits and sacrifices is very narrow and not comprehensive enough if *Customer Value* is to be used as a competitive advantage in terms of the view by Woodruff (1997). In this study the further understanding of *Customer Value* is supported, whereby the good cooperation in the sense of a good relationship between supplier and customer as well as a joint creation of value for the customer is in the foreground whereby a differentiation from the competition or even a competitive advantage is possible. The thesis will address the research gap of the little-explored branch of *Customer Value*, which goes beyond the mere trade-off of benefits and sacrifices (Table 1) following Woodruff (1997) by means of an empirical study. Thus, this

study aims to close the research gap with regard to a broader consideration of *Customer Value* that is more appropriate to cover the comprehensive approach and, therefore, contribute to an extended common understanding and delimitation of *Customer Value* (research gap 1).

2.2.3 The role of Marketing and Sales in the Creation of Customer Value

By taking a look at the meaning of *Customer Value* and *Customer Value* Creation, it has to be noted that the departments Marketing and Sales are traditionally responsible for managing marketing relationships (Guenzi and Troilo, 2006). Moreover, these are the two primary customer facing functions (Rouziès and Hulland, 2014) and, therefore, for the companies most important capability to the generation of *Customer Value* (Guenzi and Troilo, 2007). Weitz and Bradford (1999) see the contribution in delivering *Customer Value* by understanding customers' needs and fulfilling them with a bundle of products or services tailored to their demands. According to Homburg et al. (2008), however, empirical studies in the past often did not distinguish between Marketing and Sales, but rather summarised them under the term "marketing organisation". In addition, it is stated that so far there is no empirical investigation that systematically examines and classifies the different variations of Marketing and Sales interfaces (Homburg et al., 2008, p. 133). Therefore, not only Marketing and Sales but also Key Account Management are considered in the following empirical study in order to incorporate a further facet of the possible Marketing and Sales organisational *Structure* with regard to the creation of *Customer Value*. The multitude of organisational *Structure* as presented by Workman, Homburg, and Gruner (1998) is not important, as the interfaces are mainly discussed here. However, the tensions described in the following usually relate to the classic subdivision into Marketing and Sales since even "more than 30 years after the call to integrate sales and marketing activities under a CME [chief marketing executive] we find no firms that had adopted this recommendation" (Workman et al., 1998, p. 37). This also applies to the expanded constellation of Marketing, Sales, and Key Account Management since the same interface problems arise. Thus, the phrase Marketing and Sales in the following always includes Key Account Management.

Guenzi and Troilo (2007) perceive the role that Marketing and Sales play in the creation of *Customer Value* in the ability to creatively, proactively, and rapidly combine Marketing and Sales capabilities to have a high "responsiveness to customers needs, the ability to develop creative solutions to customer's needs, speed of action in the market and innovation" (Guenzi and Troilo, 2007, p. 101) and, thus, create and transfer benefits to the customers.

Furthermore, Guenzi and Troilo (2006) point out that Marketing and Sales “integration emerges as a company key capability contributing to the generation of customer value” (Guenzi and Troilo, 2006, p. 985). Day (1994) defines capabilities as the glue that brings together skills and assets of both departments and enables the company according to Grant (1996) “to perform repeatedly a productive task which relates either directly or indirectly to a firm’s capacity for creating value through effecting the transformation of inputs into outputs” (Grant, 1996, p. 377) which requires “integration of ideas, skills and knowledge” (Grant, 1991, p. 123) to add value to its goods and services, adapt to market conditions, take advantage of market opportunities, and meet competitive threats (Vorhies, 1998).

These assumptions are supported by the Organisation Theory by Miller and Monge (1986). The theory indicates that the use and flow of information and the development of common cognitive models across these groups can be improved by the participation of members from different functional groups in decision making. The same view is held by the Contingency Theory by Ruekert et al. (1985). It implies that communication increases and communication barriers are reduced which leads to a reduction of conflict potential, resulting in cooperative cooperation when several functional groups share the same decision domain.

However, in order to make this joint creation of value possible, Woodruff (1997) points out that a company’s *Culture* and organisation can be harmful with regard to the creation of *Customer Value*. For the multidimensional process of creation of superior *Customer Value*, a perfectly working information flow is required. Since this process mostly cuts across the typical company’s departmental structure the departments Marketing and Sales have to be inter-functionally well-coordinated (Narver and Slater, 1990) or even integrated. Prior research shows that Marketing and Sales relationship is mostly complicated (Malshe et al., 2012) since these company units are characterised differently.

Initially, this can be explained by the Social Identity Theory by Tajfel and Turner (1986) which claims that people derive a sense of identity and belonging from being part of a particular group, which in this case means being member to the Marketing or Sales department (Dawes and Massey, 2005, p. 1340). Because of this group affiliation there is always a “we” or “them”, thus, a distinction between an individual’s own group (ingroup) and the outgroups (Tajfel, 1978, p. 62). That this may lead to conflicts is due to the fact that as “similarity leads to attractions” (Brown, 1996, p. 176) it is presumed that difference leads to intergroup aversion. In addition, the minimal intergroup experiments by Tajfel and Turner (1986) show that in decision-making situations the own group is given preferential treatment. This shows that even belonging to different social groups can lead to conflict potential,

without taking other factors such as different values, attitudes, or orientations into account.

With regard to orientation Lawrence and Lorsch (1967) point out several aspects of different departmental orientations. The most common aspect referred to in literature is that Sales is short term oriented due to the fact that their performance is measured by closed sales. Marketing success on the other side cannot be assessed so simply. It is difficult to evaluate the effectiveness of marketing activities and some marketing activities as changes in the brand image require a long time to develop. Therefore, often the marketing effort rather than the end result is evaluated by considering the process and preliminary intermediate results. Thus, marketing has a more long-term orientation and pursues overriding goals such as building competitive advantage (Rouziès et al., 2005; Kotler et al., 2006; Lorge, 1999; Cespedes, 1995). Another point that is mentioned is that Marketing focuses more on products and Sales focuses more on accounts in the sense of customers (Homburg et al., 2008). Since Sales is more focused on people, it tries to build relationships with their customers and sell on an individual level. Marketing, on the other hand, has a more abstract understanding of the customer. It is less concerned with the individual customer but analyses data from market segments or aggregations of customer groups. The daily activities of the two departments also differ greatly from each other. While Sales is in direct contact with the customers on a daily basis and takes care of the acquisition of new customers as well as the presentation of the products and service requests of existing customers, Marketing is more project related. The planning of the introduction of new products, the development of new advertising campaigns, or the preparation and implementation of annual marketing plans are in the foreground. Another difference is that Sales is in the field directly exposed to the pressure or the rejection of the customer. However, Marketing in the office remains largely unaffected by such direct customer influences.

Therefore, “interaction is problematic, alignment is lacking and conflicts are predominant” (Guenzi and Troilo, 2007). In addition to the different orientations, Krafft, Albers, and Lal (2004) point out that “sales is the only revenue-generating part of the organisation, while everything else is a cost centre” (Krafft et al., 2004, p. 265) including marketing. Due to this problematic relationship, the creation of *Customer Value* is very challenging.

Moreover, in many modern companies there has been a loss of development with regard to departmental structure within the past years due to reasons such as growth of the company or increasing pressure from both sides as customers and competitors. Therefore, the departments Marketing and Sales cannot be seen as totally separated units anymore since there are a lot of common decisions which are strongly influenced by the other department (Homburg,

Workman, and Krohmer, 1999). Nevertheless, to create *Customer Value* by meeting or even exceeding customers' expectations and needs, the departments Marketing and Sales have to work together closely (Guenzi and Troilo, 2007). Hence, they have to improve their cooperation or even reach *Integration* by reducing interdepartmental conflicts since only a high-level of cooperation or even *Integration* makes a smooth workflow possible within these departments (Guenzi and Troilo, 2006). Since the success of companies "depends on whether or not sales personnel are in strategic and operational alignment with their marketing counterparts" (Malshe et al., 2017a, p. 145). Thus, Guenzi and Troilo (2006) determine the *Integration* of these departments as mandatory requirement to create *Customer Value*. For lots of companies this implies major changes in the way they are managed, the *Structure* and a revision of the company's *Culture* as people's attitudes and behaviours since these can strongly affect the "ability of the company to create superior *Customer Value* and achieve competitive advantage" (Guenzi and Troilo, 2007).

Also, the company's processes have to be aligned with the customers' understanding of the perfect value to meet the customers' needs. Moreover, the companies have to be aware that they will have to shift more resources from the acquisition of customers in order to keep customers since the commitment of a customer to a long-term relationship with its supplier is increasingly important concerning the growing competition (Woodruff, 1997). Not only lots of costs can be avoided regarding to win new customers in the very competitive market to replace lost ones but also the advantage of seeing new opportunities before the competition does with regard to the provided product or service quality and the improvement of processes (Flint et al., 1997).

The studies examined on the influence of *Integration* on the creation of *Customer Value* show that there are basically very few studies that examine non-monetary consequences of *Integration*. There is no empirical study that deals with the influence of *Integration* on the possible special non-monetary aspect of *Customer Value* creation. There exists few studies like Troilo et al. (2009) that consider parts of *Integration* as for example collaboration and interaction separately with regard to their impact on superior *Customer Value* but no attention is paid to the numerous influencing factors to enhance *Integration* in the first place. Thus, the here conducted study investigates the impact of *Integration* on *Customer Value* while the factors influencing *Integration* are also taken into account aiming to close this research gap (2).

In summary, literature shows that the effectiveness of the relationship of Marketing and Sales, has a high impact on the creation of *Customer Value*. These considerations are supported by

the results of empirical studies as the investigation by Guenzi and Troilo (2007) that shows an significant positive impact of the existence of an effective relationship of Marketing and Sales on the creation of superior *Customer Value*. The research by Troilo et al. (2009) examined *Integration* according to Kahn (1996) as a combination of collaboration and interaction. The results show that only collaboration has a positive significant influence on superior *Customer Value*, whereas Marketing and Sales interaction has a negative impact on *Customer Value* contrary to expectations. The results of the investigation by Guenzi and Troilo (2006) also suggest that the *Integration* of Marketing and Sales generates *Customer Value* because of an increase in Marketing capabilities. As a result, the ability to better meet customer expectations is improved (Guenzi and Troilo, 2006, p. 985).

Therefore, consistent with the findings of these empirical finding it is suggest that an increase in *Integration* leads to the creation of *Customer Value*.

Hypothesis 1: The *Integration* of Marketing and Sales has a positive influence on the creation of *Customer Value*.

To improve the relationship, a cross functional coordination is required to achieve interdepartmental *Integration* (Guenzi and Troilo, 2007). Since interdepartmental relationship is not always unproblematic, there are various factors to consider. Guenzi and Troilo (2007) emphasise that “perceptions play a critical role in affecting the creation of superior customer value” (Guenzi and Troilo, 2007, p. 104) and Dewsnap and Jobber (2002) point out that “a better understanding [...] of the effects of relationships between Marketing and Sales will lead managers to design and institute organisational designs and human resource policies so as to minimise any negative intergroup effects” (Dewsnap and Jobber, 2002, p. 875). Therefore, following the meaning of *Integration* and possible influence factors in literature will be examined.

2.3 Integration

Since the creation of *Customer Value* is mandatory, not to stay behind the competition, inside the company, arrangements have to be made to meet the requirements for an improved cooperation or even *Integration* of Marketing and Sales as the most important and closest related company units to the customers.

Thus, the first thing to be explained is for what reason a cooperative behaviour of the considered departments is necessary in order to achieve the overriding goal of the company, to create *Customer Value*. Secondly, the interaction between Marketing and Sales is examined more closely, taking into account both the interface problems and the organisational requirements. Thirdly, the complex concept of *Integration* is examined in detail.

2.3.1 Interaction, Cooperation, and Collaboration

As suggested by Organisation Theory (Miller and Monge, 1986) and Contingency Theory (Ruekert et al., 1985), a more collaborative environment is established by joint decision making. This leads to an improved mutual understanding and less conflicts which in the long term supports the formation of the *Integration* of Marketing and Sales. The reason why companies should support *Integration* is “that sales–marketing integration is a dynamic process in which the two functional areas create more value for their firms by working together than they would create by working in isolation” (Rouziès et al., 2005, p. 115). This assumption is supported by Game Theory – the prisoner’s dilemma by Tucker (1983) that describes a symmetric two-person (not zero-sum) game that is played only once. The situation described there can be transferred well to the constellation of Marketing and Sales in companies. In summary, it describes a situation in which two parties have to make a decision independently of each other without being able to agree. The problem is that each party can improve itself if it chooses a non-cooperative strategy. However, this is only advantageous as long as the other party adheres to the cooperative strategy. Overall, that is, in a figurative sense from the company’s point of view, not the best possible situation since the party which cooperates suffers heavy losses which cannot be outweighed in sum by the benefit thereby obtained by the other non-cooperating party. If both parties choose an uncooperative strategy, it is a loss for both sides and the worst possible overall situation arises – for both the single parties and the overall company’s situation. The best overall situation, from the point of view of the company, occurs when the parties cooperate. This best overall situation, that is, the overall joint assessment of the situations of both parties, occurs when both parties cooperate. Which is also in accordance with the Organisations and Contingency Theory.

Thus, by applying this theory to situations within a company, the biggest challenge is that the company in terms of the *Leadership* must convince the departments to collaborate. Although taken individually, they could improve themselves by not sticking to the cooperation agreement. Therefore, it has to be emphasised that collaboration is essential for the company

to create *Customer Value* and for this reason it is necessary for the individual departments to put their individual needs back in order to achieve a better overall result which is in the company's interest. Of course, in addition to understanding, incentives must be created, for example, in the form of joint rewards. Although excellent interdepartmental coordination leads to greater efficiency, this doesn't mean that all *Tasks* have to be processed together but that there is a joint decision making-process in which all relevant departments are involved in order to achieve the best possible division or joint processing. This integrative approach enables high efficiency through mutual understanding and support. However, in order to make this possible, on the one hand *Leadership* must create, promote, and support a common, cross departmental attitude for this purpose. On the other hand the framework conditions must also be right in order to facilitate cooperation between the departments. For this purpose it is primarily necessary to take a closer look at the interaction of Marketing and Sales.

The basis of this behaviour is the interaction approach. Interaction is described as a three-stage approach. Firstly, an organism within an environment gestures while moving and sends out signals to other organisms. Secondly, another organism perceives this movements and then responds by changing its movements and thereby sending out its own signals to the environment, too. Thirdly, the first considered organism receives the signal of the second organism and responds by adapting its own behaviour. This behaviour is regarded as performed interaction (Mead, 1934). Since *Integration* requires a highly coordinated level of interaction, it is important to understand its fundamentals and, therefore, the System Theory by Bertalanffy (1969) is consulted. It is stated that "there appears to exist general laws which apply to any system of a certain type, irrespective of the particular properties of the system and the elements involved" (Bertalanffy, 1969, p. 37).

Systems Theory "views the individual, group, organisation, and the organisation's larger set of interdependent organisations as a dynamic, interrelated whole. Changes in one or more parts of this complex system imply changes for the others" (Mc Cann, 2004, p. 43). Thereby open and closed systems can be distinguished as known from natural science. For example, chemistry distinguishes between opened systems and closed systems (Mortimer and Müller, 2003). An opened system is characterised by existing relationships between the system and the environment. Whereas a closed system has no impact to the environment and there are just internal relationships existing (Ulrich, 1970). Therefore, Ruekert and Walker (1987) describe the interaction of Marketing and Sales as a form of open social system that consists of two or more individuals "that interact and exchange things of value on a regular basis" (Ruekert and Walker, 1987, p. 2; Haase, 2006). Moreover, with regard to a system there can be

distinguished between “things external” and “internal to the system” (Johnson, Tsiros, and Lancioni, 1995). To both “things” can be referred to as elements. Elements are defined as the smallest, not divisible possible unit (Ulrich, 1970) with different attributes and relationships (Fuchs, 1973). Thus, a system can be defined as a set of elements with either already existing relationships or the possibility to set up relationships (Ulrich, 1970). These relationships do not only directly influence the elements connected with but the entire environment within the system (Ulrich, 1970). As stated before in terms of an organisation by Mc Cann (2004), changes in one or more parts of this complex system imply changes for others (Ulrich, 1970). Due to the high amount of single elements within a system, connections or even relationships between all elements are not possible. So, subsystems are built to reduce the complexity (Wierum, 2001). Within the subsystem the amount of relationships increases whereas the amount of connections between the subsystems decreases (Fuchs, 1973). This theory can be transferred to any type of organisation as companies. The system is associated with the company. Units within the company, for example, Marketing and Sales are related to the subsystems. The single employees represent the elements. The environment consists of costumers, competitors, and many more (Haase, 2006). Since Marketing and Sales are referred to as subsystems, there are existing interfaces. To coordinate or even integrate company units, these interfaces constitute the biggest challenge a company has to face aiming to create *Customer Value* as stated by the Social Identity Theory (Tajfel and Turner, 1986), too. Marketing and Sales have to interlock across borders within the company to ensure a smooth supply of the customer outside the company with regard to its needs and expectations. Therefore, in order to achieve improved cooperation besides a *Leadership* that supports pulling together in one direction, structural organisational aspects must also be considered as these form the basis. Since „organisation theory today is a mosaic of different theoretical approaches“ (Ruekert et al., 1985, p. 15), it is helpful to brake down the term to its very foundation in order to make clear what Organisation Theory as an umbrella term is about. One of the first approaches was set by Weber (1947) and was called “bureaucracy”. Weber (1947) defines bureaucracy as “a structure of domination” (Weber, 1947, p. 219) and “bureaucratic administration means fundamentally domination through knowledge” (Weber, 1947, p. 225) meaning the most efficient and rational way according to him to organise a company. Thereby Weber (1947) distinguishes six features which characterise bureaucracy: First, it covers a fixed area of activity which is governed by rules. Second, it is organised as a hierarchy. Third, Action that is undertaken is based on written documents (preserved as files). Fourth, Expert training is needed, especially for some. Fifth, officials devote their full activity

to their work and sixth, the Management of the office follows general rules which can be learned (Swedberg and Agevall, 2005, p. 19; Weber, 1947).

In short, this characterisation which gets summarised to bureaucracy is “the combination of written documents and a continuous operation by officials constitutes the ‘office’ (bureau) which is the central focus of all types of modern organized actions” (Weber, 1947, p. 219).

Thus, already this early approach understands companies as a complex multi-layered construct. It is stated that overall “the fully developed bureaucratic apparatus compares with other organisations exactly as does the machine with the non-mechanical modes of production” (Weber, 1947, p. 973). Consequently, this also reinforces the assumption that a well-organised company is more successful and that a multitude of factors are responsible which have to be considered if different business units are to work more closely together or ultimately are integrated. The Contingency Theory by Ruckert et al. (1985) points out that a company’s *Structure* “the nature of the task, the way in which the task is organized, and the nature of its environment“ (Ruckert et al., 1985, p. 17) is responsible for the performance of the system. This illustrates how important and decisive the right corporate organisation is for the success of a company.

Within this approach the organisational and structural dimensions of *Centralisation*, *Formalisation*, and specialisation/differentiation are seen as most important to describe and understand how social systems work (Ruckert et al., 1985; Dalton, Todor, Spendolini, Fielding, and Porter, 1980; Hage, 1965; Pugh, Hickson, Hinings, and Turner, 1968; Van De Ven, 1976). Pugh et al. (1968) and Hage (1965) point out that *Centralisation* leads to greater effectiveness because the decision maker is able to plan, coordinate, and control activities, depending on the extent of decision sharing. *Formalisation* describes to what degree rules, processes, and contracts control all kinds of activities and relationships. The existence of rules supports building up routines with regard to repeating activities and situations. This also leads to an increase in effectiveness as greater specialisation or differentiation does, too. This is due to the fact that because by splitting *Tasks* into particular components a specialist is able to realise and solve problems faster and is also capable to adapt more easily to changing circumstances (Ruckert et al., 1985). But there is still a high variance in companies’ performance occurring that cannot easily be explained by these factors. Therefore, Ouchi and Ven (1980) argued that this may be due to the fact that other relevant variables are ignored, especially the characteristics of the companies’ larger environment and of the individual *Task* to be performed (Ruckert et al., 1985). Hence, the Contingency Theory of Organisational Structure has to be consulted, this is complemented by Morgan (1986) and Scott (1981) by

adding and taking into account the environment. Since companies are open systems, both internal needs but also changing external circumstances have to be considered within the managing process.

Thus, there is no “one fits all” way to organise companies because it is always depending on its environment, too. Van De Ven and Morgan (1980) back this up by naming three types of functions that all require a different level and type of organisation. The mentioned first get the institutional and corporate functions that are organised by different corporate structures, for example, company units. These functions are responsible to build and evaluate the companies’ sector, aims, and goals as well as its acquisition of resources. Second, there are planning, coordination, and control functions existing that can be summarised as management functions.

The third kind of functions can be summed up as instrumental or technical functions that carry out specific activities as research or individual product-market programs (Van De Ven and Morgan, 1980; Ruekert et al., 1985). Van De Ven and Delbecq (1974) declare that these differentiated ways of organisation still don’t pay enough attention to individual *Tasks* or work units within a company’s organisational *Structure* (Ruekert et al., 1985). That there is not the one single key of success with regard to organisational *Structure*, might be due to individual characteristics of the company itself or any other specific features that are hard to measure and control, but one factor that plays a huge role is the companies’ larger environment. Within this environment is the company’s customer located including its individual needs and expectations. To meet this, a company has to find its individual matching organisational *Structure*, but, moreover, ensure a smooth flow within this *Structure* enabled by *Integration* to provide the best possible service to the customer, as this is responsible for the long-term success of the company independent of the individual company’s *Structure*.

Beyond individual *Tasks* and the environment the Contingency Theory additionally considers the need for adaption of organisational *Structure* with regard to different dimensions of performance as short run and long run efficiency and effectiveness. This is a further reason for the not existing one-fits-all organisational *Structure*. Therefore, a close cooperation or even *Integration* of company functions or units is essential to enable the creation of Customer Value. Ruekert et al. (1985) point out that the business sales context is increasingly complex and, therefore, “force marketing and sales to get nicer and closer to each other” (Matthyssens and Johnston, 2006, p. 339). In reference to Day and Montgomery (1999) there are several subjects standing out by taking a look at emerging markets.

Firstly, besides from products nowadays companies mostly offer a high level of service and know-how that requires a closer cooperation of the Sales and Marketing departments. To meet customers' expectations and be head of competitors a frictionless flow within the company is crucial (Day and Montgomery, 1999).

Secondly, a change in the purchasing behaviour can be observed. Terms like "co-makership" and "early supplier involvement" describe the merging relationship of supplier and customer. To be able to offer tailored solutions rather than standard products to the customer, the sales managers' role has to evolve from a one-dimensional selling job to a comprehensive, caring, and consulting partnership. Additionally, the buyers reduce their number of suppliers which causes a reduction of customers for the suppliers. Hence, the importance of the single customer increases and calls for special treatment. To tie relevant competences for the customer and distribute customer's need within the company, an excellent cooperation between the relevant departments is essential (Matthyssens and Johnston, 2006).

Thirdly, it can be witnessed that the industrial products or services increase in their diversity and, thus, micro markets arise. To cope with this, Marketing and Sales have to work together intensively. On the one hand, Marketing has to be provided with insides to market developments and occurring opportunities. On the other hand, Sales is in need for correct product positioning and targeting and has to be supported by tailored marketing actions and offerings (Matthyssens and Johnston, 2006). Fourthly, the decreasing lifetime of products has to be mentioned. Hence, higher pressure on innovations, market introductions, and order processing result. For this reason flexibility and integrated internal and external communication on both sides are mandatory.

Summarising, Sales and Marketing *Integration* is gaining in importance additionally because to various external factors. Therefore, it shows that *Integration* of Marketing and Sales is essential as "two functional areas create more value for their firms by working together than they would create by working in isolation" (Rouziès et al., 2005, p. 115). For this purpose, on the one hand, the internal attitude of the departments must be right in order to overcome the existing interfaces and create a common group affiliation. This must be supported and promoted by the *Leadership*. On the other hand, the structural and organisational conditions have also to be adapted in order to enable and support smooth cooperation.

But since *Integration* of company units has to be taken in a wider understanding than a smooth, interfunctional cooperation, the comprehensive meaning of *Integration* is examined in the following subsection.

2.3.2 Definition of Integration

By defining *Integration*, Rouziès et al. (2005) point out “that it is important to distinguish the *Integration* construct from related constructs such as interactions, communications, and involvement” (Rouziès et al., 2005, p. 115). Thus, according to Kahn (1996) “a definition of interdepartmental integration is lacking“ (Kahn, 1996, p. 138). This becomes very apparent when one considers one of the first statements of Lawrence and Lorsch (1969b) with regard to the term *Integration*. It is stated that “While we will be using the term ‘integration’ primarily to refer to this state of interdepartmental relations, we will also, for convenience, use it to describe both the process by which this state is achieved and the organisational devices used to achieve it” (Lawrence and Lorsch, 1969b, p. 11).

Thus, a sharp definition is necessary to build on as there are different approaches existing with regard to *Integration*. *Integration* is often seen as a one-dimensional construct that deals either with interaction and communication (Ruekert and Walker, 1987) or with collaboration (Lawrence and Lorsch, 1967). Some refer to *Integration* as the sum of both (Gupta et al., 1985). The interaction component considers the frequency of meetings and documented information exchange that shall predict the relationship among departments. In this approach, communication is the key component for cross-departmental relationships. However, Kahn and Mentzer (1998) found that a certain level of interaction is necessary for an effective interaction, but too much interaction decreases the quality of information.

The second collaborative perspective is described in terms of unstructured, affective relationship and is defined with regard to the work of Appley and Winder (1977) on collaboration as an „affective, volitional, mutual/shared process where two or more departments work together, have mutual understanding, have a common vision, share resources, and achieve collective goals“ (Kahn, 1996, p. 139).

The third approach, which includes both components considers “the extent of [...] involvement and information sharing [...] as a measure of the degree of integration“ (Gupta et al., 1985, p. 15). This is investigated by Kahn (1996) and Kahn and Mentzer (1998) and it emerges that interdepartmental cooperation has a significant impact on the various performance outcomes considered whereas both investigations didn’t show significant results with regard to interaction. Nevertheless, it is noted that a certain degree of interaction is necessary and plays “a role as a component of integration, though this role may be secondary to collaboration” (Kahn, 1996, p. 147). Moreover, it is pointed out that *Integration* is a multi-faceted construct since it can refer to different levels as goals, resources, or activities by the companies’ units. Though it has to be noted that the importance of the single components vary

with regard to different researchers. Information exchange, communication, and team work, for example, are seen minor important to *Integration* by Kahn and Mentzer (1998) and Drewsnap and Jobber (2000). Rouziès et al. (2005) define Sales–Marketing *Integration* broader “as the extent to which activities carried out by the two functions are supportive of each other” (Rouziès et al., 2005, p. 115) since a random increase in communications as useless information overload may even reduce rather than increase *Integration*. Furthermore, to be supportive the company units, on the one hand, have to be consistent in terms of shared goals and, on the other hand, congruent in terms of the timing of activities. Additionally has to be noted that successful *Integration* of company units is not the same for all combinations of units (Rouziès et al., 2005).

By taking a closer look at the definition of *Integration* as shown in Table 3 one similarity appears. There would be no *Integration* if company units had not an appositive attitude towards voluntary helping and supporting the other units. Therefore, Kotler et al. (2006) point out that Marketing and Sales *Integration* generates *Customer Value* due to an increase of organisational citizenship that can be seen as a necessary precondition to an increase cooperation or even *Integration*.

Table 3 Integration – Definitions

| Definition | Author, Year |
|--|------------------------------------|
| [...] interdepartmental integration [...] the degree to which the departments engage in collaborative activities – the degree to which they work together as a team and share resources to make strategic decisions, develop implementation plans, and assess performance of these strategies and plans. | Guenzi and Troilo (2006), p. 115 |
| [...] the term “integration” indicates a need to create a single function/process and combine the parts into a whole | Guenzi and Troilo (2007), p. 940 |
| Inter-departmental integration stems from both interaction (that is formal and informal communication processes and information flows) and collaboration (i.e. the existence of shared goals, resources and activities, as well as mutual understanding). | Homburg and Jensen (2007b), p. 102 |
| [...] integration as a state of high degrees of shared values, mutual goal commitments, and collaborative behaviors. | Homburg et al. (2008), p. i |

Table 3 Integration – Definitions (continued)

| Definition | Author, Year |
|--|---|
| ... we [...] define Marketing–Sales integration as the degree to which there is interaction and collaboration between Marketing and Sales units. | Hulland, Nenkov, and Barclay (2012), p. 874 |
| Overall, sales–marketing integration is one of the most important issues facing sales and marketing managers today. | Kahn (1996), p. 451 |
| When Sales and Marketing are fully integrated, boundaries become blurred. Both groups redesign the relationship to share structures, systems, and rewards. | Le Meunier-Fitzhugh and Piercy (2007b), p. 72 |
| ... integration between R&D and marketing, which indicated that the collaborative elements of collective goals, mutual understanding, informal activity, shared resources, common vision and esprit de corps have a greater impact on performance than simply interaction. | Le Meunier-Fitzhugh and Piercy (2009), p. 613 |
| Integration is defined as the process of achieving unity of effort among the various subsystems in the accomplishment of the organization's task. | Le Meunier-Fitzhugh and Piercy (2009), p. 4 |
| [...] integration; that is, for the groups to work together cooperatively. | Massey and Dawes (2007), p. 887 |
| [...] cross-functional integration is measured by the level of cross-functional involvement, the quality of cross-functional information, and the harmony of cross-functional relations. | Rouziès et al. (2005), p. 53 |
| Coordination and cooperation are two strategic mechanisms for synergetic cross-functional integration, whereas navigating power and internal competition dynamics are inherent to organization. | Rouziès et al. (2005), p. 60 |
| We define sales–marketing integration as the extent to which activities carried out by the two functions are supportive of each other. | Ruekert and Walker (1987), p. 115 |
| [...] integration is defined as a multidimensional process that comprises the two distinct processes of interaction. | Song, Xie, and Dyer (2000), p. 139 |

Table 3 Integration – Definitions (continued)

| Definition | Author, Year |
|---|--|
| Cross-functional integration requires employees from different departments to communicate and interact, in order to exchange work, resources, and assistance. | Souder (1987), p. 1118 |
| [...] the term “integration” [...] we define „ the quality of cooperation“ as the extent to which there is a state of collaboration between marketing and sales that is characterized by unity of effort. | Troilo et al. (2009), p.126; Lawrence and Lorsch (1967), p. 139 |

The concept of the “Organizational citizenship behaviour” by Katz (1964) and its expansion by Organ (1988) describes “individual behaviour that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization” (Organ, 1988, p. 4). More precisely, organisational citizenship is an action that is performed voluntarily by the personal choice of the employee, definitely goes beyond the requirements of the job description and adds positively to the overall organisational effectiveness. Guenzi and Troilo (2006) also refer to Katz’ concept of organizational citizenship behaviour and stress that the *Integration* of Marketing and Sales creates *Customer Value* because here, too, altruistic behaviour has to be demonstrated (Guenzi and Troilo, 2006, p. 984). Concerning his article from 1988 (Organ, 1988) Organ (1997) points out that a shift in classic job roles has occurred. Nowadays jobs’ *Responsibilities* and *Tasks* are no longer stiff and inflexible, but evolved to more comprehensive and ambiguous roles inside companies. Therefore, “discretionary” can no more easily be clearly defined. Organisational citizenship behaviour persists of behaviours other than those essential to perform the actually job routine. It is noted that this behaviour adds to the overall companies’ success. Besides, it has to be said that these behaviours are random, therefore, the extent of performance is chosen individually by the employee. Additionally, it must be considered that organisational citizen behaviour in first place is not rewarded. In case of rewards it is indirect and uncertain (Organ, 1997). Hence, Organ (1997) identified the construct of organisational citizen behaviour as multidimensional: first dimension “altruism” and second dimension “general compliance”. Altruism in a working context basically is helping behaviour either directed within or outside the company. Although there is no direct connection or relationship between the altruism and a particular

benefit for the company, Smith, Organ, and Near (1983) point out that in the long run the sum of helping behaviour of all employees may be advantageous for the company in any way.

General compliance is beneficial to a company in several ways. It leads to a low rate with regard to times absent and there is high commitment to existing rules that supports the companies' efficiency. Moreover, the employees are more productive since abuse of working time as excessive breaks or following personal matter occurs rarely, hence, the workforce is more productive (Organ, Podsakoff, and Mackenzie, 2006). The general compliance dimension was extended by Smith et al. (1983) to a five factor model by keeping "altruism" and its definition and adding "courtesy", "conscientiousness", "civic virtue", and "sportsmanship".

"Courtesy" refers to behaviour that avoids work-related conflicts in terms of a helping behaviour that prevents problems from arise (Organ, 1988). These can be small actions like getting coffee or extra copies of documents for colleagues, too.

"Conscientiousness" relates to behaviours that exceed the minimum employees' requirements of a company with regard to acceptance of rules, regulations, and processes of a company.

"Civic virtue" is defined by positive involvement and strong concerns in companies' concerns (Organ et al., 2006). "Civic virtue" is shown by employees when they are attending meetings, show interest in general information concerning the company, or even defend the company's attitude and practices outside the company if necessary. "Sportsmanship" is explained as a behaviour that shows the employees' willingness not to complain and blow unimportant matters and to tolerate unfavourable circumstances. Organ et al. (2006) emphasise that a reduced amount of complaints saves for the company time and energy. For further research Organ et al. (2006) point out that the five dimensions mentioned by Lepine, Erez, and Johnson (2002) are highly correlated by not having much differentiation and, therefore, an overlap in dimensions. Thus, organisational citizenship in the sense of an open and helpful attitude of the individual employees is a prerequisite that must be given in addition to the organisational and structural conditions in order to enable *Integration* at all.

In summary, literature shows that *Customer Value* is a way to differentiate from the competition and can, therefore, be a way to gain a competitive advantage, which is desirable for companies. It can be seen that although the *Customer Value* approach is considered in the literature, there is no uniform understanding that goes beyond the assessment of advantages and disadvantages and currently still receives rather less attention in empirical research. This is, thus, the first research gap that has to be examined more closely here.

The fact that the *Integration* of Marketing and Sales can make an important contribution to the creation of *Customer Value* is also occasionally pointed out in the literature. However, this is also a poorly empirically investigated area.

The *Integration* of Marketing and Sales, on the other hand, is of great interest in the literature, but here, too, is no uniform understanding with regard to the operationalisation and often only individual components as cooperation and collaboration are considered separately. However, to be able to make a generally recognised statement on the definition of *Integration*, a uniform understanding is necessary. Therefore, there is a need for further empirical research, to investigate the understanding of *Integration* which is a further research gap that is to be addressed by this study. To close this research gap, for the here conducted study a reliable operationalisation of *Integration* is chosen following Kahn (1996) that operationalised *Integration* as a combination of interaction and collaboration following the early definition by Gupta et al. (1985). The aim is to show that although later studies named different terms as just collaboration by Ellinger (2000) or Homburg and Jensen (2007a) referring to cooperation, the combination of both, as also used by Troilo et al. (2009) in line with Kahn (1996), best represents the comprehensive *Integration* approach. This understanding will contribute to the urgently needed closing of the gap to a uniform understanding of *Integration* aiming to avoid further confusion by the use of different terms for the same topic. Also ensuring that *Integration* cannot be represented by just parts of it and, thereby, driving forward a uniform understanding of *Integration* (research gap 3).

In addition to the lack of agreement on the content of the *Integration* approach, there is also a lack of a uniform definition of factors that favour *Integration*. Literature shows that studies which deal with *Integration* take only a few influencing factors into account, but there is a lack of a holistic and simultaneous consideration of influencing factors in order to assess their relevance on the *Integration*.

2.4 Influence Factors

Guenzi and Troilo (2006) point out that “the capacity to offer superior Customer Value and to achieve a competitive advantage requires a joint effort of Marketing and Sales departments” (Guenzi and Troilo, 2006, p. 976). Moreover, the results of their investigation indicate that *Integration* clearly exceeds the components of interaction and collaboration and that other factors influence *Integration* in different ways. Therefore, to pave the way in order to allow joint effort in terms of *Integration* of Marketing and Sales and corresponding functions as

Key Account Management, several influence factors have to be defined. Since a quantitative research approach is chosen, the relevant factors and the resulting hypotheses are derived on the basis of theory. The chosen theories are suitable to provide an explanation of the background and connection of the chosen factors influencing *Integration*. The implications that can be derived from the selected theories are compared with literature on *Integration* with regard to the constructs used there, their empirically measured influences, and directions of action. In order to derive indications of relevant factors influencing *Integration*, the similarities and differences of the results of the studies under consideration are worked out in detail. Thus, the list of influencing factors on *Integration* can be developed on the basis of the complete literature research underpinned by theory and ensure that all relevant factors are taken into account.

By reviewing literature on the *Integration* of Marketing and Sales, it becomes apparent that there are only few relevant empirical studies on this topic. Only Ayers et al. (1997) refer directly to *Integration*, however, not for Marketing and Sales viewed here, but with regard to Marketing and ‘Research and Development’ and with perceived effectiveness and new product success as target variables. The influencing factors centralisation and role formalisation, which are also investigated in this study, were taken into account. Though, no further factors influencing the *Integration* of Marketing and ‘Research and Development’ were examined. The same applies to the study by Kahn (1996). Here *Integration* in terms of interaction and collaboration is looked at with regard to Marketing, Manufacturing, and also ‘Research and Development’. The focus in that study is on product performance as target variable in terms of development performance and product development performance whereby again no influence factors on the interdepartmental *Integration* are examined. The investigation by Snyder, Mckelvey, and Sutton (2016) examined the Marketing and Sales *Integration* based on the survey instrument provided by Kotler et al. (2006) to analyse the level of structural alignment. It showed that structural closeness of Marketing and Sales and *Communication* are key factors to ensure interdepartmental cooperation. Moreover, clear definition of cross-functional tasks as well as financial incentives and new technologies achieve high alignment. Sleep, Lam, and Hulland (2018) found that it is helpful to support an interdepartmental view on the customer to further bridge the gap between Marketing and Sales. This is further supported by the creation of common goals and a shared strategic direction, which also underpins a consistent reward system that further supports the *Integration* of marketing and sales. The most recent study by Le Meunier-Fitzhugh and

Massey (2019) shows that the topic of integrating Marketing and Sales still plays an important role in research and that there is still a need for it. It is particularly pointed out that this is the first study that simultaneously tests a more comprehensive set of *Integration* mechanisms with regard to Sales and Marketing conflict and Marketing and Sales collaboration aiming for business performance. In accordance with Rouziès et al. (2005), it is paid attention to cross-functional project teams and the structure of Marketing and Sales in terms of structural topics and to cross-functional meeting structure, cross functional training, opportunity for job rotation, and the location of marketing staff with regard to process and system topics. Following on from this, the here conducted study also addresses the structural, process, and system issues examined by Le Meunier-Fitzhugh and Massey (2019) although the consideration of further influencing variables will allow an even more comprehensive view of the *Integration* of Marketing and Sales.

There are, however, a larger number of quantitative studies that deal with individual aspects of *Integration*. The research group around Le Meunier-Fitzhugh is clearly the strongest represented and has contributed the most relevant studies over the last twenty years. In general, most of the conducted quantitative investigations concentrate on aspects of *Integration* with regard to Marketing and Sales as collaboration (Le Meunier-Fitzhugh and Massey, 2019; Le Meunier-Fitzhugh and Piercy, 2011; Le Meunier-Fitzhugh et al., 2011b; Le Meunier-Fitzhugh and Piercy, 2009; Le Meunier-Fitzhugh and Lane, 2009; Le Meunier-Fitzhugh and Piercy, 2007a; Ellinger, 2000). In the following, an overview of the influencing factors analysed in the research is given in order to identify the most frequently used factors as an indicator to derive the relevant influencing factors for the *Integration* of Marketing and Sales considered here.

Starting with the study by Le Meunier-Fitzhugh and Piercy (2011), it shows that they did not view any influence factors on the examined impact of collaboration between Marketing and Sales on the regarded business performance whereas the investigation by Le Meunier-Fitzhugh et al. (2011b) on the collaboration between Marketing and Sales considers interfunctional-conflict, senior support for coordination, and rewards alignment as influencing variables. Le Meunier-Fitzhugh and Piercy (2009) studied the influence of management attitude towards coordination, communication, interdepartmental conflict, and market intelligence as influence factors on the collaboration between Marketing and Sales with respect to business performance. The study by Le Meunier-Fitzhugh and Lane (2009) examined market orientation as a prerequisite for business performance being influenced by the collaboration between Marketing and Sales, management attitude towards collaboration, and

market intelligence system. Le Meunier-Fitzhugh and Piercy (2009) viewed management attitudes towards coordination, communications, organisational learning, and marketing intelligence as factors influencing the collaboration between Marketing and Sales with regard to business performance. Le Meunier-Fitzhugh and Piercy (2007b) also investigated business performance as target variable with collaboration between Marketing and Sales as influencing variable. Collaboration in turn is regarded as being influenced directly by organisational learning and interdepartmental conflict. Additionally, it is further indirectly influenced by market intelligence, communications, and management attitudes towards coordination. Ellinger (2000) looked at logistics and Marketing in terms of distribution service performance. The evaluation and reward system are set as a prerequisite for cross-functional collaboration leading to effective interdepartmental relations. That in turn influences distribution service performance.

Further examinations with related approaches were conducted like the investigation by Gounaris and Tzempelikos (2014) on relationship quality also referring to structure in terms of centralisation and formalisation. The investigations by Cometto et al. (2016) and Massey and Dawes (2007) both deal with perceived relationship effectiveness. Cometto et al. (2016) regard the amount and quality of communication as well as cognition and affect-based trust as being responsible for the perceived relationship effectiveness. However, the study by Massey and Dawes (2007) divides communication even further into communication quality, bidirectional and communication frequency and, additionally, takes functional and dysfunctional conflict into account. Narver and Slater (1990) are concerned with the examination of interfunctional coordination with regard to business performance but no factor influencing the interfunctional coordination was examined. Moreover, some more frameworks are presented.

Le Meunier-Fitzhugh and Piercy (2010) divided their findings into topics that are out of control of the employees of Marketing and Sales like management attitudes to coordination, interdepartmental culture, and structure and orientation. And into topics like inter-functional conflict, communications, market intelligence, and learning that are directly in control of Marketing and Sales themselves to enable a collaboration between Marketing and Sales. Before that Le Meunier-Fitzhugh and Piercy (2007a) found by three exploratory cases studies that there are three types of factors influencing collaboration between Marketing and Sales. They divided these into integrators, facilitators, and management attitudes towards coordination. Integrators include such aspects as communication and conflicts of interest,

whereas facilitators include, for example, rewards and cross-departmental training. Malshe et al. (2012) introduced a holistic framework that presents factors that are also suitable on *Integration* of Marketing and Sale, although this is used in a slightly different context. Thereby, culture, vision, alignment, and knowledge are mentioned. Rouziès et al. (2005) provided a framework for the Marketing and Sales *Integration* considering Structure, Process/Systems, Culture, and People as relevant integrating mechanisms aiming for performance by an improved Marketing and Sales *Integration*. Madhani (2016) indicates that an organisation can achieve the *Integration* of Marketing and Sales by emphasising shared responsibilities, identifying key customers, establishing a common language, integrating customer information, job rotation and incentive schemes.

The evaluation of the references viewed above clearly shows topics that are frequently represented in the investigation of subjects closely related to the *Integration* of Marketing and Sales. On this basis, the influencing factors for investigating *Integration* were selected for this study. In the following, the most frequently represented influencing factors are identified. Subsequently, their exact meaning and background as well as the theoretical foundation, will be discussed separately for the individual influencing factors.

The most frequently raised topic is *Communication*. This topic is raised by Cometto et al. (2016), Snyder et al. (2016), Le Meunier-Fitzhugh and Piercy (2010), Le Meunier-Fitzhugh and Lane (2009), Le Meunier-Fitzhugh and Piercy (2009), Massey and Dawes (2007), and Le Meunier-Fitzhugh and Piercy (2007b) in their investigations. It shows that *Communication* is a intensively discussed influencing factor with regard to quality, frequency and bidirectionality having a big impact on interdepartmental relationship. From this it is derived that *Communication* is also a relevant influencing factor for the *Integration* of Marketing and Sales and, therefore, it is taken into account in the study.

The topic that receives the second most attention in the studies considered appears under the management attitude or senior management support in the investigations by Le Meunier-Fitzhugh et al. (2011b), Le Meunier-Fitzhugh and Piercy (2009), Le Meunier-Fitzhugh and Lane (2009), Le Meunier-Fitzhugh and Piercy (2010), Le Meunier-Fitzhugh and Piercy (2007a). For this reason, this influencing factor is also viewed for the *Integration* of Marketing and Sales under the umbrella term *Leadership*.

The topic of interfunctional conflict is similarly frequently represented in the studies investigated. It receives attention as interfunctional conflict by Le Meunier-Fitzhugh et al.

(2011b) and Le Meunier-Fitzhugh and Piercy (2010), as interdepartmental conflict by Le Meunier-Fitzhugh and Lane (2009). Massey and Dawes (2007) distinguishes between functional and dysfunctional conflict whereas Le Meunier-Fitzhugh and Piercy (2007a) refer to it as conflict of interest. Since conflicts can represent an obstacle to the *Integration* of Marketing and Sales, which is certainly fuelled by the differences between them, this topic is also included in the study as *Conflict Management*.

The study by Le Meunier-Fitzhugh and Piercy (2010) examines structure and orientation as an influence on the target parameters of cooperation between Marketing and Sales like the studies by Menon et al. (1997) and Gounaris and Tzempelikos (2014) which also examine centralisation and formalisation under the umbrella of organisational structure with regard to interaction and relationship quality, respectively. Ayers et al. (1997) perceive centralisation and role formalisation as direct influencing factors in the investigated *Integration* of Marketing and 'Research and Development' aiming for perceived effectiveness and product success. The study by Rouziès et al. (2005) perceives structure as one of four integrating mechanism with regard to the Marketing and Sales *Integration*. Moreover, the recent investigation by Le Meunier-Fitzhugh and Massey (2019) also refer to the structure of Sales and Marketing in the proposed integrating mechanisms. Therefore, the term *Structure* is used for the here conducted study to describe the centralisation and formalisation of the company. In order to make the concept of role formalisation more tangible, it will further be examined in this study under *Tasks and Responsibilities*. This is supported by the study of Madhani (2016) who also sees shared responsibilities as an important factor influencing the *Integration* of Marketing and Sales. Snyder et al. (2016) also examine the *Integration* of Marketing and Sales and find support that cross-functional tasks and shared work favour the *Integration*.

A further point that can also be derived from the studies viewed and should, therefore, also be included in the consideration of the factors influencing the *Integration* of Marketing and Sales is the *Culture* of the company and the departments. Madhani (2016) mentions in his study the importance of a common language for the *Integration* of Marketing and Sales. The studies of Malshe et al. (2012), Le Meunier-Fitzhugh and Piercy (2010), and Rouziès et al. (2005) refer to *Culture* for being important with regard to collaboration or *Integration*.

Furthermore, the study of Sleep et al. (2018) refers to common goals, shared strategic direction, and a consistent reward system which favour the closing of the *Integration* gap considered and Le Meunier-Fitzhugh and Piercy (2007a) also mention rewards having a positive impact on the collaboration of Marketing and Sales. Le Meunier-Fitzhugh et al. (2011b) more precisely refer to the alignment of rewards also aiming for the collaboration of

Marketing and Sales. The investigation of Ellinger (2000) deals with the improvement of the cross-functional collaboration of Marketing and Logistics. It is stated that evaluation and reward systems can be used to stimulate or foster the cooperation between functional areas to achieve common goals (Ellinger, 2000, p. 86). Snyder et al. (2016) and Madhani (2016) both refer to incentives that favour the *Integration* of Marketing and Sales. Malshe et al. (2012) relate more generally to the alignment and common vision in their ‘Sales-Marketing Interface Integrative Framework’. These aspects are to be applied in the study carried out here, too, and can be summarised for further investigation under the generic term *Strategy and Common Goal*.

A further influence factor is addressed based on the investigation by Homburg and Jensen (2007b) that revealed that interpersonal skills and product knowledge also impact the quality of the relationship Marketing and Sales. Moreover, the conceptual framework presented by Rouziès et al. (2005) refers to ‘people’ as one of the presented integrating mechanisms, too. Malshe et al. (2012) include knowledge in their framework. Therefore, the aspect of the employee with its unique skills and knowledge will be included in this study as *Competences*.

The examination of influence factors on the *Integration* of Marketing and Sales reveals a high variety of possible influence factors to consider but no agreement. Most of the presented influence factors have been viewed just partially and separate so far. Therefore, this study will test a comprehensive set of influence factors to be able to examine the relative effectiveness of these on the *Integration* of Marketing and Sales aiming for the creation of *Customer Value*. Hence, on the basis of these studies the influencing factors *Leadership, Competences, Responsibilities, Tasks, and Processes, Structure, Culture, Strategy and Common Goals, Conflict Management, and Communication* necessary for the *Integration* of Marketing and Sales are examined following a theory-based approach. Therefore, the next research gap is to carve out the most important influence factors with regard to the *Integration* of Marketing and Sales since there is no consensus in the literature and research and usually only a small set of possible influencing factors is included simultaneously in the investigation (Le Meunier-Fitzhugh and Massey, 2019). The study conducted here aims to close this research gap by contributing to the definition and empirical examination of a comprehensive set of relevant factors based on literature and empirically examined for the *Integration* of Marketing and Sales. The viewed influence factors are of big interest since they enable companies to enhance *Integration* by addressing the single influence factors building or improving the current *Integration* of Marketing and Sales (research gap 4).

2.4.1 Leadership

The mentioned factors by Fiedler (1967) are in line with the literature review that shows *Leadership* as a considered influence factor when examining the improvement and support of the cooperation of company units in varying contexts. Webster (1988) states with regard to market orientation that “Only the CEO can take the responsibility for defining customer and market orientation as the driving forces, because if he doesn’t put the customer first he has, by definition, put something else, the interests of some other constituency or public, first. Organization members will know what that is and behave accordingly. CEOs must give clear signals and establish clear values and beliefs about serving the customer” (Webster, 1988, p. 37). Jaworski and Kohli (1993) shares the same view, also with regard to market orientation, and also concludes that “unless an organisation gets clear signals from top managers about the importance of being responsive to customer needs, the organisation is not likely to be market-oriented“ (Jaworski and Kohli, 1993, p. 5).

Furthermore, Menon et al. (1997) examined the role of organisational factors affecting interdepartmental interaction with regard to product quality. Thereby, interdepartmental interaction in terms of conflict and connectedness are considered. It is argued that interdepartmental interaction enhances responsiveness to customers with regard to the entire marketing mix (Menon et al., 1997, p. 188). Here, the role of *Leadership* is seen in taking the risk of creating an environment that encourages interdepartmental cooperation to increase the interdepartmental connectedness and, thereby, to decrease interdepartmental conflict. This is described here as a risk as there is always a certain risk of failure, especially when introducing new innovative processes and policies. The result shows a significant influence of *Leadership* on interdepartmental interaction in terms of fewer conflicts and higher connectedness (Menon et al., 1997, p. 188).

The exploratory case studies conducted by Le Meunier-Fitzhugh and Piercy (2007b) examine factors that affect the collaboration between Sales and Marketing and develop a conceptual framework. Thus, the attitude of the management towards the coordination also plays a central role in creating and improving collaboration between Marketing and Sales. The role of management is seen in “aligning goals, promoting mutual understanding, establishing Esprit de Corp, sharing resources and creating a common vision” (Le Meunier-Fitzhugh and Piercy, 2007b, p. 944).

Another study by Le Meunier-Fitzhugh and Piercy (2007a) investigates the benefits of an increased collaboration between Marketing and Sales for the organisation thorough improved

business performance. Hence, one of the identified antecedents is again management attitude towards collaboration. Here, however, no direct influence on the cooperation between Marketing and Sales is assumed but a direct influence on the conflict potential between the departments which then has a direct influence on the cooperation. Here, the results show a negative significant relationship between interdepartmental conflict and collaboration with regard to Marketing and Sales and an also negative significant relationship between management attitude towards coordination and interdepartmental conflict. This emphasises once again the important role of the attitude of *Leadership* towards the *Integration* of Marketing and Sales. A negative attitude of the *Leadership* towards the *Integration* fuels a high conflict potential which makes the *Integration* of the considered departments difficult or even impossible.

The qualitative investigation carried out by Le Meunier-Fitzhugh and Piercy (2010) identified management attitudes towards collaboration as an important factor that supports the creation of Sales and Marketing collaboration by having a positive direct impact on subjects like communication and inter-functional conflict. To achieve this, senior managers should take responsibility for the complex relationship between Sales and Marketing and improve the willingness of Sales and Marketing to collaborate effectively (Le Meunier-Fitzhugh and Piercy, 2010, p. 292).

Although the role of *Leadership* was not part of the subject of the study conducted by Le Meunier-Fitzhugh and Piercy (2011), it is nevertheless noted that “Senior managers have an essential role in building an organisational environment that will allow for the development of collaboration and an understanding of the role that sales and marketing play in achieving organisational objectives by giving sales and marketing the tools to enable them to align their activities, share information more efficiently, and clearly understand each other’s contribution to achieving objectives“ (Le Meunier-Fitzhugh and Piercy, 2011, p. 294).

One further implication from the findings of the empirical investigation by Kahn (1996) on the impact of interdepartmental *Integration* on product and management performance is that “top management should consider programs that encourage departments to achieve goals collectively, have mutual understanding, work informally together, ascribe to the same vision, and share ideas/resources“ (Kahn, 1996, p. 147).

The investigation conducted by Madhani (2016) identifies *Leadership* as a major facilitator for Marketing and Sales *Integration* in terms of emphasising the advantages of overcoming Marketing and Sales barriers, create a *Culture* of cooperation, promote mutual understanding, and reduce conflicts by aligning Sales and Marketing objectives (Madhani, 2016, p. 23).

The qualitative analysis of Malshe, Al-Habib, Al-Torkistani, and Al-Khatib (2013) shows that in many cases leadership acts as a link between sales and marketing. This is understood as a gatekeeper role and helps to control which specific suggestions, complaints, inquiries or feedback find their way to the respective departments (Malshe et al., 2013, p. 359).

It becomes clear that *Leadership* makes an important contribution to the *Integration* of Marketing and Sales. However, this requires a closer look at the concept of *Leadership*, as this is a very general, overarching term. Therefore, the single leader is defined “as the individual in group given the task of directing and coordinating task-relevant group activities or who, in the absence of a designated leader, carries the primary responsibility for performing these functions in the group” (Fiedler, 1967, p. 8) for further investigation. To a high amount *Leadership* encompasses the ability of the leader to which he is enable by the company’s position to capture his group members in order to comply with and to accept his set direction. Hence, the leader’s position has to be fully accepted so that he can interact with his group members in terms of the group and mutual expectancies.

Moreover, according to the Leadership Practices model by Kouzes and Posner (1987) there are five practices that characterise a leader. First, “challenging the process” has to be mentioned, here a leader proactively looks for new solutions and searches opportunities and beyond encourages to innovate and to take risks. Second, “inspiring a shared vision” is mentioned in terms of creating and spreading a vision of the joint future with focus to encourage others to share this vision. Third, a leader should “enable to act” by supporting collaboration and cooperation and strengthening the ability of his team members to perform. Fourth, since the leader has an exemplary role, he should “model the way” by setting examples and behaving consistent to stated values and rules. Fifth, to “encourage the heart” high expectations are hold and communicated, thereby, contributions have to be recognised by linking performance and rewards. Moreover, accomplishments should be celebrated and by setting sub goals a leader enables his team members to experience tangible success (Shoemaker, 1999, p. 2). Overall, these points assume a good relationship between the leader and his team members as supported by Fiedler (1967).

Summarising, it can be said that from a theoretical and empirical point of view *Leadership* is an important influencing factor for the interdepartmental *Integration* of departments such as Marketing and Sales.

Hypothesis 2: *Leadership* has a positive influence on the *Integration* between Marketing and Sales.

2.4.2 Competences

As stated by Fiedler (1967), one of the most important factors with regard to the interaction of groups is the interpersonal relationship between the leader and his team members. Therefore, the second factor that is considered by the attempt to move Marketing and Sales closer together is employees and its *Competences*.

On the one hand, employees exist as part of a team or group within a company and can be described as "... a set of individuals who share a common fate, that is, who are interdependent in the sense that an event which affects one member is likely to affect all" (Fiedler, 1967, p. 6; Campbell, 1958). This gives rise to further topics that occur with regard to interaction and cooperation of single employees or departments in total, as *Communication*, the allocation of *Tasks and Responsibilities* and as *Conflict Management*, which have to be considered in the following, too.

For a company its employees play the most important role, when it comes to providing the customer with its desired product or service. By reviewing literature, it stands out that the employees as separate direct influence factors does not get mentioned often. This might be due to the fact that the employees' role is entangled in almost every examined topic. Thus, the focus when studying employees influence lies more on the employees' knowledge and skills (Day, 1994; Leonard-Barton, 1992) since its personal characteristics are more taken into count when it comes to interpersonal interactions which are considered separately in terms of *Communication* and *Conflict Management*. Though, a certain degree of intrinsic willingness to cooperate is mandatory to reach mutual goals. According to Leonard-Barton (1992), knowledge embodied in the single employee are knowledge and skills in terms of "firm-specific techniques and scientific understanding" (Leonard-Barton, 1992, p. 113). Wherein company specific trainings and long experience with company are included, too. Vorhies (1998) directs the employees' skills directly to "a firm's capacity for creating value through effecting the transformation of inputs to outputs" (Grant, 1996, p. 377; Vorhies, 1998). Moreover, a certain willingness to cooperate as stated by Organ (1988) by his concept of "Organizational citizenship behaviour" is mandatory because there always will be required actions to ensure a smooth, interfunctional work flow that goes beyond the requirements of the job description, but are important because exactly these actions add positively to the level of *Integration*.

The investigation by Homburg and Jensen (2007b) addresses differences between Marketing and Sales. Thereby, interpersonal and professional skills are distinguished. It is stated that

differences in knowledge and different interpersonal skills disrupt communication and, thus, have a negative influence on the cooperation of Marketing and Sales (Homburg and Jensen, 2007b, p. 128) which is basically seen as a prerequisite for *Integration* and the creation of *Customer Value*.

The study by Cravens, Ingram, Laforge, and Young (1993) sees “professional competences” as an important Sales characteristic aiming for sales organisation effectiveness. It is claimed that Sales is often constrained to carry out a variety of activities not directly related to the generation of revenue, at least in the short term, and, therefore, these are named non selling activities in this model (Cravens et al., 1993, p. 49). In addition, it is pointed out that in times of high competition many companies develop relationship-based sales strategies that require professionally competent salespeople (Cravens et al., 1993, p. 56). This illustrates that the necessity of employee competences is also important for supporting and increasing the *Integration* of the Marketing and Sales departments. *Integration* is not a direct sales activity either, but a necessary prerequisite for building *Customer Value* and long-term corporate success.

Hypothesis 3: *Competences* have a positive influence on the *Integration* between Marketing and Sales.

2.4.3 Processes, Tasks, and Responsibilities

Another factor mentioned by Fiedler (1967) is the "structure of the task" and is also noticed when reviewing relevant literature.

A *Task* can be described as “an assignment which the group undertakes on behalf of the organization” (Fiedler, 1967, p. 26). Moreover, a structured *Task* is referred to “one way of influencing member behaviour by means of the organisational sanctions which can be imposed, and it reinforces position power” (Fiedler, 1967). This points out the connection between the *Leadership* and *Task*. Since an unstructured *Task* is likely to dilute the leader’s influence, a highly structured *Task* is enforceable because the leader’s influence is already enclosed by the instructions inherent in the *Task*. By taking a closer look at *Tasks* and the meaning for the team or single employee, it is obvious that clearly assigned *Responsibilities* and boundaries lay the foundation for efficient *Tasks* and *Processes* (Day, 1994).

A *Process* can be described as a defined, structured, logical order of *Tasks*. It does not importantly has to be inflexible, but it is optimally fixed for any eventuality. Jayachandran,

Sharma, Kaufman, and Raman (2005) describe, for example, a relational information process consisting of five consecutive *Tasks* [five dimension] as shown in the following: „information reciprocity, information capture, information integration, information access, and information use“ (Jayachandran et al., 2005, p. 178). This shows a sequence of single *Tasks* that have to be fulfilled from the very beginning of enabling the customer to interact and share information with the company and enabling the company to respond to the customer until the actual use of information. If this information was well prepared after it was captured, integrated, and accessible for relevant usage, a company can benefit from this *Process* since then this information can be exploit “to understand the needs and behaviors of their customer [...] and develop and offer customer-specific products and services [...]“ (Jayachandran et al., 2005, p. 179).

Responsibilities deal with the clear assignment of *Tasks*. This requires a clear allocation of roles. According to Cespedes (1993), a lack of functional clarity leads to a dysfunctional conflict between Marketing and Sales. This in turn leads to a poor decision making. Matthyssens and Johnston (2006) also find that a lack of clarity about Marketing and Sales *Responsibilities* and their roles reduces decision-making efficiency by delaying execution or duplicating certain *Tasks* which also results in an overall slowdown.

The investigation by Ayers et al. (1997) shows that the clear demarcation of *Tasks* and *Responsibilities* has a significant, positive direct influence on the *Integration* of the considered departments. The study by Troilo et al. (2009) considers the interface between Marketing and Sales as a factor influencing the formation of superior *Customer Value*. On the one hand, the *Integration* of the two departments is considered to have a positive influence on the creation of *Customer Value* in terms of collaboration and interaction. On the other hand, this is also attributed to the clear allocation of roles. Contrary to expectations, however, the result only shows a positive influence of collaboration on superior *Customer Value*, whereas interaction shows a negative effect and role distribution shows no effect.

Hypothesis 4: *Responsibilities, Tasks, and Processes* have a positive influence on the *Integration* between Marketing and Sales.

2.4.4 Organisational Structure

Since *Responsibilities, Tasks, and Processes* have to be situated, an overall *Structure* of the company with regard to organisational topics comes into focus as the next influence factor by

the approach of integrating Marketing and Sales. This is in line with the Organisation Theory by Weber (1947) who refers to organisational topics as “organised hierarchy”, too. Moreover, Control Theory (Ouchi, 1979; Jaworski, 1988) addresses more precisely how factor and controls from the environment impact the output of companies. Whereby, it is stated that there is not only one right way to combine controls to navigate companies towards the desired outcome. Moreover, it has to be noted that a company’s *Structure* is a multi layered construct. Thus, Pugh et al. (1968) distinguish five primary dimensions of organisation *Structure*. The first dimension deals with specialisation. In a stage of high specialisation a *Task* is performed by one or more persons exclusively that occupy this particular function.

The second dimension addresses to standardisation. Weber (1947) referred to this as bureaucratic and traditional organisations with a high degree of standardisation or to charismatic companies. With regard to improvement of cooperation and the goal of reaching an individually optimal degree of *Integration*, standardisation has to be taken as a procedure for precise selection and advancement rather than in terms of workflow control.

The third dimension covers the subject of *Formalisation* with the meaning of to what extent “rules, procedures, instructions and communications are written” (Pugh et al., 1968, p. 75). These documents can be divided into three groups. The first group is built by documents that prescribe behaviours as terms of reference, job descriptions, and manuals of procedures. The next group is made up by documents serving to pass information from person to person as memo forms or house journals. The third group comprises written role performance documents that authorise the accomplishment of special *Tasks* in connection with the role of the employee as the inspection or maintenance of tools. Written documents bring clarity in lots of situations and, therefore, add to the efficiency of the company and may prevent the evolvment of conflicts. The way conflicts are managed also plays a prominent role and is referred to as a separate influence factor.

Centralisation represents the fourth factor when exploring organisational *Structure*. In favour of comparing the degree of *Centralisation* within companies identifying the level in hierarchy where executive actions can be authorised may be decided by asking the question “who is the last person whose assent must be obtained before legitimate action is taken – even if others have subsequently to confirm the decision?” (Pugh et al., 1968, p. 78). An additional different angle to look at *Centralisation* is the level of autonomy a company’s units possess. An indicator that realises autonomy is the amount of decision that has to be reported to the company’s headquarters. In this case a high variety can be observed within companies from highly independent to more dependant ones. The independent companies control almost all

occurring operations, whereas for more dependant ones as government agencies a high number of decisions have to be transferred upwards to higher authority (Pugh et al., 1968). The consideration of *Structure* in terms of Formalisation and Centralisation is reflected by various studies, as for example, Ayers et al. (1997) and Gounaris and Tzempelikos (2014).

The last dimension viewed by Pugh et al. (1968) is configuration. Thereby the shape of a company's role structure is described wherefore every single role of the company is taken into count. The vertical dimension is considered by the number of job positions (levels) between the highest hierarchical position as chief executive and the lowest hierarchical position as employees working directly on the output like cashiers in a bank or bus drivers in a bus company. The horizontal dimension is watched by either a percentage of, for example, direct output employees in comparison to the total numbers of employees in the company or ratios, for example, between subordinates and first-line supervisors.

The investigation by Ayers et al. (1997) with regard to antecedents to new product success also refers to Control Theory and, therefore, distinguishes between formal and informal control structures. Formal controls refer to written instructions initiated by the *Leadership* to guide employees in their actions to achieve defined targets. This can be further differentiated into input, process, and output controls. Before a project is implemented, the resources are regulated by the input control, such as specific recruitment or training. The output control establishes, monitors, and evaluates performance standards and the process controls the *Leadership's* effort to influence the resources in order to achieve the desired goals (Ayers et al., 1997, p. 108). In contrast, informal controls are unwritten mechanisms that are meant to affect the individual employee or group behaviour. Thereby, self, social, and cultural controls are distinguished. Self- and cultural controls differ in that the former are concerned with individual-based objectives, while the latter are concerned with values and patterns that guide behaviour in a company (Ouchi, 1979). Most important, with regard to the *Integration* of Marketing and Sales, are social controls. It is defined by Jaworski (1988) as "the prevailing social perspectives and patterns of interpersonal interactions within subgroups in the firm" (Jaworski, 1988, p. 27). Moreover, Ayers et al. (1997) state that „the level of integration [...] is a form of social control“ (Ayers et al., 1997 , p. 108) and that *Integration* can be actively supported by *Leadership* by implementing an appropriate organisational *Structure*. Gupta, Raj, and Wilemon (1986) suggests *Centralisation* and *Formalisation* – two of the five dimensions mentioned by Pugh et al. (1968) – are to reflect an organisational *Structure*.

It is emphasised that *Formalisation* includes both the aspect of regulation and the aspect of role specification and both may have an influence on *Integration*, but this investigation focuses on the latter, on role specification, in contrast to Pugh (1979).

The role *Formalisation* clarifies the *Responsibilities* of the departments considered and the dependencies between them. Therefore, this type of *Formalisation* is seen as a positive factor in terms of interdepartmental *Integration*, as opposed to *Formalisation* in regulatory terms (Ayers et al., 1997, p. 108).

The investigation by Ayers et al. (1997) perceives these as managerial controls to guide interaction toward desired goals. The assumption that „Integration [...] is constrained by centralized decision making, and raised by role formalization” (Ayers et al., 1997, p. 108) is reinforced by the significant findings. Although in this model *Integration* is an influencing factor on the success of new products and perceived effectiveness, the result is considered important for this study as *Integration* is also seen as a necessary pre-requisite.

Another study that considers organisational *Structure* to be a direct factor influencing the *Integration* of company units is conducted by Menon et al. (1997) with product quality as a target variable. It is also assumed here that *Centralisation* has a negative impact on the interdepartmental connectedness and that it even provokes interdepartmental conflict. In line with the study by Ayers et al. (1997), the results clearly show that *Centralisation* is significantly negatively linked to interdepartmental connectedness and contributes strongly to interdepartmental conflicts.

Moreover, Gounaris and Tzempelikos (2014) also consider *Centralisation* and *Formalisation* as organisational *Structure* with direct impact on relationship quality with regard to customers and performance outcomes as target variable in their conceptual framework. The organisational *Structure* is considered as an important issue as the *Structure* can hamper learning within the organisation and interdepartmental collaboration and, thus, reduce the ability of the supplier to respond quickly and effectively to customer needs (Gounaris and Tzempelikos, 2014, p. 1112). In this study also higher levels of *Formalisation* are associated with disadvantageous bureaucracy. In contrast to Ayers et al. (1997), however, here *Centralisation* does not refer to the role specification but, as with Pugh et al. (1968), to the freedom of decision which, thus, also has a negative effect on the ability to quickly and individually meet the special requirements of strategically important customers. Gounaris and Tzempelikos (2014) see interdepartmental *Integration* as part of their key account management orientation. It captures the willingness of suppliers to invest additional resources in order to meet their ability to fulfil the needs and expectations of their customers of strategic

importance (Gounaris and Tzempelikos, 2013). Thereby, interdepartmental coordination as proposed by Homburg, Workman, and Jensen (2002) is regarded as necessary in order to be able to respond to the needs of customers.

The recent investigation by Le Meunier-Fitzhugh and Massey (2019) also views the Structure of Marketing and Sales as an important factor with regard to collaboration. They found support that integrating Marketing and Sales is positively related to collaboration. For the assumption that a physical closeness will, additionally enhance collaboration no support was found. In their former investigation (Le Meunier-Fitzhugh and Piercy, 2010) they already explored by qualitative research that *Structure* as a factor being out of control of Marketing and Sales plays a critical role for the investigated collaboration between Marketing and Sales. Rouziès et al. (2005) also refer to *Structure* as an integrating mechanism on the Marketing and Sales *Integration*.

Therefore, a company's *Structure* and way of organisation has to be chosen wisely to enable the best service for the customer by enabling smooth, interfunctional cooperation to increase the company's level of *Integration*.

Hypothesis 5: *Structure* has a positive influence on the *Integration* between Marketing and Sales.

2.4.5 Culture

But there is more that shapes a company than its way of organisation, written “dos and don'ts” or precisely defined *Processes* and *Tasks*. A company's *Culture* determines working and living together and is also narrowly accommodated by the Contingency Model of Leadership by Fiedler (1967) as interpersonal relationship. Schwartz and Davis (1981) get to the heart of it by saying: “[...] what makes these firms tops will involve notions of their strategic sense, their clear organization, their management systems, and their excellent top people. Even then, a description generally ends up with statements about some vague thing called corporate ‘style’ or ‘culture’” (Schwartz and Davis, 1981, p. 30). In general, the anthropologists Kluckhohn and Leighton (1946) define *Culture* as “the set of habitual and traditional ways of thinking, feeling, and reacting that are characteristic of the ways a particular society meets its problems at a particular point in time” (Kluckhohn and Leighton, 1946, p. xviii). Schwartz and Davis (1981) transfer this to companies as “characteristic ways of making decisions, relating to bosses, and choosing people to fill key jobs” (Schwartz and

Davis, 1981, p. 30). This can be complemented by the definition of Barney (1986) who adds “a complex set of values, beliefs, assumptions, and symbols that define the way in which a firm conducts its business“ and, moreover, it gets pointed out that „a firm’s culture not only defines who its relevant employees, customers, suppliers, and competitors are, but it also defines how a firm will interact with these key actors“ (Barney, 1986, p. 657; Louis, 1983). Louis (1983) looks at a company’s *Culture* from a different angle by exploring *Culture* as “a set of understandings or meanings shared by a group of people. The meanings are largely tacit among members, are clearly relevant to the particular group, and are distinctive to the group. Meanings are passed on to new group members” (Louis, 1983, p. 5).

Malshe et al. (2012) present a holistic framework that identifies “key levers” that have to be integrated by coordination and cooperation in order “to achieve market-based capabilities that in turn enable the firm to create lasting Customer Value” (Malshe et al., 2012, p. 57). Thereby, *Culture* is mentioned as one lever that is important to consider since cultural differences are seen as a primary source of friction that leads to conflict. Therefore, a cross-functional underlying *Culture* can bring the departments closer together. It is defined as “the backbone of mutual understanding and integration mechanisms across diverse functional groups” (Malshe et al., 2012, p. 63).

Also the framework by Beverland et al. (2006) mentions the existence of cultural tension between Marketing and Sales and the existence of subcultures. It is stated that the existence of subcultures is “believed to be necessary for sub-unit performance and a source of creativity“. In order for the two departments to be able to work together, a shared *Culture* is necessary which may also apply to the whole company. For the success of the company, however, these must be well managed by the *Leadership*.

The investigation by Guenzi and Troilo (2007) is also in accordance with the assumption that “to create superior Customer Value a strong market-oriented organizational culture is an effective means for achieving this goal“ (Guenzi and Troilo, 2007, p. 98). The resulting findings can be summarised in general terms that changes in the *Culture* throughout the entire company are necessary in order to create superior *Customer Value*.

This is also supported by Homburg and Pflesser (2000) who distinguish four interrelated components of organisational *Culture*: shared basic values, behavioural norms, different types of artifacts, and behaviours.

Madhani (2016) refers to *Culture* as a major facilitator for *Integration* that places premium on sharing and adapting. It is stated that Marketing and Sales need an own culture to enable

successful performance, but also the ability to relate to other functional culture (Madhani, 2016, p. 24).

Summarising can be pointed out that the *Culture* of a company explains why companies do daily things in their individual and special way and may be the key why some companies are more successful than others although at first sight they may appear to be very similar (industry, products, size, customers, etc.). In this context attention should be also paid so that *Culture* should not be mistaken for the climate within a company. The difference according to Schwartz and Davis (1981) is that climate measures the gap between the employees' expectations in terms of their ideal working conditions and the actual state within a company. *Culture* is a mutual netting of expectations and beliefs throughout all hierarchies and competences. That *Culture* plays an important role when talking about companies' characteristics, literature shows in various contexts and with different focuses. Well known fundamental *Culture* differences can be observed between Marketing and Sales within most companies, what may impede cross-functional *Integration* (Beverland et al., 2006). Therefore, an underlying *Customer Value* oriented *Culture* with mutual values, behaviours, and rules provides the means of integrating these company units (Homburg and Pflesser, 2000).

Hypothesis 6: *Culture* has a positive influence on the *Integration* between Marketing and Sales.

2.4.6 Strategy and Common Goals

Strategy and Common Goals is another construct that is of great importance for the *Integration* of Marketing and Sales and the creation of *Customer Value*. The work of Simon (1964) shows that the concept of “the goal” is essential for organizational theory. It is emphasised that it is necessary to distinguish exactly which goal is actually the goal of the company because the company as a whole consists of single individuals and different hierarchical levels, which can have different goals. Goals are defined as “value premises that can serve as inputs to decisions” (Simon, 1964, p. 3). The objective of a decision or action is rarely one-dimensional but generally consists of a number of constraints and a set of requirements that the action must meet (Simon, 1964, p. 1). This is most clearly illustrated and summarised by the statement “If you allow me to determine the constraints, I don't care who selects the optimization criterion“ (Simon, 1964, p. 6). In business practice, it is evident that every company and every manager has more than one goal that controls activities and

actions. Ideally, different functional areas within an organisation should have complementary goals based on a set of general, organisation-wide goals (Pinto, Pinto, and Prescott, 1993, p. 1284). According to Pinto et al. (1993), however, in practice the overall goals are often broken down into specific functional goals that are in conflict with each other (Pinto et al., 1993, p. 1284). This is supported by the research of Guenzi and Troilo (2006), which also indicates that different goals are an obstacle to the *Integration* of Marketing and Sales and is also mentioned by Madhani (2016) as a major cause of conflicts between Marketing and Sales. Though, an overarching goal is particularly important, especially with regard to interdepartmental cooperation and ultimately *Integration* to avoid conflicts and enable a smooth interdepartmental cooperation. This type of overarching goal is defined by Sherif (1962) as “goals which are compelling for all and cannot be ignored, but which cannot be achieved by the effort and resources of one group “ (Sherif, 1962, p. 11). *Customer Value* can be understood as such an overarching goal. Furthermore, the theory by Sherif (1962) states that such overarching goals favour cooperation between the groups as shown in the investigation by a positive influence of superordinate goals on the cross-functional cooperation. This leads to the assumption that overarching *Common Goals* have a positive influence on the *Integration* of Marketing and Sales, independent of conflicts arising from competing individual goals. However, according to Kirsch and Stoyke (2011) it is necessary - in order to implement *Common Goals* - to define a clear Strategy which will be pursued by capable managers from both departments (Kirsch and Stoyke, 2011, p. 13). On the one hand, this includes jointly developed and coordinated Marketing and Sales *Strategy*, but also, among other things, interlinked incentive systems. The aim is to avoid a tug-of-war caused by different strategies that are being adopted, with departments having to make sacrifices or strong compromises so that the other department can achieve its goals. Cespedes and Piercy (1996) also mentioned the formulation of corporate missions and goals as a prerequisite for the implementation of *Strategy*. In addition, the important role of *Leadership* is also mentioned here. Because for the implementation of strategies to achieve overarching *Common Goals*, *Leadership* is particularly suitable who has already gained experience in both departments as they tend to develop strategies with the awareness of mutual requirements (Cespedes and Piercy, 1996, p. 153). The study by Gupta et al. (1986) also deals with the topic of a company’s *Strategy* and the need for *Integration*. It is assumed that the *Strategy* of the company and the perceived environment are decisive for the extent to which the considered departments should be integrated. This is in line with Freeman (1974) who also stresses that the more offensive the company’s market entry strategy is, the higher the degree

of *Integration* must be. This is reinforced by a high level of perceived environmental uncertainty. Cooper (1983) also sees the company's goals and its familiarity with its environment as responsible for what the company's *Strategy* looks like. Furthermore, Lawrence and Lorsch (1969b) also recommend that the need for coordination and control in term of *Integration* depends both on the company's strategies and on the uncertainty regarding the environment. Thus, it becomes clear that although goals have a direct impact on the *Strategy*, it cannot be formulated independently of the environment. Hage (1980) summarises this as follows: "The issue is, how much does the environment determine the organization and how much does the organization shape the environment" (Hage, 1980, p. 243) and continues: "Sometimes there is a great deal of strategic choice and at other times a great deal of environmental constraint" (Hage, 1980, p. 423). The qualitative investigation by Malshe and Al-Khatib (2017) also stresses that *Common Goals* are crucial to make working in coordination possible. Without these, a great uncertainty arises regarding the preferences, intentions, and motives of colleagues to participate in a mutually beneficial coordinated behaviour (Malshe and Al-Khatib, 2017, p. 215).

Thus, it can be summarised that *Common Goals* are important in order to prevent conflicts through small-scale, oppositely oriented goals in order to achieve more cohesion and *Integration* what enables the creation of *Customer Value*. Cooper (1984) sees the *Leadership* in the responsibility to balance the relationship between departments through appropriate strategies for good business results. Hence, a common *Strategy* is necessary which is developed and coordinated together. Napolitano (1997) suggests to include and adjust the following items within the strategic plan: "Mission & Charter, Situation Analysis, Overall Program Objectives & Goals, [...], Strategies to Achieve Goals & Objectives, Organisational Structure, Plan Implementation, Plan Communication. Controls & Measurements" (Napolitano, 1997, p. 5). More in detail, this means that the *Strategy* includes, among other things, *Common Goals*, both in terms of content and timing. Moreover, it also needs coordinated target systems on the basis of which an evaluation takes place. Both departments are to be measured and evaluated against contribution margin targets that they can influence. In addition, it should be ensured that the department mutually appreciates the importance of the contribution of the other department in order to achieve the respective goals (Haase, 2006; Kirsch and Stoyke, 2011; Pinto et al., 1993). This is particularly important if, in addition, the company's environment is uncertain as this leads to a higher demand of well coordinated information flow. According to Lawrence and Lorsch (1969b), however, uncertainty often leads to a high degree of specialisation or differentiation of the departments as the uncertainty

can, thus, be passed on to individual departments. This, however, leads to coordination problems. In order to avoid this, excellent collaboration between departments must be encouraged in order to be able to react to customer wishes and counteract fragmentation. Therefore, *Common Goals* and *Strategy* are indispensable.

Hypothesis 7: *Strategy and Common Goals* have a positive influence on the *Integration* between Marketing and Sales.

2.4.7 Conflict Management

Since cultural differences subsist in most companies and due to their nature cannot be just eliminated, it is essential for companies to have a thoughtful *Conflict Management* in order to deal with or even prevent occurring conflicts. These occurring conflicts can be explained on the basis of Social Identity Theory (Tajfel, 1978) because people develop a sense of identity and belonging when they are member of a particular group as Marketing or Sales. The respective members (in-groups) see themselves as different and have negative stereotypes and prejudices against members of out-groups. This strong in-group identity negatively affects the Sales and Marketing relationship effectiveness (Malshe et al., 2012; Dewsnap and Jobber, 2002).

The importance is also emphasised by Dawes and Massey (2005) who suggest to refer to conflict not just as a mediating variable since it has “potent impacts on cross-functional relationships” (Dawes and Massey, 2005, p. 1328) and, therefore, on the success of integrating company units as Marketing and Sales in accordance with the Contingency Theory. It is stated that improved mutual understanding and less conflicts support the formation of the *Integration* of Marketing and Sales in the long term (Ruekert et al., 1985). Lawrence and Lorsch (1967) point out that “the effective achievement of integration through the use of teams and other interpersonal contacts, therefore, would be closely related to the ability of the organization to resolve these conflicts” (Lawrence and Lorsch, 1967, p. 42). Ruekert and Walker (1987) distinguish between three main sources for conflicts to occur. First the achievement of joint goals and the incompatibility with individual goals may lead to frustration and conflicts. In this context the division of rewards for mutual actions has also to be considered since mostly the portion cannot be easily and accurate be determined due to existing interdependencies. Every function has its very own “distinct skills, resources and capabilities” but is reliant on the “exchange of money, materials, information, technical

expertise, and other resources” (Ruekert and Walker, 1987, p. 2). These interdependencies exist for every unit of the company. Both to realise own *Tasks* wherefore inputs or precursors of others are necessary and for the achievement of the superior common company goal. Thus, the likelihood of occurring conflicts is according to Ruekert and Walker (1987) related to the intensity of the interdepartmental interaction. If only little exchange of resources is given, there are fewer opportunities for conflicts to arise than where intense interaction is essential. Hence, several potential sources of conflicts exist, but there are various ways to deal with, too. First way of *Conflict Management* is the avoidance of conflicts. Second, some conflicts can be smoothed over by focusing on overriding common interests or goals. Third, some conflicts only can be solved by negotiation or compromise whereby an open confronting of the issue is required. Fourth, if no consensus can be achieved, the issue has to be passed on to a higher level of authority where a unilateral decision can be reached (Lawrence and Lorsch, 1967; Ruekert and Walker, 1987). In summary, Dawes and Massey (2005) note that improved *Integration* implicates a more frequent interaction, better understanding of each other’s field of action, and more efficient working together. All that leads to a decrease or prevention of conflict occurrence.

In accordance, the investigation by Le Meunier-Fitzhugh and Piercy (2007a) shows significant negative influence of interdepartmental conflict on the collaboration of Sales and Marketing. Conflict is defined as “working at cross-purposes, having incompatible goals, being obstructive, and not appreciating each other’s roles” (Le Meunier-Fitzhugh and Piercy, 2007a, p. 209).

Dawes and Massey (2005) assume in their study, that the *Integration* of Marketing and Sales leads to fewer conflicts. Contrary to expectations, there was no significant result. It is argued that structural changes are not sufficient to eliminate fundamental differences. This is supported by Institutional Theory (DiMaggio and Powell, 1983) that states that social systems change more solely than the environment. Thus, Dewsnap and Jobber (2002) emphasise the importance of creating organisational *Structures* that enable employees from both departments “to work together to perceive and/or develop mutual understanding, mutual respect, a sense of esprit de corps and joint commercial objectives“ (Dewsnap and Jobber, 2002, p. 891).

Le Meunier-Fitzhugh and Piercy (2010) distinguish between factors that are in the control of Sales and Marketing and those that are not. One of the factors not determined from outside is interdepartmental conflict where two different types of conflicts can be observed in the investigation carried out. A distinction is made between functional and dysfunctional

conflicts. In accordance with the study of Massey and Dawes (2007) who showed significant support that increased dysfunctional conflict negatively affects relationship effectiveness and that, however, increased functional conflict has a positive impact on relationship effectiveness (Massey and Dawes, 2007, p. 1125). That's because functional conflicts create an environment for healthy competition leading to efficiency increases. Whereas dysfunctional conflict leads to bad relationships, lack of understanding, and lack of trust (Le Meunier-Fitzhugh and Piercy, 2010, p. 300).

The inductive, qualitative investigation by Malshe et al. (2017b) refers to overt conflict besides communication paucity and lack of collaboration as one of the three main dysfunctions with regard to Marketing and Sales (Malshe et al., 2017b, p. 147). The findings are totally in line with the Social Identity Theory (Tajfel, 1978). It is found that Sales and Marketing are openly opposing each other and undermining the efforts of their counterparts, influencing their departmental colleagues to undermine their opponents' initiatives, and even influencing *Leadership* to undermine their opponents' initiatives (Malshe et al., 2017b, p. 151).

In summary, it can be seen that a healthy level of conflict is even desirable for a company, which is why this study concentrates more on *Conflict Management* than on the known conflicts arising from the differences between Marketing and Sales. Through *Integration*, an environment is to be created that brings the two differently aligned departments closer together, supports exchange, cooperation and, thus, functional conflicts, but prevents dysfunctional conflicts through good *Conflict Management*, otherwise the creation of *Customer Value* is not possible.

Hypothesis 8: *Conflict Management* has a positive influence on the *Integration* between Marketing and Sales.

2.4.8 Communication

The consideration of *Integration* is fundamentally about interaction in different ways. Thereby, it is very important, in agreement with Ruekert and Walker (1987), to note that beyond a certain level frequent interaction may even be dysfunctional. According to Maltz and Kohli (1996), this is valid for *Communication* as part of interaction, too. At a certain level of frequency, the *Communication's* quality and effectiveness decrease and may even be harmful to a well-balanced, integrated relationship between Marketing and Sales. However,

Menon et al. (1997) emphasise that a high communication frequency is mandatory for a high level of interfunctional understanding because the absence of “depth” mostly results in conflict.

Despite the inconsistency within literature, Hulland et al. (2012) assert “communication as one of the major aspects of marketing’s interaction with other functional units and one of the key drivers of crossfunctional integration“ (Hulland et al., 2012, p. 451; Rouziès et al., 2005; Ruekert and Walker, 1987). Moreover, they point out that *Communication* reveals “its positive effects on interdepartmental relationship effectiveness [...] only under existing conditions of fairness” (Hulland et al., 2012, p. 452). This means for *Communication* to be supportive to build or increase *Integration*, a mutual understanding of justice is a precondition. Vorhies (1998) also supports this assumption by the statement that in already well coordinated companies “employees recognize their interdependence and understand that cooperating and sharing information is necessary to sustain the effectiveness of the organization” (Vorhies, 1998, p. 7; Slater and Narver, 1995). Guenzi and Troilo (2006) also state that “communication and mutual understanding are two main components of interdepartmental integration” (Guenzi and Troilo, 2006, p. 984) and that “it appears as the central node in the network of concepts representing integration” (Guenzi and Troilo, 2006, p. 983). Madhani (2016) also states that both Sales and Marketing benefit not just from any kind of *Communication*, but from “closed-loop communication flow and feedback mechanism” (Madhani, 2016, p. 22). Therefore, it is important that it is not the quantity, but the improvement of *Communication* that lead to greater interfunctional *Integration* (Gupta et al., 1985). Mohr, Fisher, and Nevin (1996) distinguish between three approaches to capture *Communication* entirely. First, *Communication* is divided into formal communication like meetings or scheduled conferences and informal communication as a short phone call or any other casual demand-orientated, voluntary exchange of information between colleagues. Secondly, also the frequency is explored in terms of how often, independently in which way the single employee has contact with the other company unit. As a third dimension bidirectional communication is investigated. An important aspect is to what extent *Communication* is sent and received. In this context, it also gets distinguished between vertical communication within the company’s hierarchy. Interfunctional communication is referred to a horizontal communication. That bidirectional communication supports relationships’ effectiveness and has a positive effect on the occurrence of conflicts, was found by Fisher, Maltz, and Jaworski (1997).

The empirical investigation carried out by Dawes and Massey (2005) on interpersonal conflict distinguishes between communication frequency and bidirectionality. According to Mohr et al. (1996), communication frequency “refers to the amount of contact between channel members. Bidirectionality refers to two-way (as opposed to one-way, or unidirectional) vertical flows of communication in the channel“ (Mohr et al., 1996, p. 105). It is assumed that consistent with the interaction approach (Ruekert and Walker, 1987) increased interpersonal interaction and *Communication* is beneficial to increase *Integration* and to decrease conflict by more meeting as well as higher cross-functional formal and informal information flow (Kahn and Mentzer, 1998). Although, again it is emphasised that there is no clear indications by the interaction approach of whether a positive or negative relationship between communication frequency and conflict exists. Thus, it is presumed that a higher communication frequency may lead to more conflict because this offers more opportunities for conflict. Bidirectionality, in contrast, may show a negative impact because it is a collaborative and supportive form of *Communication* (Dawes and Massey, 2005, p. 1340). The results of the investigation support these considerations and show strong significant positive effect of communication frequency on conflict, whereas bidirectional communication shows a strong, significant negative effect.

The study conducted by Le Meunier-Fitzhugh and Piercy (2007a) also regards *Communication* between Marketing and Sales as a direct influencing factor on the conflict potential between the two departments. The conflict potential, in turn, is attributed a direct negative influence on the cooperation between Marketing and Sales with the target variable business performance. It is stated that “effective communication across boundaries is a key construct in collaboration” (Le Meunier-Fitzhugh and Piercy, 2007a, p. 210). This statement is supported by Gupta et al. (1985) who identified *Communication* as the most relevant barrier to interdepartmental *Integration* (Gupta et al., 1985, p. 18) and Kahn (1996) also states that „communication should be considered a key component of interdepartmental relationships“ (Kahn, 1996, p. 138). Here is also pointed out that not the frequency of *Communication* is decisive, but that the focus should be on bidirectional *Communication* and, therefore, effective *Communication* is negatively related to interdepartmental conflict. The findings of the study support this assumption with a significant negative relationship between *Communication* and interdepartmental conflict. Even though these two studies deal with the effect of *Communication* on conflict, it can still be deduced from this with regard to *Integration* that the focus is not on the frequency but on the effectiveness of *Communication*.

The exploratory, qualitative research conducted by Guenzi and Troilo (2006) also shows in the network of concepts representing *Integration Communication* as the central node (Guenzi and Troilo, 2006, p. 983). The inductive survey carried out by Malshe et al. (2017b) also revealed that *Communication* besides lack of collaboration and conflict constitutes one of the major dysfunctions between Marketing and Sales.

In summary, it can be said that *Communication* is an important component for increasing the *Integration* of Marketing and Sales if it takes place effectively and bidirectionally across departments.

Hypothesis 9: *Communication* has a positive influence on the *Integration* between Marketing and Sales.

2.5 Conclusion and outlook

When examining *Customer Value* as an aspect of *Integration*, it strikes out immediately that there not is a consistent definition for *Customer Value* existing in literature. *Customer Value* is a multi-layered construct and, therefore, firstly has to be narrowed down. *Customer Value* is determined as a buyer-seller relationship with regard to added value that exceeds the offered products or services a company provides its customers with. This increases in importance to the suppliers due to the fact that products and services are getting more and more similar whereby reaching the unique selling proposition has shifted to the next level. Therefore, only the creation or increase in *Customer Value* can achieve differentiation to competitors anymore and create a competitive advantage. This assumption is backed-up by the Means-End Theory that connects a customer's value to its behaviour. Every customer has its individual, special, and maybe unique value expectations that lead to an improved situation for him. This experienced improvement due to an unique added value might be the reason for the customer not to deviate to a competitor but to stick with his long-term supplier. Thus, it gets pointed out that it is mandatory for a supplier to keep up with customers' needs and expectations to be ahead of the competitors and to offer tailored products or services and be able to quickly adapt offers according to changes. Hence, a smooth, lasting, and trustful relationship has to be maintained to be able to create *Customer Value* for the customer. To treat a customer this way the Marketing and Sales and corresponding units as the Key Account Management have to form an unit to offer best comprehensive service and have to cooperate perfectly. Thereby the importance for *Integration* is shown. By reviewing literature, certain factors with high impact on interaction, cooperation, coordination, or even *Integration*

of Marketing and Sales reveal. Moreover, the choice of factors is consistent with Organisation Theory and the Contingency Model of Leadership what strengthens the selected set of factors.

First, *Leadership* was looked at closely because it plays a prominent role in terms of making decisions, coordinate *Tasks* and *Processes*, and having an exemplary function. But since a company could not exist without employees, they were considered as second factor with regard to provision of knowledge and skills in terms of *Competences* to create value by transforming inputs to outputs. To provide customer, extensive care by encompassing all his needs or even exceeding his expectations, *Responsibilities*, *Tasks*, and *Processes* have to be clearly stated and coordinated to perfectly engage and interlock and, therefore, attention was paid to the third influence factor aiming to bring Marketing and Sales and corresponding units as the Key Account Management closer together or even to integrate them. Since *Responsibilities*, *Tasks*, and *Processes* have to be situated in a company's *Structure*, it also has to be aligned to establish an optimal environment in order to reach a higher level of *Integration*. This was defined as the forth influence factor. The next factor deals with the company's *Culture*. Thereby the entire interpersonal dealing with each other across hierarchies and functions as well as unique behaviours or even *Structures* was enclosed. *Culture* is seen as the individual character of a company. It is stated that the relationship of Marketing and Sales is mostly described as complicated and, therefore, a distinct *Conflict Management* is seen as indispensable by the approach to integrate these company units and, thus, was regarded as the sixth influence factor. The last factor carved out was *Communication* because a balanced *Communication* is mandatory to pass forward relevant information. Thereby both formal and informal *Communication* were taken into count as well as vertically and horizontally *Communication* to enable the company units to work together efficiently.

This chapter revealed four research gaps. It clearly shows that the *Integration* of Marketing and Sales is of great interest in research and literature, but often only individual components as cooperation and collaboration are considered. Therefore, in this study a comprehensive operationalisation of *Integration* is chosen to not just focus on single aspects of *Integration* and, hence, to contribute to the urgently needed closing of the gap to a uniform understanding of *Integration* (see research gap 3, p. 40). In order to be able to enhance *Integration*, the factors influencing *Integration* are also of great interest. Here, too, no consensus can be observed in the literature and research and usually only a small set of possible influencing

factors is included simultaneously in the investigation. This study aims to close this research gap by contributing to the definition and empirical examination of a comprehensive set of relevant factors for the *Integration* of Marketing and Sales (see research gap 4, p. 46). With regard to the influence of *Integration* on the creation of *Customer Value*, it shows that in literature and research exist only very few studies that examine non-monetary consequences of *Integration*. With respect to the influence of *Integration* on the creation of *Customer Value* as a possible non-monetary aspect, there are even fewer empirical studies. If this relation is investigated, no attention is paid to the numerous influencing factors to enhance *Integration* in the first place. Thus, the here conducted study investigates the impact of *Integration* on *Customer Value* while the factors influencing *Integration* are also taken into account (see research gap 2, p. 27). Finally, in terms of *Customer Value* it appears that this represents another just little-explored branch in empirical research with regard to approaches that go beyond the mere trade-off of benefits and sacrifices. Hence, this study aims to close the research gap with regard to a broader consideration of *Customer Value* that is more appropriate to cover the comprehensive approach and, therefore, contribute to an extended common understanding and delimitation of *Customer Value* (see research gap 1, p. 23-24).

The next chapter will cover the methodology of data collection and analysis. Therefore, first the possible methods will be discussed and evaluated. Afterwards structural equation modelling is paid attention to as selected method. Thereby the focus will be on second order constructs and the current state of research will be taken into count, too.

Chapter 3: Methodology

3.1. Introduction

This chapter deals with empirical research in Social Science. For embedding the study carried out for this thesis on the *Integration* of Marketing and Sales with regard to the aspect on building *Customer Value*, the overall context of empirical research and, secondly, the Philosophy of Science, as a subfield of Philosophy is examined, whereby a distinction between Ontology, the Science of being, and Epistemology, the Science of science (knowledge) is drawn as two of the most important factors to guide social research that is completed by a the third factor, Methodology. Ontology in the context of the theory of science deals with fundamental ontological questions such as whether a reality exists independently of one's own consciousness or whether it is assumed that reality exists only in the imagination. With regard to Ontology, objectivism and constructivism as counter poles are presented. Epistemology in the context of the theory of science deals with the preconditions, possibilities and limits of scientific knowledge. The focus is on how valid scientific statements can be justified and distinguished from false statements. The definition of truth is also addressed and possibilities and methods to gain scientific knowledge are discussed. Concerning epistemology, there are a large number of approaches that cannot be clearly distinguished. In the following, empirism will be considered with positivism as a further development of it. In addition, the (epistemological) realism is presented. Third, methodology is regarded and deals with the nature of research design and methods. Thereby, between quantitative and qualitative research strategies will be differentiated. Thus, the study researched here is assigned to the quantitative research design with a deductive approach. Fourth, to ensure quality in social research, mandatory criteria in social research as reliability, replication and validity are discussed. Fifth, research design that forms the framework of data collection is considered. Following, operationalisation is presented since due to the chosen research strategy, theory strongly guides the methodology of data collection. Finally, a short conclusion and outlook are given.

3.2. Epistemology and Ontology

This chapter will deal with Epistemology as the nature of science in terms of what is regarded as appropriate knowledge about the social world. Thereby it gets questioned “whether or not a natural science model of the research process is suitable for the study of the social world”

(Bryman, 2012, p. 19). The ontological as the science of being deals with the nature of reality “whether the social world is regarded as something external to social actors or as something that people are in the process of fashioning” (Bryman, 2012, p. 19).

Moreover, the relationship between theory and research gets examined whether a deductive or inductive approach is present.

3.2.1 Ontology, Epistemology, and Methodology

The philosophy of science, as a subfield of philosophy, delves with scientific knowledge production. Thereby, it shows possibilities and limitations. Within this subfield a distinction is made between Ontology and Epistemology (Döring and Bortz, 2016). Sarantakos (2013) refers to these as factors that are mainly responsible to guide social research whereat he complements these by the third factor, methodology. It is stated, that these factors do not just coexist, but presuppose each other. Thus, Ontology constructs the logic of Epistemology. Subsequent, Epistemology structures the nature of methodology. Following, methodology prescribes the appropriate types of research methods, designs, and instruments (Sarantakos, 2013). Ontology is derived “from the Greek ‘to on = the being’ and, therefore, means the science of being that deals with the nature of reality” (Sarantakos, 2013, p. 474). In general, the occurring question to ask is “what is the nature of reality” or more in focus of research “what does research focus on” (Sarantakos, 2013, p. 29) in terms of is there “only one objectifiable reality or lots of subjective experiential realities existing” (Döring and Bortz, 2016, p. 9). Thus, overall Ontology describes the way things are and traces its origins back to the first philosophy as part of the *Metaphysics* of Aristotle (Aristotle, 1924). In principle, thereby intransitive objects and transitive objects of knowledge are distinguished. Bhaskar (2008) describes intransitive objects as those that are not produced by man and are not dependent on human action like the “specific gravity of mercury, the process of electrolysis, the mechanism of light propagation” (Bhaskar, 2008, p. 11). This is referred to as the knowledge “of” things. On the other hand, there are transitive objects of knowledge. Here knowledge is regarded as socially produced. It is just as dependent on its production as other products such as chairs or cars. Each product is manufactured by its own carpenter, technician, or author based on his standards and skills and is, consequently, also subject to change (Bhaskar, 2008). From this, among others mainly two opposing approaches have developed with regard to Ontology. It is possible to distinguish between two positions – Objectivism and Constructivism. Objectivism on the one hand perceives social “phenomena”

and its meanings as independent from social actors. Bryman (2012) refers to social units like companies or culture and their organisation that vary from culture to culture or from company to company. But for people who are in it it appears as an almost fixed external reality by itself. Constructivism on the other hand takes social occurrences and its meanings as socially continuously constructed and in a constant revision. Constructivism questions the assumption of objectivism that social units such as enterprises or cultures are pre-determined and that social actors who are in them play no role in influencing them. Nevertheless, there is, for example, with regard to culture a reality that remains as a reference point that is, however, always changing and not only a restriction (Bryman, 2012, p. 29). Becker (1982) states that “instead of seeing culture as an external reality that acts on and constrains people, it can be taken to an emergent reality in a continuous state of construction and reconstruction” (Becker, 1982, p. 521). In general, this implies that in terms of constructivism social phenomena and their meanings are not only produced through social interaction, but are also in a constant state of revision.

While Ontology represents understanding ‘what is’, Epistemology tries to understand ‘what it means to know’. Epistemology, from the Greek ‘episteme = science’, constitutes that science deals with the nature of knowledge whereas Ontology deal with the nature of reality. Thereby, questions arise like “how do we know what we know? What is the way in which reality is known to us? [or with regard to research] What kind of knowledge is research looking for?” (Sarantakos, 2013, p. 29). With regard to Epistemology, there is a big number of approaches that partly overlap or build on each other. Frequently, Positivism and Rationalism are mentioned as two most influential approaches (Gray, 2018, p. 22). Positivism evolves from Empiricism that is defined by Myers (2013) as knowledge “... [that] comes from experience via the senses, and science flourishes through observation and experiment” (Myers, 2013, p. 4). Moreover, in the empiristic view insights can only be achieved through pure experience. Thereby, opinions are defined as reflections of impressions according to Sarantakos (2013). Initially, empiricism arises from turning away from the Middle Ages that was highly influenced by Christian faith. By breaking up the connection between faith and knowledge, empiricism initiated the rise of natural science and shifted from Middle Ages to modern era. Thereby, in contrast to the rationalism knowledge is produced inductively. Single observations are collected for example by experiments. Following, the limited number of observation suggests an underlying principle. The example by Lingnau (1995) illustrates the difficulties and restrictions of this approach. He refers to a tourist who is travelling by train through Switzerland. During this trip the tourist awakes only once and sees a purple cow.

From this observation the statement that all cows are purple cannot be derived. But it is shown that even more restricted statements cannot be drawn either. First, just seeing one cow does not allow claiming, that even more than one cow exists. Second, the statement has to be more restricted in terms of the place and time as by stating, that during the train journey through Switzerland all cows were purple, but this still does not solve the formerly mentioned problem. Therefore, the only acceptable statement is the precise rendition of the circumstance of the case because it does not add to reality. But even then a problem is mentioned by Lingnau (1995), when being very precisely it has to be stated that only the side of the cow facing the train was purple. This example illustrates, that by stating the precise observations no extension of knowledge takes place and, therefore, no further conclusions can be drawn.

Positivism is stated as one of the most important further developments of empiricism. This development includes additionally to experience “the existence of human consciousness (Behrens, 1993). Reality is seen as corresponding with sensibility. Gain in knowledge is based on the given caused by experience in terms of building on the positive that results of perceptions and, thus, is perceptible and definite. Neither the nature nor the “real” cause is questioned. Facts can just be accepted the way they are given in perception (Behrens, 1993). Moreover, positivism includes sorting and ordering of cognition to develop a consistent theoretical language. The core argument of Positivism is that there exists a social world externally to the researcher that can be directly measured by observations. Thereby, knowledge can be generated in an inductive or deductive way, but since it has to be observable, it can only be confirmed by collecting observations or based on theories that must be directly observable, otherwise they are not considered to be scientifically sound. Moreover, positivism emphasises the importance of imitating the natural sciences, which means that the methods of the natural sciences should be applied to the study of social reality in order to create generalisations on the basis of collected raw data. Overall, it is stated that investigation has to be based on an objective, value-free science. This approach has been criticised as science is interested in providing theoretical explanations but not only on the basis of what can be observed. Often science does not start with observations because there are many sciences that deal with non-visible topics like subatomic particles etc., but based on theory to comprehend observations at all (Gray, 2018). In addition, it is noted that the positivist approach regards results as objective facts and established truth which, however, contradicts the approach by Popper (1959) that no theory can be confirmed merely on the basis of several observations since even one incident is enough to refute this theory. It is stated that scientific knowledge development is driven but by stating hypotheses/assumptions and their

falsification which is referred to as critical realism (Popper, 1959, p. 278) whereas findings from rationalistically justification are always not irrefutable. Thus, since knowledge can always be erroneous, it is seen as temporary. A famous example stated by Popper (1959) is that from the observation of white swans only the statement that there are only white swans existing cannot be derived. Therefore, the inductive approach is not suitable for social empirical research because no generalisable statement can be determined. The fact, that a statement can never be verified, is not (considered) as a flaw by Popper (1959). He considers the aim of science and research in aiming for reality and “learning from mistakes” (Popper, 1994, p. XXV) as beneficial to get closer to reality. Rationalism in general states that form and content of any knowledge is not based on sensual experience, but on reason and intellect. Therefore, primarily an observation theory has to exist because there is no precondition or theory free experience. Thus, Rationalism is always based on deduction, whereas based on present knowledge new knowledge is derived, independently from observations in reality (experience) (Kornmeier, 2007). It is summarised that gain in knowledge evolves in terms of critical rationalism by formulating theories that evolve from assumptions about reality. From these theories empirically testable hypothesis are derived deductively. Data is collected and analysed in order to comprehensible examine these hypotheses. Therefore, the experiential reality is investigated closely by single characteristics (variables) and their relationship. Moreover, the critical investigation of a hypothesis comprises a critical observation of data collection preconditions (critique of methodology) and a critical discussion on competing hypotheses and theories, too (Döring and Bortz, 2016). In term of critical rationalism, a safe increase in knowledge by verification of theories on the basis of data is not possible. This is because inductive reasoning is not logically consistent. However, the falsification of theories because of data is under specific conditions justifiable on basis of a deductive conclusion. Therefore, critical rationalism refers to an increase in knowledge as selection of not confirmed (verified) theories or from the other perspective as the retention of theories, that were not falsifiable. Therefore, critical Rationalism constitutes a particular opposing model to positivism that is based on verification (Döring and Bortz, 2016). Thus, the here conducted study can be assigned to the critical realism in the sense of Popper (1959) as the collected data is an analyses in the form of hypotheses that are derived based on theory and critically investigated and tested with regard to falsification. Another epistemological point of view is realism where reality is considered independent from one’s consciousness or experience that is in line with positivism as well as the belief that in social science the same methods should be utilised to collect data and to explain the results as in natural science. Basically, three main

forms of realism can be distinguished which are naive, empirical or scientific realism, and critical realism (Gray, 2018). Empirical realism states that by the appropriate use of methods reality can be understood. Naïve realism is perceived as a direct access to reality (Hügli and Lübcke, 2003) and delivers reality as it appears to be in terms of a perfect correspondence of reality and theory (Gray, 2018) However, it is often overlooked that many phenomena are based on hidden structures or mechanisms whereby reality can be described. But the real reason for the phenomena often remains hidden. Critical realism in contrast to naïve realism sees no direct access to reality. It is important to identify the underlying structure responsible for the perceptible phenomena that is mostly not directly, spontaneous apparent and has to be discovered by practical and theoretical scientific investigation (Bryman, 2012, p. 25).

With regard to research projects the Ontology and Epistemology influence the process of social research by providing important information for methodology. Thus, the Ontology points out ‘what’ the research is supposed to study and assumes the role of defining the nature of reality. Epistemology complements and rounds this off by specifying the nature of knowledge in terms of what knowledge is legitimate and adequate and, therefore, can be treated as fact. Moreover, how this knowledge can be achieved.

Furthermore, Axiology is another important component of philosophy of science that demands attention. Here values and their meaning are addressed in the context of science. In the social sciences it is of interest what influences the value concepts of researchers have and should have on their research activities. Particular emphasis is placed on the attitude to social and societal problems. In this respect, if two values are in conflict and they cannot both be realised without endangering one, the Axiology speaks of a value antinomy. Furthermore, Axiology is also interested in the values of entire scientific systems and their attitudes, norms ,and rules in fields such as the ethics of science (Döring and Bortz, 2016, p. 35).

In the here conducted study, following Bryman (2012), the nature of reality is seen in terms of Ontology as Objectivism. Reality is perceived as an external, objective reality that is independent and separate from actors. This applies to study since it is assumed that an organisation as viewed in this study with regard to companies can be perceived as a tangible object. Within these organisations there exist rules and regulations in terms of defined processes, tasks, and responsibilities. There can be seen hierarchy where people are assigned to different jobs within this division of labour. Even if the exact implementation or existence of these characteristics varies between the companies considered, it is nevertheless the case that they represent an external reality for the employees working there. The respective

organisation represents a social order, whereby it is ensured that the employees working there meet the required requirements and adhere to rules and regulations. If this is not the case, consequences will follow with regard to the affiliation to this social order in the sense of a company. For this study it was taken advantage of the fact that especially in the business-to-business area there often a cross-company division into marketing and sales is to be found. Therefore, it can be assumed that the external reality viewed here is valid for all companies concerned (Bryman, 2012, p. 29).

The nature of knowledge in the sense of Epistemology is seen in critical realism, in which theory is at the beginning of the investigation and the data obtained are examined by means of a deductive procedure on the basis of theory-based hypotheses, with the aim of falsification as the result. In the sense of critical realism the here conducted study is aware of that in first place it is to explore the social world by identifying patterns and structures that are not directly observable by theoretical work. It is recognised that the knowledge obtained by this may be provisional. Furthermore, we take into account that there is a difference between the objects of the study conducted here on the relationship between the Marketing and Sales departments, their influencing factors, and their influence on the creation of *Customer Value* and the terms used to describe, explain, and understand them. This can be clearly seen in the attempt to operationalise constructs such as the Integration of Marketing and Sales or *Customer Value*. The attempt is made to capture this as best as possible, but in the knowledge that these are only the best possible approximations. Furthermore, it is accepted that generative mechanisms as the creation of *Customer Value* are considered although they are not observable. Though their effects appear as observable regularities in the social world as, for example, the long term relationships with customers or competitive advantage caused by the creation of *Customer Value* (Bryman, 2012, p. 25).

In terms of Axiology it has to be stated that the here conducted investigation is undertaken in a value-free way. The research is independent from the data and takes an objective attitude.

Altogether, Ontology, Epistemology, Axiology, and Methodology form paradigms or theoretical perspectives that guide every kind of research (Sarantakos, 2013; Gray, 2018). Therefore, methodology in general is examined in the following chapter.

3.2.2 Relationship of Theory and Research

A theory has been defined as: “a set of interrelated constructs (concepts), definitions, and propositions that present a systematic view of phenomena by specifying relations among variables, with the purpose of explaining and predicting phenomena” (Kerlinger and Lee, 2000, p. 9). Thereby, most important is the predictive or explanatory nature of a theory because this composes the term ‘theory’. In the long term a theory without being predictive will be replaced by a new one. Moreover, a theory seeks to find relationships between variables. The best relationships are those that can be generalised in terms of applied from the specific case of the research findings to lots of phenomena and people (Kerlinger and Lee, 2000; Gray, 2018). Mostly theories are sub-classified into theories of the middle range and grand theories. Grand theories are more abstract and operate at a high general level. Merton (1967) point out that grand theories are of limited use for social research because their great level of abstractness is mostly too high to test it or even to draw inferences. But overall Bryman (2012) adds that grand theories may have some pay-off in research since even “highly abstract ideas [...] must have some connection with an external reality, in that they are likely to have been created out of [...] (as) reading of research or [...] reflections upon that reality or others’ writings on it” (Bryman, 2012, p. 21). Merton (1967) defined the term middle range theories in contrast to grand theories to bridge the obtaining gap between grand theories and empirical findings. Hence, regarding the relationship of theory and research refers to these middle range theories. When regarding theories for research, the question occurs whether to start with a theory (deduction) or whether a theory should result from the research (induction) (Gray, 2018).

Dewey (1933) considers two approaches, the inductive discovery and the deductive proof. In short, the deductive approach begins with a universal view of a situation and works back to the particulars, while the inductive approach moves from small, fragmentary details to the big picture with drawn connections within the former, single fragments.

Generally, in the deductive approach the relationship of theory and research is regarded, “in which the latter is conducted with reference to the hypotheses and ideas inferred from the former” (Bryman, 2012, p. 711). Therefore, an approach starts off with choosing a theory. Therefrom, hypotheses are deducted and drive the process of data collection (Bryman, 2012). Hypotheses consist of assertions about two or more constructs and try to explain their relationship. Constructs are abstract ideas theories and hypotheses are composed of. These constructs have to be measurable by operationalising the constructs. Therefore, indicators

have to be created to be able to measure desired, complex constructs as “communication” within individual contexts of research. By means of these indicators the formerly posed hypotheses can be tested through empirical observation or tests. In conclusion the outcome are examined and either the hypotheses are accepted or rejected. In case of rejection the hypothesis has to be modified. Thus, this last step involves induction (Bryman, 2012; Gray, 2018). Moreover, it has to be noted that although this approach appears very linear since each step consequently follows the next, but there are lots of situations as mentioned by Bryman (2012) that prove that this is not always the case. He mentions situations where the researcher’s view changes with regard to theory or literature after collecting and analysing the data. Also mentioned are situations where new findings or ideas are published within the process of research or even the relevance for certain data gets apparent after data collection. Overall the deductive approach is mostly considered by quantitative researches (Döring and Bortz, 2016). This also applies to the study carried out for this thesis.

The inductive approach, with regard to the relationship between theory and research “in which the former is generated out of the latter” (Bryman, 2012, p. 712), starts off with planning data collection in contrast to start off with finding appropriate theory. In the next step the data is analysed with the aim to find patterns that imply relationships between variables. From these observations derived ideally from multiple instances or cases with regard to reliability the established patterns are tried to convert into generalisation, universally valid relationships or even theories. Although, the researcher has to be aware not to conclude too easily or not to draw inferences too quick (Gray, 2018). Moreover, it has to be pointed out that the inductive approach is not fully detached from the primarily existing theory since choosing important research topics depends on existing values and concepts. Notwithstanding, the inductive approach does not corroborate or falsify hypotheses as the deductive approach does. The aim of the inductive approaches is more about to establish patterns, consistencies and meanings by collecting data (Gray, 2018).

A third approach of empirical conclusion, the abductive approach, is mentioned by Döring and Bortz (2016). It also starts off with the data, but in contrast to induction not the observable patterns are paid attention to and gradually examined, but the incomprehensible combinations of characteristics are considered. An abstract and creative process of thinking creates new, explanatory hypotheses out of data. Therefore, the researcher’s mental attitude plays an important role in abduction. Both, the inductive and the abductive approach are used in qualitative social research to produce new knowledge (Döring and Bortz, 2016). In summary, a quantitative, deductive approach was chosen for the study conducted here.

3.3. Methodology and Criteria in Social Research

The methodology pays attention according to by which approach an empirical study is conducted. Thereby, quantitative, qualitative, and mixed method approaches are to be considered. Moreover, to ensure quality in research, mandatory criteria for social research are presented.

3.3.1 Methodology

Basically, methodology deals with the nature of research design and methods. Thereby, it provides answers to the questions how knowledge about the object of investigation is gained and how to construct and conduct research. Often in literature the distinction is drawn between quantitative and qualitative research strategies. It is important to mention, that the differences do not lie in the data, but in the way research is conducted. Therefore, a study is not considered to be qualitative because of the use of qualitative data. The reasoning is vice versa, because of the procedure according to qualitative research logic, a research process evolves and, therefore, results in qualitative data. The same reasoning is valid for the quantitative approach.

Döring and Bortz (2016) state that the quantitative research process is executed sequentially and can be divided into separated steps. Consequently, for example, once the research survey is conducted, there are no changes made during the entire research process anymore. This is valid for all steps of the research process, thus, right in the beginning of research decisions have to be taken wisely. Although, it gets mentioned that research process steps are not strictly separated, but closely interlocked and frequently even overlapping. Hence, a quantitative research process according to quantitative research logic is characterised highly structured and standardised and, thus, deals mainly with quantitative data. This is the approach that was also followed for the study carried out here. In contrast, the qualitative approach is more opened and less-structured aiming for more flexible exploration of the data and, results primary in verbal data material. While in the quantitative approach, once the data selection is finished, no more data is added, the qualitative approach operates circular. In the qualitative approach the collected data is prepared and analysed right away (Döring and Bortz, 2016). On the basis of these interim results the data collection is managed step by step. Hence, the qualitative approach is predominantly constituted by the inductive approach. Thus, the focus lies on the generation of theory and is reinforced by the grounded theory, referred to as “an iterative approach to the analysis of qualitative data that aims to generate theory out of

research data by achieving a close fit between the two” (Bryman, 2012, p. 712). Moreover, the quantitative approach pursues the deductive approach with regard to the relationship of theory and research, by which the focus lies on testing theories. It gets emphasised in literature that both approaches existed in a competitive relationship, nowadays the point of view changed towards a supplementary coexistence.

There is even a mixed-methods approach arising that deals with the possibilities of reasonable interlinking both approaches within a research project or subprojects for maximised knowledge production. But it has to be pointed out that there is no common consensus existing in terms of how to integrate quantitative and qualitative data into one research process to derive valid, scientific statements. Thereby, the usage of different types of data can be referred to as special form of triangularity as ‘data triangularity’. Thus, both the quantitative and the qualitative approach can be complemented by the other type of data. Consequently, quantitative data can be extended by qualitative data in connection of the development if new theories are subsequently empirically and quantitatively proved. Same is valid for the qualitative approach. Here, quantitative data is used to take descriptively into account frequencies or forms of certain characteristics (Döring and Bortz, 2016).

As mentioned before Ontology, Epistemology and methodology form paradigms or theoretical perspectives, that guide every kind of research (Sarantakos, 2013; Gray, 2018). Paradigms consist of a set of propositions explaining how the world is perceived and are aiming to break down the complexity of the real world to present the essentials in detail “what is important, what is legitimate and what is reasonable [...] telling the practitioner what to do without the necessity of long existential or epistemological consideration ” (Patton, 1990, p. 37). Overall, it is a philosophical stance that provides the framework that comprises the logic and structure of the research. Moreover, it guides the research process (Sarantakos, 2013).

The quantitative approach was chosen for this study because it allows many companies to be reached in a short time. A larger sample has the advantage that the findings are more robust against single outliers. It increases the accuracy of the study and, thus, also the reliability of the conclusions that are drawn from the sample of the population. The data collection was not based on any specific quota assumptions as the industry, the size of the company, or the location were not of interest in this study. It can be assumed that regardless of these variables, the same problems between Marketing and Sales that are of interest here occur, which means that any company in a business-to-business context can be part of the sample which has at least one of the departments considered. Thus, the respondents are representing the examined departments of the population in business-to-business companies in Germany, about which a

conclusion is to be made. Ideally, every company from the population should have the same chance to be part of the sample in order to exclude a systemic error. However, this is not feasible in reality. Though, since the relevant characteristics for this study represent the departments Marketing and Sales and can, therefore, be found both in the sample and in the population, we can speak of a representative study for German business-to-business companies with regard to Marketing and Sales. Therefore, since the quantitative approach is chosen for the investigation by the author of this thesis, theory stands at the beginning of the investigation and the usual quantitative approach will be used as a basis for the further research process on influence factors on the *Integration* of Marketing and Sales with regard to aspect of the creation of *Customer Value*. Since a large number of influencing factors on the *Integration* of Marketing and Sales are examined, these are derived theory-based and hypotheses are generated from them, which subsequently are then examined using appropriate testing methods.

3.3.2 Criteria in Social Research

To ensure quality in social research, especially valid for quantitative research, a certain framework for data collection and analysis is required. Therefore, following reliability, replication and validity are presented. Reliability deals with the problem whether results from a research study can revealingly be retrieved. This aims for the consistency of the utilised measures (Bryman, 2012). This is taken into account by including Cronbach's Alpha and composite reliability in the analysis of the data in this study with regard to the constructs that represent the influencing variables on *Integration* as well as the constructs *Integration* itself and *Customer Value*.

Moreover, replicability is necessary to enable other researchers to replicate so that the findings of former researches can be replicated in order to prove their evidences. Therefore, procedures have to be presented in detail, otherwise a replication by someone else is not possible (Bryman, 2012). Consequently, in in this chapter it will be emphasised that all steps from the selection of the influencing variables on the *Integration* and the operationalisation of the constructs are presented transparently and comprehensibly in order to ensure a replication of the survey.

Furthermore, Validity takes care of the integrity of the conclusion that is drawn from research. Thereby, basically, four types are distinguished.

First, measurement or construct validity refers to the “search for measures of social scientific concepts” (Bryman, 2012, p. 47). This directs towards the fit of the chosen measures for the specific constructs if their measures really represent the concepts they are supposed to exploit. Thereby, a connection to reliability is drawn since if a construct is unreliable, it cannot provide a valid measure for a construct. Thus, the reliability of a measure is a precondition for a valid measurement. The construct validity is addressed by several partial aspects in the investigation carried out here. The nomological validity is taken into account as the assumed relationships between the constructs are based on theory. A further partial aspect of the construct validity is the discriminant validity, which examines whether the considered construct (latent variable) clearly differs from the other constructs used in the model (Hair, Hult, Ringle, and Sarstedt, 2017a). This is addressed in this study by reviewing the Fornell-Larcker criterion, where the considered latent variable should share more covariance with its assigned indicators than with other latent variables of the model (Fornell and Larcker, 1981). In addition, crossloadings are considered as the second criterion for discriminatory validity in this investigation. It is examined whether the outer loadings of the indicators show the highest loadings on the construct to which they are assigned in comparison to their crossloadings on other constructs (Hair, Ringle, and Sarstedt, 2011). In addition, a new measuring instrument, the heterotrait-monotrait ratio (HTMT), is considered with regard to discriminatory validity (Henseler, Ringle, and Sarstedt, 2015). Thus, the discriminatory validity is given sufficient attention in this study. A further aspect of the construct validity is the convergence validity, which is taken into account in this study by checking the average variance extracted (AVE). Hereby a construct should explain at least half of the variance of its indicators (Hair et al., 2017a).

Second, internal validity focuses on causality. It is important to keep in mind that in case it seems as if the one variable causes the other, it has to be assured that this relationship is true. Because it might be the case that an additional not considered variable has an impact on the apparent causal relationship. Moreover, it has to be stated clearly what is referred to as the independent and dependent variable to avoid misleading pretended findings, since it always has to be considered how confident the assumption is that the dependant is influenced by the independent variable. This is most likely to be achieved in experimental research, where all relevant influencing factors are controlled or eliminated as far as possible and only the interesting causal factors are varied in a targeted manner. The causal statements derived from this then refer to the investigated causal factors whereas all other influencing factors remain unconsidered at first, which is also called the “*ceteris paribus* principle”. Although, it is

questioned if this can be applied to social issues since persons do not behave deterministically according to natural laws. Therefore, it is not possible to derive regularities on the base of empirical studies that are valid for every single person on the world at any time. Thus, it is stated that in studies of this kind, which also applies to the study presented here with regard to influencing factors on the *Integration* of Marketing and Sales, the causal explanations with high internal validity just claim to explain in a limited manner, with the emphasis on examining whether a certain bundle of influencing factors causes certain differences in the measured dependent variables, namely in the respective concrete setting, time frame, and in the group of persons examined.

Whether the resulting causal explanations can also be generalised to other people, settings, times, measuring instruments, influencing factors, etc., is a question of external validity (Döring and Bortz, 2016, p. 99-102).

External validity occupies the topic of generalisation. It has to be proved whether the result of a certain study can be generalised beyond the primarily set frame. This plays an important role among others when participants are chosen to achieve representative results (Bryman, 2012). A study shows a high external validity if especially the proven causal effects can be transferred to other persons, variants of the independent variables, measurements of the dependent variables, settings and times in the sense of generalisation. Thereby, construct validity is an important prerequisite. In addition, it should be noted that generalisation may also be limited by the fact that the causal effect is interdependent with the relevant conditions of the specific study. Therefore, in other conditions the investigated effect may be bigger or smaller due to the interdependency. Every replication of a study reinforces the external validity of the causal effect (Döring and Bortz, 2016, p. 102-104). Thus, for the study carried out for this thesis empirical studies from other areas on the subject of *Integration* were taken into account in addition to theory in order to use constructs that already show the same causal effect in different contexts and, therefore, can be assumed to have a high external validity.

Finally, the ecological validity must be considered as a further validity. Ecological validity takes a closer look at the relevance of findings with regard to real life. Although, even if findings might be technically valid, these need not be ecological valid since data collection might have taken place in unnatural settings or with high intervention of the researcher. Data has to be captured in possibly daily life conditions to assure valid results (Bryman, 2012). This is taken into account in this study by the fact that the respondents were mostly contacted via their company email addresses. However, it is not possible to determine whether online questionnaires are really filled out directly at the workplace, at home, or on the mobile phone

on the way home. Thus, the ecological validity is only fulfilled to a limited extent (Döring and Bortz, 2016, p.106).

3.3.3 Interim conclusion and reflection

The pervious sections gave an overview on the common ontological, epistemological and methodological approaches. Before considering relevant criteria for research, these approaches shall be reflected with regard to the prospective study. Thereby, advantages and disadvantages of the chosen approaches are considered.

The aim of the study is to identify theory-based and literature-supported influencing factors that improve the *Integration* of Marketing and Sales in the business-to-business context. The identification of the influencing factors is intended to enable the *Integration* of the Marketing and Sales departments as they facilitate the creation of the necessary environment and the active support and empowerment of the departments by the company. The planned research project is based on a model, which demonstrates the impact of influence factors on the *Integration* of Marketing, Sales, and Key Account Management with the joint goal of creating *Customer Value*. Whereby the choice of influence factors and their relevance for *Integration* are based on theory and literature. From these relations hypotheses are derived.

Therefore, with regard to the procedure a deductive approach is chosen. The relationship of theory and research is described in terms that the hypotheses are derived on the basis of theories and intense literature review. This incorporates the practices and norms of the Epistemology of realism, whereby reality depends on the consciousness and experience. Moreover, this study is traditionally rooted in critical Rationalism, whereby new knowledge is created based on present knowledge in the form of existing theories and on falsification of hypotheses. Furthermore, critical Rationalism constitutes the epistemological basis for quantitative research. Moreover, the study is conducted under consideration of reliability and validity aspects.

Thus, after basic conditions are set and essential criteria were presented to follow for this kind of social research, research design will be in focus as the framework of data collection and analysis. Then, since research method and operationalisation are closely interwoven with each other by a following quantitative research, they are presented jointly.

3.4. Research design and operationalisation

Research design forms the framework of data collection and analysis. The different characteristics will be presented and the relevant approaches are assigned to the present study. Besides, operationalisation is taken into account since this primarily constitutes the creation of the chosen method for data collection in quantitative research.

3.4.1 Research design

Research design, as the framework of data collection and analysis, is according to Döring and Bortz (2016) divided into “nine classification criteria” in order to decide the appropriate approach (Döring and Bortz, 2016, p. 183).

The first criterion by which a research design is categorised pays attention to whether a quantitative or a qualitative research approach is chosen. A quantitative approach was chosen for this study because it allows many companies to be reached in a short time. A larger sample has the advantage that the findings are more robust against single outliers. It increases the accuracy of the study and, thus, also the reliability of the conclusions that are drawn from the sample of the population. The second decisive criterion takes care of the epistemic goal and so, whether a basic research study or an applied research study can be conducted. An applied research study primarily focuses on the improvement of technologies and measures and seeks for solutions of practical problems. The gain in knowledge is measured with regard to relevance for practice. It focuses more on precise practical problems, takes place in natural environments, and includes a predefined target group. Therefore, in comparison to basic research findings are mostly more narrow and less generalisable. Basic research, in contrast, is concerned more with research to improve progress and knowledge in science. Since this investigation is concerned with very practical posing of question in order to offer support so that the *Integration* of Marketing and Sales, and Key Account Management can be improved to enable companies to create or increase their *Customer Value*, it is referred to as an applied research study (Döring and Bortz, 2016).

The third consideration takes a look at the purpose of the study. Thereby, three kinds of studies can be distinguished: theoretical (research/literature review), methodological, and empirical. A theoretical study or research review examines a topic by reviewing literature and current state of research. In doing so, either a research review can emerge or previous results are summarised (meta analysis) and can be put together to an overall result. Similar, the methodology study focuses primarily on the comparison and further development of research

methods. The third approach, the ‘empirical study’ aims for solving research problems or questions on basis of systematically collected and analysed data. Studies, which rely on former, already existing studies in terms of the research design, are referred to as replication studies. If the research design was devised independently of existing studies, it is spoken about an ‘original study’. Thus, since the influences and relationships observed in this study were not examined this way before, in terms of the selection of influence factors and the question of the relationship of increased level of *Integration* and the creation of *Customer Value*, this study can be referred to as an original empirical study.

Furthermore, the basis of data has to be regarded, too. Mostly, empirical research data is collected and analysed by the researcher himself and, therefore, is referred to as primary analysis. Secondary analysis relates to already existing data. Thus, the original data has to be provided and is newly analysed. Meta analysis also operates with secondary data, but in contrast, does not analyse original data, but statistically sums up all results from comparable studies. Since data will be collected especially for the present research, it can be referred to as a primary analysis (Döring and Bortz, 2016).

Next it is important to distinguish between different kinds of purpose. First, exploratory studies can be mentioned. In focus are the exploration and description of occurrence by collecting data, to find answers to relevant research and to develop new hypotheses and theories mostly conducted by qualitative research studies. Second, descriptive studies aim to “draw a picture of a situation, a person or event or show how things are related to each other” (Gray, 2018, p. 36). This kind of study involves purely descriptive parts, but may also show a normative character by including a comparison of the obtained data against existing standards. It has to be noted, that this kind of study does not explain the reason for the observation. As a third approach, explanatory studies have to be mentioned. This approach explains and accounts for the descriptive information by proving formerly set up hypotheses. Primarily, cause and effect relationships have to be (temporarily) confirmed or rejected. Döring and Bortz (2016) point out that his kinds of studies are mostly involved with fully structured quantitative studies, which applies for the study executed here, too. The here conducted investigation can be classified as an explanatory study since is also concerned with the results of previously derived hypothesis whereby the significance as well as the direction and strength of the examined influences are in the focus. Since the study is characterised as explanatory, the formation and treatment of the investigated group play a very important role. Thereby, three gradations can be differentiated. An experimental study or also referred to as a “true experiment” or randomised controlled trial features by building artificial and at random

at least two groups. Special attention lies on the required manipulation of the independent variable by intervening in a situation. In doing so, the resulting effects on the dependant variable in both the control and experimental group are determined. Bryman (2012) note, that “the vast majority of independent variables with which social researchers are concerned cannot be manipulated” as, for example, gender as independent variable with regard to work experience (Bryman, 2012, p. 50). Experiments that do not fulfil all internal validity requirements of a true experiment are referred to as quasi-experiments or non-randomised controlled trial. In contrast to, true experiments groups are not formed by randomisation to prove causal hypotheses. Groups are discovered or were formed differently. They are also treated differently alike in a true experiment and effects in the experimental and treatment groups are observed. If there is no differentiation in terms of experimental variation between the treatment and control group and there is also no randomisation in forming groups, it is referred to as non-experimental studies. Döring and Bortz (2016) point out, that this kind of studies are only partially appropriate to prove causal hypotheses, but may provide the only possibility. Thus, the non-experimental approach will be applied for this research study. There will be a distinction of three groups: Marketing, Sales, and Key Account Management to examine differences in the rating of influence factors on the *Integration* of Marketing and Sales due to their very own characteristics. Thereby, weaknesses may be detected and awareness is built for the importance of the particular factor to increase *Integration* to give the fundament so that *Customer Value* can be created or increased *Customer Value*. This investigation will be conducted as a field study since the participants are located in their natural environment as the defined company divisions and they cannot be randomised to new groups. Due to this reason these kinds of studies are also referred to as natural experiments (Döring and Bortz, 2016). This kind of randomisation is only possible in laboratory studies. Moreover, the amount of times of investigations can be of interest, too. With regard to non-experimental studies there can be distinguished between cross-sectional, trend, and longitudinal studies in terms of times of investigation. A cross-sectional study collects data only at a single point of time, but includes, for example, groups with different age. By comparing different age groups there may be differences observable, but no causal definite interpretation is possible (Döring and Bortz, 2016). Therefore, it is important to consider both the “age effect (the impact of the aging process on individuals) and cohort effects (effects due to being born at a similar time)” (Bryman, 2012, p. 65). Döring and Bortz (2016) illustrate this in the example of the use of the Internet. There was a difference observable that younger participants tend to use the internet much more frequent than older participants. The causality

cannot be determined easily because by saying that older people are not, too, as much interested in technology ignores the coherent effect, that the group of older people is assigned to a birth cohort or generation that grew up without the internet and, thus, is facing a higher initial hurdle. Since the here conducted study will also not be repeated, it can be referred to as a cross-sectional study.

A trend study consists of several cross-sectional studies conducted more than once over time. This kind of study is mostly consulted to explore social change. Moreover, there are existing longitudinal studies, also called panel studies. Thereby, a specified sample is repeatedly examined. In contrast to cross-sectional or trend studies, longitudinal studies examine the same persons over a specific period of time. Thus, changes can be observed for every single. This research project is not repeatedly planned, therefore, it can be characterised as a not repeated non-experimental cross sectional field study.

The last issue to be considered is the size of the examined group. At this, group and single participant studies are distinguished (Döring and Bortz, 2016). Thus, relevant for this paper the group study is prominent. Since a population study is almost never possible, a sample study approach is chosen.

With regard to the research design it can be summarised that for this study a quantitative, descriptive procedure is selected. Moreover, since the research focuses not only on a contribution on theory, but also on practice, it can be referred to as an applied research study. Because data will be systematically collected and analysed to solve previously defined research questions and hypotheses on base of theories and the study does not relay on a existing study, it is characterised as an original, empirical study. Moreover, the study shows an explanatory nature by explaining and accounting descriptive information by proving formerly set up hypotheses. As the study bases on data that is collected the first time especially for this paper, it can be related to as primary analysis. Moreover, the study is drawn up as non-experimental and not repeated cross-sectional study within the field of researched subjects. Whereby, a sample study will be examined.

3.4.2 Operationalisation

In order to be able to collect desired data, initially the theoretical concepts and variables within the research hypotheses have to be clearly stated and defined. Since this thesis follows a quantitative research approach following a deductive procedure, the study starts with a precise definition of theoretical concepts and the relationships between them. Theoretical

hypotheses are derived from this on the basis of a comprehensive literature research. Concepts are “building blocks of theory and represent the points around which social research is conducted” (Bryman, 2012, p. 163). More generally concepts can be referred to as categories to sort ideas or observations or more abstract as labels “that we give to elements of the social world that seems to have common features and that strike to us significant” (Bryman, 2012, p. 163). Specifying these concepts is referred to as nominal definition. Thereby, the construct (definiendum) that has to be defined is determined by already known terms (definiens) that do not have to be closer explained. Thus, to provide a measure of a concept, indicators are required that stand for the concept since otherwise it is very hard “to investigate with some degree of objective, certainty and accuracy concepts as love, patriotism, morale [...] without explaining them more in detail” (Sarantakos, 2013, p. 153). Indicators help to avoid that concepts are understood or interpreted differently by participants.

In contrast, latent variables are not directly observable and the theoretical meaning needs to be explained what applies to the variables examined here in the model: *Customer Value, Integration, Leadership, Competences, Processes, Tasks, and Responsibilities, Structure, Culture, Strategy and Common Goals, Conflict Management, Communication*. This gets more obvious by comparing concepts that are directly observable (manifest variables) as age, gender, or height without the need for detailed theoretical explanations to concepts that are not easily empirically observable (latent variables) as intelligence, class, and norms with the need for explanation of the theoretical meaning. Indicators are, in contrast to complex concepts also referred to as constructs, directly observable and assessable. Thus, it is important to remember that the quantitative approach is based on critical rationalism and, therefore, only specific characteristics of the reality of experience and its interrelations can be investigated. Thus, only a limited part of the reality of experience is examined in quantitative studies, which also applies to the study carried out here.

To operationalise a construct, the dimensions of the construct have to be determined and empirical relationships must be established. Following, the construct has to be quantified by standardised measuring instrument, used to collect attributes in the form of numerical measured values that can be meaningfully interpreted.

Summarising, indicators do not ask directly questions, but try to capture the construct by relevant questions to receive more accurate and valid responses. For this research the following latent constructs have to be operationalised: *Customer Value, Integration, Communication, Competences, Conflict Management, Culture, Leadership, Organisational Structure, Tasks, Processes, and Responsibilities*. The comprehensive literature research

ensures that the theoretical concepts considered are clearly defined and clearly distinguish themselves from related concepts in order to avoid blurring and create a clear understanding. This is followed by operationalisation, which leads to an operational definition. It is important to emphasise that for the same theoretical construct there are different possibilities of operationalisation. Thus, theoretical constructs and latent variables, respectively, can be measured by means of different measuring instruments, which are composed of different indicators that serve to measure the considered construct as a whole. With the identification of the operationalisation of a theoretical construct its operational definition is determined. Complex theoretical constructs are not measured by a single indicator but by a set of indicators (items), which also applies to the latent variables used in this model. The multiple indicators help to capture as completely as possible the various aspects of the complex theoretical construct and to measure what needs to be measured (validity) and to ensure not to capture only a portion. In addition, the use of multiple indicators can also reduce measurement errors and improve measurement accuracy (reliability) by reducing misunderstanding and covering a wider range of aspects (Bryman, 2012). It is recommended to use established measuring instruments. This is also taken into account in this study, in which the theoretical constructs are selected by a comprehensive literature search. Thereby also the reliability is taken into account. Another thing to reflect is the relationship between the theoretical construct and its indicators. In a reflective measurement model, the theoretical construct is regarded as the cause and the indicators as the effect. The expressions of the theoretical construct are reflected as in the expressions of the indicators. These indicators are similar in form and content and correlate highly with each other. For this reason, the correlations are first checked for all reflective constructs on the basis of the data from the study (Part A). In contrast, there are formative measurement models. The indicators represent the cause of the theoretical construct. The expression of the considered theoretical construct is an effect of the indicators. The indicators can be very dissimilar in content and form and do not have to correlate with each other (Döring and Bortz, 2016, p. 222-230; Bryman, 2012, p. 151-156). This applies to the constructs *Structure* and *Customer Value* in the study conducted here. These are second order constructs in which the relationships between the first order constructs and the second order construct are formative (*Relationship* and *Common Value Creation* for *Customer Value*; *Centralisation* and *Formalisation* for *Structure*). The first order constructs (*Relationship*, *Common Value Creation*, *Centralisation*, *Formalisation*), in turn, are measured reflectively like the other constructs of the model *Integration*, *Leadership*, *Competences*, *Tasks & Responsibilities*, *Culture*, *Strategy* and *Common Goals*, *Conflict*

Management, Communication, too. Thus, the constructs examined here in the model are derived from the theory. The operationalisation is based on the meaning derived from the theory. For this purpose, existing established measuring instruments are reviewed on the basis of comprehensive literature research and the indicators are selected which best represent the theoretical model and, thus, define it operationally.

Summarising, this shows that because of the proceeding when choosing a quantitative approach data collection takes place after phrasing research questions or hypotheses. Following, these have to be translated into constructs and operationalised with matching items. Therefore, this actually shows how a questionnaire evolves.

3.4.3 Research Method

The questionnaire represents the technique for collecting data (Bryman, 2012). To survey participants, most commonly either a standardised/structured interview or a self-completion questionnaire is applied. It is important to note that in case of conducting an interview, “interviewers are supposed to read out questions exactly and in the same order as they are printed on the schedule” (Bryman, 2012, p. 210), to reduce differences between interviews. Moreover, these interviews mostly are very specific and very often offer the interviewee a fixed range of answers. Thus, for this research the self-completion questionnaire is chosen, because this way a larger number of respondents can be reached and surveyed more easily. The questionnaire for the study (Part A) as well as for the study (Part B) was created in the online tool SoSci Survey. For the measurement, frequently rating scales are used. By means of the single answer to the single items a score is formed. The psychometrical scale also has to be proved with regard to reliability and validity. Relating to concepts reliability and validity have different meanings as discussed before. Reliability in terms of concepts is concerned with the consistency of measures. Thereby, three factors should be taken into account. First, stability over time plays an important role since the results of the measure of a researched sample should not fluctuate. Thus, it has to be approved that the measures of a construct are reliable to assure if conducting a research again later after some time there should be only little variation (Bryman, 2012). This aspect of construct reliability is taken into account in the investigation under consideration here, in which already established constructs for the selected influencing factors on the *Integration* from literature are used. Second, the consistency of the indicators or items has to be ensured by considering whether the score

chosen by the participant on one indicator relates to the chosen score in another indicator (Bryman, 2012). For this purpose, a principal component analysis (PCA) is carried out following the study (Part A) in order to ensure that the selected influencing factors on the *Integration* are clearly distinguished from each other. If there are any ambiguities or overlaps, these will be removed for the questionnaire of the study (Part B). Third, intern-observer consistency has to be kept in mind, too. If there is too big scope for subjective judgment involved, for example by the recording of observations, the chance for a lack in consistency is very high (Bryman, 2012). The threat is minimised by the fact that respondents fill out the questionnaire themselves and no results need to be interpreted or transmitted by the interviewer. Validity in terms of constructs deals with the issue whether indicators actually measure the concept it is supposed to measure. Thereby, five ways of establishing validity are distinguished by Bryman (2012). First, it should be ensured that “the measure apparently reflects the content of the concept in question” (Bryman, 2012, p. 171). By asking other people about their opinion about the fit of the indicators to the concept, face validity is established. This is achieved here by a comprehensive literature research. Second, concurrent validity of a measure should be examined. For that a criterion is employed on which cases are known to differ with relevance to the concept. For example, by measuring job satisfaction ‘day of absence’ (not due illness) might be introduced as criterion. To enhance concurrent validity for the measure job satisfaction, it might be observed, that people that are satisfied with their jobs are less likely to be absent than people that are unsatisfied (Bryman, 2012). This is taken into account here through multi-item measurement, which ensures this through a comprehensive, indirect examination of factors. Third, predictive validity is mentioned as another test for validity. Similar to concurrent validity a criterion is introduced, but, in contrast, not a simultaneously measurable criterion instead of a future criterion is used. This cannot be taken into account in the study as only one measurement point is possible. Fourth, construct validity is presented and concentrates on the validity of the theoretical construct. Hypotheses from a theory relevant to the constructs can be derived and correlation appears (Döring and Bortz, 2016, p. 446). This corresponds to the procedure applied here to formulate the hypotheses which are based on theory and supported by literature. Fifth, convergent validity can be tested. Here measures are compared to measures that are derived differently, for example by observation, interviews, etc. This approach is problematic since it is hard to tell which of the two measures is more accurate (Bryman, 2012). For this reason, this was also dispensed with at this point.

A very common scale is the Likert scale. It is “essentially a multi-indicator or multi-item measure of a set of attitudes relating to a particular area” (Bryman, 2012, p. 166) and consists of a series of statements (items) with focus on a common issue. The participants indicate their level of agreement with the statement on a commonly five-point scale going from ‘strongly agree’ to ‘strongly disagree’. Each participant’s reply on each item is scored, then all items scores are aggregated to form an overall score for the construct in the end. It has to be noted that variation is existing with regard to the scale, there are also seven-point scales and other formats as well as with regard to the format of agreement indicators as ‘never’ to ‘always’ or ‘very poor’ to ‘very good’ (Bryman, 2012). Here a seven point Likert scale ranging from “strongly disagree” to “strongly agree” is chosen which allows a finer gradation of the answer possibilities. Furthermore, it has to be noted that measurement does not always lead to the same quality of information. There are four levels or scales of measurement to differentiate. The lowest scale is named nominal scale, where variables can only be put in categories, but no rank order is possible. Observations with the same characteristics are assigned to the same number. Different characteristics are assigned to different numbers. Already little more information gives variables, which are on ordinal scale. These variables can be put into rank order, but no judgement is possible with regard to the distances between the categories since they are not equally distributed. In contrast, interval scaled variable can be put in an order, and the difference between the ranks are equally distributed and, therefore, can be interpreted. This is also valid for ratio scale, but in this case variables have a fixed zero point. When using the Likert scale, the assumption of the interval scale is generally accepted, enabling metric calculations.

3.4.4 Sample and Process of Data Collection

The study was set up in a two-stage approach referred to as study (Part A) and study (Part B). The rational why the study consists of two parts (Part A and Part B) is that it is not possible to represent the results of the six groups considered in the study (Part A) in one model because of the different questions and different numbers of questions that each of the six groups had to answer. The reason why the groups had to answer different questions and a different number of questions is that depending on which department the participant indicates to belong to he is asked to answer questions regarding different relationships within the company. However, it is important to look at the groups separately at first because due to the distinctly different orientation and characterisation of Marketing and Sales, it cannot automatically be assumed

that the assessment of the respective dimensions of the model is the same. Therefore, the study (Part A) was carried out to ensure that a uniform survey does not lead to false results. Study (A) surveyed respondents assigned either to Marketing, Sales, or Key Account Management. Right in the beginning the respondents were asked if in their company Key Account Management is an independent corporate unit/department in the company, irrespective of each respondent's own assignment. This results in a division of the participants into six different groups as shown in Table 4.

Table 4 Differentiation of six groups

| Group | Meaning |
|-------|--|
| 1 | Participants that assign themselves to the Sales department and reported that the Key Account Management is part of the Sales department. |
| 2 | Participants that assign themselves to the Sales department and reported that the Key Account Management is <u>not</u> part of the Sales department. |
| 3 | Participants that assign themselves to the Marketing department and reported that the Key Account Management is part of the Sales department. |
| 4 | Participants that assign themselves to the Marketing department and reported that the Key Account Management is <u>not</u> part of the Sales department. |
| 5 | Participants that assign themselves to the Key Account Management and reported that the Key Account Management is part of the Sales department. |
| 6 | Participants that assign themselves to the Key Account Management and reported that the Key Account Management is <u>not</u> part of the Sales department. |

The purpose of study (Part A) is to determine whether the viewed six groups shown in Table 4 have to be examined by separate questionnaires resulting in six different models, each for every group considered. This would considerably limit the desired information value and would be the case if the result shows that the groups evaluate the investigated factors differently what might be expected since Marketing and Sales are fundamentally oriented differently. If it shows that the six groups' evaluation does not differ significantly for study (Part B), one single questionnaire can be used and the obtained results can be jointly presented in one comprehensive model. After the data collection of Study (Part A) it is examined whether there are significant differences observable between the considered groups shown in Table 4 with regard to the investigated perceptions of the influencing factors concerning the *Integration* of Marketing and Sales.

Besides determining whether a common questionnaire or separate questionnaires will be applied in the Study (Part B), the Study (Part A) should also be used to test the questionnaire for the following study (Part B) in terms of if the operationalisation of the constructs are suitable and meet the formal requirements tested by principal component analyses to have the possibility to adjust and set up the questionnaire for the study (Part A).

The data for both the study (Part A) and the study (Part B) is collected by two different, successive years of students as part of an empirical students research project lecture in the Master's programme at FOM University of Applied Science (FOM Hochschule für Oekonomie und Management). The students were asked to survey respondents from different business-to-business organisations throughout Germany. As part of the lecture to practice the process of data collection, the students were precisely instructed on how to collect data. In addition, the process was written down in a short handling letter for the students (Appendix B). The cover letter (Appendix A), by which the students could contact the persons to be surveyed by e-mail including the link to the questionnaire, was provided to ensure uniform communication. The questionnaire was created on the Internet platform Soscisurvey (<https://www.soscisurvey.de>). For the study (Part A) students were asked to form teams of two. From each of the six considered groups shown in Table 4, the student teams were expected to survey at least ten persons – thus, every student team surveyed a total of 60 respondents (Appendix B).

For the study (Part B), each student was asked to survey six respondents in total – two persons each from Marketing, Sales, and Key Account Management (Appendix C) - thus every student surveyed a total of 12 respondents. It was explicitly stressed that these persons had to be from six different companies. This cohort of students was chosen to be appropriate, especially for the investigation carried out for this thesis, because all of these students are either full-time or at least part-time employees. Moreover, to a large extent they are employed by one of the many business-to-business companies based in Munich and, therefore, have easy access to their colleagues from their own company but also to employees from companies they work with like suppliers or companies that they supply themselves. The sample was defined as employees from the population in the German business-to-business environment being either assigned to Marketing, Sales, or Key Account Management. A sample cover letter to contact the respondents by mail including the link to the questionnaire was also provided (Appendix A). In summary, it was specified for both surveys (Part A and Part B) that the persons to be surveyed in the sample are drawn from the population of Marketing, Sales, or Key Account Management from German business-to-business

companies.

The study (Part A) took place from 11/12/2015 to 10/02/2016. A total of 676 online questionnaires were answered, of which 464 were completed and used for the calculations. This data was collected by eight groups of two students each. Although every group tried to capture 60 questionnaires, it shows that not all groups reached this goal due to respondents that dropped out before finishing the questionnaire. These cases were excluded for the further calculations. Group 1 collected n=35 valid data sets, group 2 and group 3 collected n=54 each, group 4 collected n=59, group 5 collected n=69, group 6 collected n=62, group 7 collected n=58, and group 8 collected n=73 valid data sets. The study (Part A) considered six different variations of departments. A distinction is made between which departments the respondents belong to (Marketing, Sales, or Key Account Management) and whether there is an independent Key Account Management in this company. The aim is to find out whether the six resulting groups assess the selected influencing factors on the *Integration* of the Marketing, Sales and, if applicable, Key Account Management departments differently. Since the considered departments have very different orientations, it is necessary to investigate this first. The procedure for the study (Part B) is dependent on the resulting findings since the departments may be considered together in one model if they do not differ significantly with regard to the assessment of the examined influencing variables on the *Integration* of Marketing, Sales, and Key Account Management. For this purpose, appropriate tests are carried out between all groups in order to investigate to what extent differences occur. In addition, the constructs are also checked for their delimitation as well as their quality and, if necessary, adapted or replaced.

Subsequently, the study (Part B) was carried out from 02/12/2017 to 10/01/2018, whereby 1123 online surveys were filled, thereof 848 completed. For study (Part B) students collected the data, too, but in contrast to study (Part A) they were not asked to form groups. Instead, each student had to survey six respondents – two from each company unit (Marketing, Sales, and Key Account Management). Although every student intended to survey six persons, they could not prove if the persons they contacted participated in the survey and if the questionnaire was completed. This leads to the result that in total 1123 questionnaires were started but only 848 completed and included in the further calculations.

3.4.5 Ethics

Initially, it is ensured that participants are not part of both the study (Part A) and study (Part B) in order to ensure equality between the participants by including this as a criterion for exclusion, first, by placing this in the students' briefing and, second, as an exclusion question within the study (Part B). If the possibility is selected in the questionnaire that a participant has already taken part in the study (Part A), this leads to an immediate termination of the survey.

Generally, the survey is conducted by trying to avoid the four main areas of ethic principals as stated by Gray (2018): First, avoid harm to participants, second, ensure informed consent of participants, third, respect the privacy of participants, and fourth, avoid the use of deception.

The used questionnaire ensures the anonymity (Sarantakos, 2013) of the individuals as there no sensitive personal questions are asked. The participant is only asked to assign himself to one of three given positions: Marketing, Sales, or Key Account Management inside his company, therefore, no harm due to identification occurs. Also an identification of the participant's company is not possible because neither the branch of industry and nor the size are asked. Thus, the collection of the results occurs directly online and is not collected by email, with this even more anonymity is ensured and it is guaranteed that all participants are treated fairly in terms of "treating alike people who are alike in relevant respects and treating differently people who are different people who are different in relevant respects" (University of Southwales, 2008, p. 5). Since the link to the questionnaire is sent by email, psychological harm like anxiety and stress is reduced as the questionnaire can be answered at any time and the participation is completely voluntary. However, to reach a sufficient number of respondents the period of the survey was scheduled adequate and divided into a big number of student groups. Any harm that could be caused by the study is anticipated as far as possible and every reasonable step to avoid is taken including physical and psychological harm (Gray, 2018; Bryman, 2012). With regard to striving for the best results, these are "balanced against ethical concerns to avoid harm, respect autonomy, treat people fairly and act with professional integrity" (University of Southwales, 2008, p. 10-11). Thus, differences in race, gender, age, sexual preferences, and disability are regarded as normally irrelevant to this study. The students are obligated within the bounds of possibility to choose participants randomly. Additionally, it is clearly communicated that the respondents may not be forced to fill the survey and, therefore, a sufficient number of potential respondents has to be contacted to reach the number of required participants for every group of students (Gray, 2018).

To ensure informed consent, the questionnaire starts with an introduction telling the participant that the data is collected for academic research only. Furthermore, it is indicated that the questionnaire is part of a student's project of the FOM University of Applied Science. Hence, it is pointed out that personal opinion is asked and, therefore, there are neither right nor wrong answers and stated that the participation is absolutely voluntary, can be quit at any time, and that responding to all questions is voluntary, too (Appendix D). So, to respect the privacy of participants a person is only part of the survey if he gives its informed consent to be willingly part of the research.

To avoid deception in the covering letter (email including link to the survey) (Appendix A), it is clearly labelled that the research is done for academic research on the topic of cooperation within the three departments: Marketing, Sales, and Key Account Management.

In addition, it is assured that this study is conducted with integrity, thus, all "actions are integrated with the stated values and objectives such that here is no discrepancy between them" (University of Southwales, 2008, p. 8).

For both studies (Part A & B), care was taken to ensure that ethical standards were not violated at any time by allowing students to use their personal network of private and professional contacts. Students were allowed to contact their network directly but at no time it was possible for anybody to trace back which of the people contacted by the students had actually participated in the study. Because of this it was also not possible to screen whether every groups – each of two students – achieved the set goal to survey either 60 participants for study (Part A). This also applies for study (Part B), where it was not possible to check if every student managed to actually survey six people in total – two employees from each Marketing, Sales, and Key Account Management. Therefore, the participation in data collection was more of a voluntary nature. This supports the assumption that questionnaires indeed were filled out by the respondents and not by the students themselves to meet a given objective or receive an incentive. Because of this no ethical problems or limitations were to be expected from this.

Therefore, the study is executed under complete awareness of the existence of ethical issues. Thus, before, during and after conducting the study and data collection any reasonable step is strived for to assure respectful handling both participants and data.

3.5. Conclusion and Outlook

This chapter categorised the prospectively executed study with regard to the philosophy of science. Thereby, initially the relationship of theory and research was examined that showed,

that a deductive approach that is derived from theory may imply a quantitative research. Subsequently, Ontology and Epistemology were looked at as the framework of social research. As a quantitative oriented study, it is assigned to realism where the nature of reality is independent from the consciousness and experience. Moreover, gain in knowledge, as the contribution to theory will evolve from theories by formulating hypothesis. In terms of critical Rationalism it is pointed out, that new findings are based on falsification only.

Then, main features of qualitative and quantitative methodology in terms of research design were investigated. It was stated, that the quantitative research process is executed mostly sequentially, is characterised highly structured and standardised, and, therefore, results in quantitative data.

As a next topic was referred to basic criteria to ensure quality in quantitative research whereat reliability, replicability and validity necessarily have to be considered. Following characteristics for research design were examined and it was concluded that the quantitative research approach faces an applied research characteristic since the contribution to practice is emphasised. The purpose of the study lies in the solving of research questions on basis of collected data and is, therefore, characterised as an empirical study. Since the study will be conducted for the first time and for this reason neither replicates a study nor is based on existing data, it is additionally characterised as original and bases on primary data. Furthermore, the study will show an explanatory character, whereas a non-experimental approach is chosen, because true experiments cannot be executed within the natural environments of participants, that, however, is important to this study since Marketing, Sales, and Key Account Management will be questioned with regard to their daily life in their natural field. Moreover, for a true experiment a different treatment of at least two groups is mandatory, but this is not on focus of this study. This research paper is planned as a non-repeated, cross sectional study, whereby the above-mentioned company units are in focus with regard to the importance of the improvement of the previously influence factors derived from theory. Finally, it was stated that a multi-indicator approach will be operationalised.

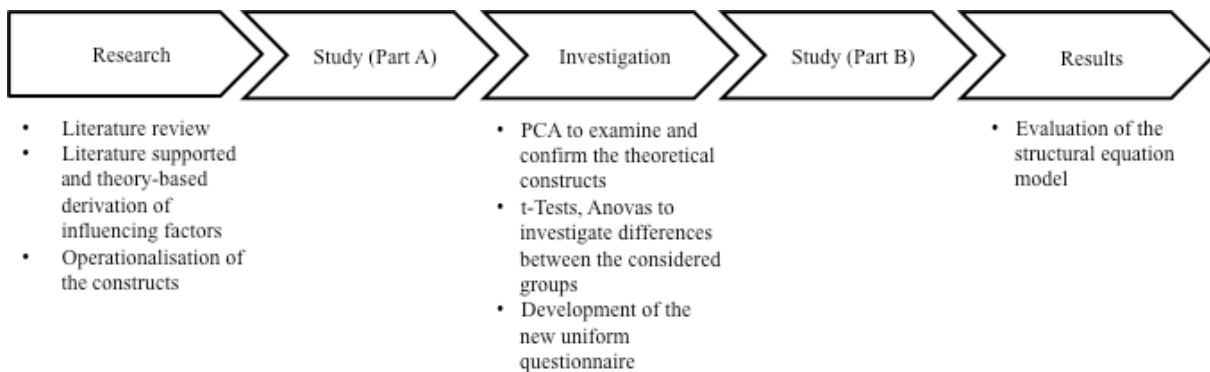
The next chapter will pay attention on the operationalisation of the constructs and the creation of a questionnaire. Furthermore, data preparation and analysis will be considered, too.

Chapter 4: Results of study Part (A)

4.1 Introduction

This chapter covers the process of the study (Part A), the conducted investigations (PCA, t-tests and ANOVAS), and the derived results as illustrated in Figure 1.

Figure 1 Flow of the research process



First of all, the period of the survey, the amount of data collected, and the division of the respondents into the six groups is explained in more detail.

This is followed by a brief introduction and background to the Principal Component Analysis (PCA). The procedure is explained step by step, initially in theory. Three criteria will be presented to check whether the available data are even suitable for PCA. Subsequently, the necessity and procedure of operationalising theoretical constructs are explained. Afterwards, the individual constructs are operationalised based on their theoretical definition supported by literature. Then, each construct is investigated on the basis of the data collected in the study (Part A) using a PCA. It is examined whether the selected influencing variables are consistent constructs and clearly distinguish themselves from the other constructs. This forms the basis for the study (Part B). Before carrying out the study (Part B), an attempt is made to reduce the complexity of the survey by checking for all influencing factors whether there are significant differences in the assessment of the six groups considered in the study (Part A). The rationale for this is that if it turns out that there are no significant differences between the groups considered in the study (Part A), a uniform questionnaire for the survey (Part B) is composed for all groups examined. For this purpose, the constructs examined on the basis of the data from the study (Part A) and optimised by the PCA are used. Thereafter the study (Part B) is conducted and the resulting model is calculated by using structural equation modelling what reveals the strength, direction, and significance of the individual influencing variables.

4.2 Study (Part A)

The study (Part A) was conducted at a very early stage of the research. The field study took place within the period (11/12/2015 to 10/02/2016). Thereby, 676 online surveys were filled, thereof 464 completed.

The first two questions of the questionnaire assign the participants into six groups. The first question refers to the own department of the respondent: Are you assigned to the Sales department (AB01=1), the Marketing department (AB01=2) or the Key Account Management (AB01=3)? The second question is concerned with the subject whether the Key Account Management is part of the Sales department or an independent department: In your company the Key Account Management is part of the Sales department (US01=1) or not part of the Sales department (US01=2). Therefore, six combinations are possible as shown in Table 5. Depending on which group the participant is assigned to each respondent is matched with the question or questions that are relevant to them. For example, a Marketing employee can answer the questions on the construct *Integration* that relate to Marketing and Sales. Depending on whether the respondent assigned to Marketing has indicated that there is an independent Key Account Management in his company, he can also provide information and answer the questions that relate to Marketing and Key Account Management (GZ02) in addition to the questions on Sales (GZ03).

Table 5 Group assignment of Participants

| Group | AB01 | US01 | n | Meaning |
|-------|------|------|-----|--|
| 1 | 1 | 1 | 143 | Participants that assign themselves to the Sales department and reported that the Key Account Management is part of the Sales department. |
| 2 | 1 | 2 | 59 | Participants that assign themselves to the Sales department and reported that the Key Account Management is <u>not</u> part of the Sales department. |
| 3 | 2 | 1 | 84 | Participants that assign themselves to the Marketing department and reported that the Key Account Management is part of the Sales department. |
| 4 | 2 | 2 | 48 | Participants that assign themselves to the Marketing department and reported that the Key Account Management is <u>not</u> part of the Sales department. |
| 5 | 3 | 1 | 79 | Participants that assign themselves to the Key Account Management and reported that the Key Account Management is part of the Sales department. |
| 6 | 3 | 2 | 51 | Participants that assign themselves to the Key Account Management and reported that the Key Account Management is <u>not</u> part of the Sales department. |

Note. Total n=464

However, if the respondent associated with Marketing has stated that Key Account Management is not an independent department but is part of Sales, the respondent would not be able to answer separate questions on Key Account Management as there is no clear separation between Sales and Key Account Management in his organisation. This respondent would then only be asked the questions regarding Marketing and Sales (GZ04). This procedure also applies to respondents who claim to be part of the two departments Sales or Key Account Management. This process is repeated for all constructs of this survey, which will not be further discussed in detail for the following construct.

Thus, depending on the group the participant is assigned to, questions with different contents with regard to the examined relationships and also a different number of items are answered wherefore the results of the groups can only be viewed separately.

4.3 Dimension Reduction with Principal Component Analysis

Many terms as for example *Integration* cannot be captured easily. It is not possible to gain deep insight into the circumstance by having a look only on one dimension of this complex construct. Therefore, this kind of construct has to be measured multi-dimensionally by a bigger number of statements (items) to capture as many dimensions as possible and to reduce uncertainty. However, to reduce unnecessary complexity for further calculations the Principal Component Analysis (PCA) is conducted. The PCA attempts to find uncorrelated linear combinations that capture the maximum variance in the data. Hence, the direction of view is from the data to the components. For further calculations it is also useful to use component values instead of variable sets. Moreover, the data acquisition effort can be simplified by focusing on variables that are known to make significant contribution to the component of interest. The PCA is a multivariate method for numeric variables, since it is based on covariances (correlations) (Hatzinger, 2014, p. 446). This is taken into account by using Likert scales to measure the items as these are assumed to be quasi metric and may be treated like an interval scale (Döring and Bortz, 2016, p. 269). Matell and Jacoby (1972) indicate three criteria, which should be taken into account when choosing the number of alternatives of a rating scale: the proportion of the chosen scale, the testing duration, and, finally, whether an “uncertainty” category should be offered. Regarding the first criteria it is pointed out that if respondents are provided with many response categories, it may occur that they consistently use only a small proportion of these. Next, it is considered whether an intermediate answer option should be offered. It must be examined whether there is a risk that participants will

choose this intermediate answer option as a quick way out if they do not want to express their true opinion. Or whether it leads to wrong results if the participants are forced to choose an “agree” or “disagree” answer option. Matell and Jacoby (1972) note that this issue can be addressed by selecting a sufficiently finely graduated scale. This enables the respondent to express his attitude more precisely and the use of the neutral centre decreases considerably. Their study showed that this mostly applies to rating scales with more than five categories. With regard to testing time, the study did not show a positive correlation within the number of scale points whereby the result is inconsistent with further researches. Therefore, for this study a seven-point Likert scale is chosen following Green and Rao (1970). They recommend using either a six or seven point Likert scale. It was stated by Matell and Jacoby (1972) that the usage of the “uncertain” category declines sharply by rating scales of six or more categories, therefore, the choice was made on a seven-point scale in order to avoid the need for agreement or disagreement.

The PCA shows explorative character and investigates multivariate relationships with the objective of data reduction. No prior knowledge of the underlying patterns is necessary, these patterns have to be discovered. The goal is to reduce a larger number of correlated variables to a smaller number of uncorrelated variables while preserving much of the information. Artificial dimensions, so-called principal components, are to be created that correlate highly with the original variables.

The starting point of a PCA is correlations between all variables. The variables of a dimension should correlate highly with each other but only weakly with other variables. According to Cohen (1988), a Pearson correlation coefficient $|r|$ below 0.3 is referred to as weak, whereas a correlation coefficient $|r|$ greater than 0.5 indicates a good correlation and a very good correlation if the $|r|$ value exceeds 0.7 (Cohen, 1988, p. 82). Moreover, a perfect positive correlation is indicated by $r=1$ and a perfect negative correlation by $r=-1$. If it shows a value of zero, no correlation is indicated.

However, for correlations, the resulting groups are often ambiguous because they overlap, or the correlation coefficients are not high. These new groups are called principal components, for these a value can be calculated that describes this new variable, the so-called component value. The extraction of the principal components starts by looking for the largest group of items that are highly correlated with each other. Whereby, the first principal component is formed. Then the second largest group of items is retrieved, which correlate highly with each other, but which correlate as little as possible with the first group. In order to distinguish between important and unimportant principal components, it is important that these are easy

to interpret and reasonable in terms of content, which is basically a subjective decision (Hatzinger, 2014, p. 447).

The eigenvalue criterion (numerical) and the scree plot (graphical) can be used to support the decision. These two methods should be explained using the first influencing factor. In the following, only the results of these will be discussed. The eigenvalue describes the proportion of the total variance in the data explained by this component. The total variance corresponds to the sum of the number of variables due to the transformation of the mean values to zero and the variance to one. The higher the number of items grouped into a group and the higher the correlation within that group, the greater is the eigenvalue of the corresponding principal component. The magnitude of the eigenvalue corresponds to the explanatory value of the principal component. The higher the eigenvalue, the more important is the principal component to explain the total variance. In order to decide which principal components are to be considered, the eigenvalue criterion is applied. Thereafter, all principal components are looked at that have an eigenvalue greater than one (Hatzinger, 2014, p. 450). Hatzinger (2014) recommends combining the methods of the eigenvalue criterion with the method of the scree plot, since there is no universal method (Hatzinger, 2014, p. 451).

With these two methods, the number of the initially assumed principal components is determined and the PCA is carried out for each influencing factor. The result of the PCA represents the component loadings matrix that contains the component loadings. Component loadings are correlation coefficients between the original variables and the principal components. The principal components can be interpreted by looking for the variables that show a high correlation to a component. Values above 0.7 are interpreted as very high, between 0.5 and 0.7 as high, between 0.3 and 0.5 as poor and below 0.3 as very poor (Hatzinger, 2014, p. 452). After a principal component is found, a name is determined for the common properties of the items that upload to a common component.

Before the PCAs are conducted for every influence factor, it has to be checked whether the data is appropriate for a PCA. Therefore, two statistics and one test can be executed.

First, the Kaiser-Meyer-Olkin-Criterion (KMO) is reviewed as a general measure for all variables involved. The calculation of the KMO-Criterion for the study (Part A) shows a result of 0.83. This result is clearly above the critical value of 0.5 determined by Kaiser, Meyer, and Olkin, so the data as a whole is perceived as well suited for conducting a PCA (Hatzinger, 2014). Second, the Measures of Sampling Adequacy (MSAs) are checked, that allow conclusions to be drawn about the usability of individual variables. Hereby, two variables from *Conflict Management*, as shown in Table 6, are below the critical value of 0.5

(KM02_02 and KM05_01). These two variables need to be considered more closely in the PCA conducted separately for the single construct *Conflict Management* as well as in the overall PCA and, if necessary by showing low correlations, low factors loadings, or no clear assignment to one principal component, has to be excluded from the survey of the study (Part B).

Table 6 Measures of Sampling Adequacy

| Variables (sorted from low to high) | MSAs |
|-------------------------------------|---------------|
| KM02_02 | 0.374* |
| KM05_01 | 0.450* |
| AU01_02 | 0.522 |
| VE01_02 | 0.534 |
| PR01_03 | 0.566 |
| PR02_01 | 0.573 |
| ... | ... |

Note.*below 0.5; AU: Tasks; KM: Conflict Management; PR: Processes; VE: Responsibilities; [...]. This table shows a part of the MSAs – see Appendix E for the whole table.

Thirdly, a Bartlett test is carried out. It examines whether the variables correlate. If the result is highly significant as in the study carried out here with a p-value < 0.01, there is no reason not to use the PCA (Hatzinger, 2014, p. 457).

Finally, the resulting principal components are checked for internal reliability with the help of Cronbach’s alpha (Cronbach, 1951). As the general formula for the Cronbach’s alpha relies on the variances of the indicator variable of a specific construct, measured with n items, and on the variance of the sum of all n indicators of the construct (Hair et al., 2017a, p. 111-112), the measure it is sensitive to differences in the item variances. Moreover, it must be noted that the results of the Cronbach’s alpha are strongly influenced by the number of items. For short scales (less than ten items) often only Cronbach’s alpha values of 0.5 are found. On the contrary, “as the number of items increases, alpha rises towards 1,00” (Cronbach, 1951, p. 328). By investigating Cronbach’s alpha results, a value of one indicates perfect internal reliability and zero no internal reliability. A value of 0.7 or greater is considered acceptable (Nunnally and Bernstein, 1994, p. 252). Generally, Cronbach’s alpha tends to underestimate internal consistency, therefore, in the following composite reliability is investigated, too. This measure refers to the different outer loadings of the indicator variables. Here, too, values

between 0.7 and 0.9 are considered satisfactory. However, values above 0.95 are not desirable as these imply that all indicators measure the same phenomenon and, hence, do not represent a valid measure of the construct (Hair et al., 2017a, p. 112). In contrast to Cronbach's alpha, the composite reliability tends to overestimate the internal consistency. Thus, Hair et al. (2017a) advice to consider both.

To investigate the individual constructs, the data of the largest of the six groups (Group 1, n=143) is used. The formulation of the items is identical for all six groups across all constructs, except for the respective relationship under consideration. However, this is not relevant for the determination of the principal components. Therefore, the individual constructs are checked using the data of the first group.

4.3.1 Integration

The construct *Integration* is operationalized by five items with regard to the *Collaboration* construct by Ellinger (2000) that is based on the *Collaboration* construct from Kahn (1996) that shows an Cronbach's alpha of 0.93, which is referred to as excellent as being above the critical value of 0.7 and being close to 1 (Gray, 2018). Troilo et al. (2009) also refer to this construct by Kahn (1996) with respect to their Marketing-Sales *Collaboration* construct. Homburg et al. (2008) also relate to the construct developed by Ellinger (2000) for their construct to measure the quality of *Cooperation* between Marketing and Sales. The five-point scale was adapted to a seven-point Likert scale and translated into German. Two items were dropped because the subject is covered by another construct. These items are shown in Table 7. This already well-established construct best reflects the theory-based and literature-supported definition of *Integration* since *Integration* is more than just collaboration and cooperation and represents a holistic approach that also includes altruistic components (Katz, 1964). These are referred to as mandatory to the *Integration* of Marketing and Sales in order to create *Customer Value* (Guenzi and Troilo, 2006, p. 984).

Table 7 Integration – Construct and Items

| Integration | |
|-------------|--|
| Variable | Items |
| GZ04 | During the past six months, how often did Marketing engage in the following activities with the Sales department? (<i>KAM part of Sales</i>) |
| GZ04_01 | Informally working together. |
| GZ04_02 | Sharing ideas, information, and/or resources. |
| GZ04_03 | Working together as a team. |
| GZ04_04 | Conducting joint planning to anticipate and resolve operational problems. |
| GZ04_05 | Making joint decisions about ways to improve overall cost efficiency. |
| GZ03 | During the past six months, how often did Marketing engage in the following activities with the Sales department? |
| GZ03_01 | Informally working together. |
| GZ03_02 | Sharing ideas, information, and/or resources. |
| GZ03_03 | Working together as a team. |
| GZ03_04 | Conducting joint planning to anticipate and resolve operational problems. |
| GZ03_05 | Making joint decisions about ways to improve overall cost efficiency. |
| GZ05 | During the past six months, how often did Sales engage in the following activities with the Key Account Management? |
| GZ05_01 | Informally working together. |
| GZ05_02 | Sharing ideas, information, and/or resources. |
| GZ05_03 | Working together as a team. |
| GZ05_04 | Conducting joint planning to anticipate and resolve operational problems. |
| GZ05_05 | Making joint decisions about ways to improve overall cost efficiency. |
| GZ02 | During the past six months, how often did Marketing engage in the following activities with the Key Account Management? |
| GZ02_01 | Informally working together. |
| GZ02_02 | Sharing ideas, information, and/or resources. |
| GZ02_03 | Working together as a team. |
| GZ02_04 | Conducting joint planning to anticipate and resolve operational problems. |
| GZ02_05 | Making joint decisions about ways to improve overall cost efficiency. |

Note. Measured on a 7-point scale ranging from “strongly disagree” to “strongly agree”

First, a correlation is conducted with regard to the items of GZ04 since they are assigned to Group 1 examined here. **Table 8** shows correlation coefficients between 0.55 and 0.82, which is why the overall correlation between the items is considered to be high which indicates only one principal component.

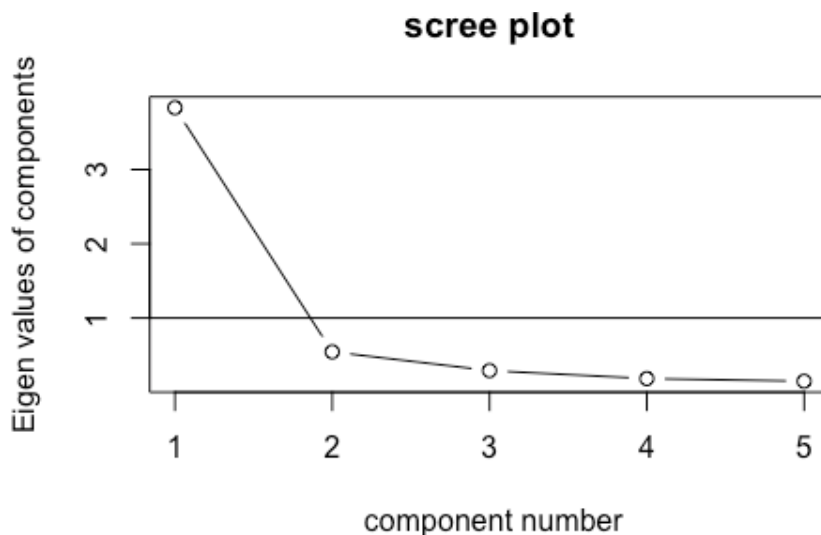
Table 8 Integration – Correlation

| Measures | GZ04_01 | GZ04_02 | GZ04_03 | GZ04_04 | GZ04_05 |
|----------|---------|---------|---------|---------|---------|
| GZ04_01 | 1 | | | | |
| GZ04_02 | 0.76** | 1 | | | |
| GZ04_03 | 0.64** | 0.78** | 1 | | |
| GZ04_04 | 0.63** | 0.72** | 0.80** | 1 | |
| GZ04_05 | 0.55** | 0.64** | 0.72** | 0.82** | 1 |

Note. Group 1.1 (n=143), *indicates p<.05; **indicates p<.01

To determine the number of principal components, both the elbow criterion (graphical method) and the eigenvalue (numeric method) can be used. The purpose of both methods is to determine the number of principal components. All principal components that have an eigenvalue greater than one are taken into account. The reason is that main components with an eigenvalue less than one have less explanatory value than the initial variables. For the graphical method, the eigenvalues are plotted on the y-axis and the principal component number on the x-axis and then connected to a line. This procedure is based on the fact that in most cases the first or the first main components have high eigenvalues, but these are rapidly decreasing. From a certain point onwards, they then remain relatively constant at a fairly low level. There is then a kink or “elbow”. In order to determine the number of principal components, all principal components are taken into account that are shown in the screen plot to the left of the “elbow”. If there are several kinks, then one chooses those main components that are located to the left of the most right bend. Based on the elbow criterion it can be concluded from scree plot shown in Figure 2 that the target variable *Integration* has only one principal component.

Figure 2 Integration – Scree Plot



In the following, the presentation of the scree plot as shown in Figure 2 will be dispensed with, but the same procedure will be followed. The same result also shows numerically in the eigenvalue as presented in Table 9. According to the eigenvalue criterion, only values greater than one are taken into account. When calculating the eigenvalue, only one value greater than one with a value of 3.83 is shown as displayed in Table 9. To calculate how much of the total variance is explained by this principal component, the respective eigenvalue is divided by the

number of items. Here the first component explains about 77% of the total variance. Therefore, the PCA is conducted with one principal component.

Table 9 Integration – Eigenvalues

| Component | Eigenvalue | percentage of explained variance | cumulative percentages |
|-------------|-------------|----------------------------------|------------------------|
| Component 1 | 3.83 | 77 | 77 |
| Component 2 | 0.54 | 11 | 88 |
| Component 3 | 0.29 | 5 | 93 |
| Component 4 | 0.18 | 4 | 97 |
| Component 5 | 0.15 | 3 | 100 |

Table 10 shows that all items have very high loadings above 0.7 on the one principal component and also very high Cronbach’s alpha of 0.92. Thus, *Integration* is treated as one construct for the study (Part B)’s investigation.

Table 10 Integration – Principal Component Analysis

| PCA | | |
|-----------------|-----------------|-----------|
| Factors | Factor loadings | Raw Alpha |
| PC1 Integration | | |
| GZ04_04 | 0.91 | 0.92 |
| GZ04_03 | 0.90 | |
| GZ04_02 | 0.89 | |
| GZ04_05 | 0.85 | |
| GZ04_01 | 0.81 | |

Note. SS loadings: 3.83; proportion variance: 0.77

4.3.2 Processes, Tasks, and Responsibilities

With regard to theory, *Processes*, *Tasks*, and *Responsibilities* appear as one closely related construct. The construct *Tasks* is operationalised by two items with regard to the *Formalisation* regarding rolls construct by Haase (2006) that is based on the *Formalisation* construct from Ayers et al. (1997) which shows a Cronbach’s alpha of 0.85. This is referred to as good as being above the critical value of 0.7.

Responsibilities are also operationalised by two statements. This is based on the *Functional role clarity* items by Troilo et al. (2009) which are labelled as new items with a composite reliability of 0.78. The seven-point Likert scale has been retained and translated into German. These items are shown in **Table 11** for all groups.

The construct concerning *Processes* is self-developed. The presented constructs operationalise the theoretical construct Processes, Tasks, and Responsibilities best because clearly assigned *Responsibilities* and *Tasks* without overlapping improve the *Integration* of the Marketing and Sales departments (Ayers et al., 1997) and prevent conflicts by creating the basis for effective *Processes*.

Table 11 Processes, Tasks, and Responsibilities – Construct and Items

| Variable | Items |
|------------------|---|
| Processes | |
| PR01 | To what extent do you agree with the following statements with regard to processes? |
| PR01_01 | There is a defined and documented marketing process for the implementation of measures. |
| PR01_02 | Marketing, Sales and Key Account Management are significantly involved in the marketing process. |
| PR01_03 | The marketing process is mainly assigned to Key Account Management. |
| PR02 | To what extent do you agree with the following statements? |
| PR02_01 | The marketing process is more likely to be associated with Marketing. |
| PR02_02 | The concerns of Marketing are taken into account in the marketing process. |
| PR02_03 | The Marketing processes are largely reflected in the marketing process. |
| PR03 | To what extent do you agree with the following statements? |
| PR03_01 | The marketing process is more likely to be assigned to Sales. |
| PR03_02 | The concerns of the Sales department are taken into account in the marketing process. |
| PR03_03 | The Sales processes are largely reflected in the marketing process. |
| Tasks | |
| AU01 | To what extent do you agree with the following statements regarding tasks? (<i>KAM part of Sales</i>) |
| AU01_01 | The employees in Marketing and Sales each have clearly defined tasks. |
| AU01_02 | The tasks of Marketing and Sales overlap. (R) |
| AU04 | To what extent do you agree with the following statements regarding tasks? |
| AU04_01 | The employees in Marketing and Sales each have clearly defined tasks. |
| AU04_02 | The tasks of Marketing and Sales overlap. (R) |
| AU03 | To what extent do you agree with the following statements regarding tasks? |
| AU03_01 | The employees in Sales and Key Account Management each have clearly defined tasks. |
| AU03_02 | The tasks of Sales and Key Account Management overlap. (R) |
| AU02 | To what extent do you agree with the following statements regarding tasks? |
| AU02_01 | The employees in Marketing and Key Account Management each have clearly defined tasks. |
| AU02_02 | The tasks of Marketing and Key Account Management overlap. (R) |
| Responsibilities | |
| VE01 | To what extent do you agree with the following statements regarding responsibilities? (<i>KAM part of Sales</i>) |
| VE01_01 | The employees in Marketing and Sales each have clearly defined areas of responsibility. |
| VE01_01 | The areas of responsibility of Marketing and Sales overlap. (R) |
| VE03 | To what extent do you agree with the following statements regarding responsibilities? |
| VE03_01 | The employees in Sales and Key Account Management each have clearly defined areas of responsibility. |
| VE03_02 | The areas of responsibility of Sales and Key Account Management overlap. (R) |

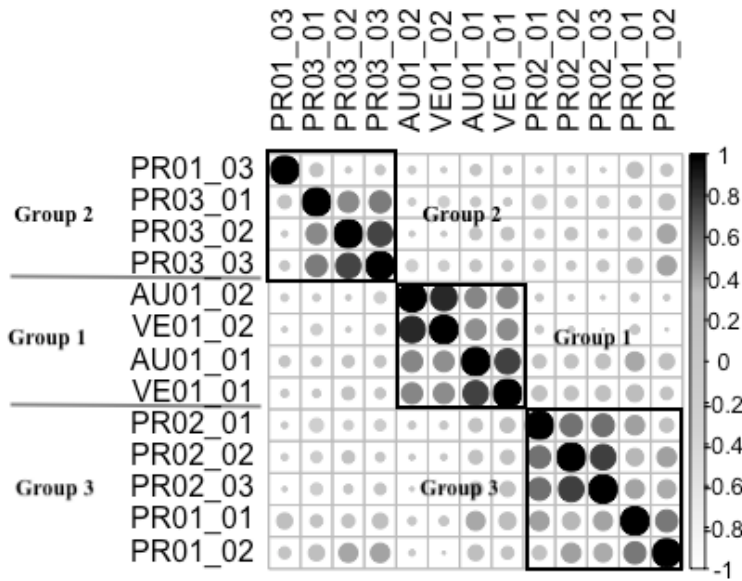
Table 10 Processes, Tasks, and Responsibilities – Construct and Items (continued)

| Variable | Items |
|------------------|--|
| Responsibilities | |
| VE04 | To what extent do you agree with the following statements regarding responsibilities? |
| VE04_01 | The employees in Marketing and Sales each have clearly defined areas of responsibility. |
| VE04_02 | The areas of responsibility of Marketing and Sales overlap. (R) |
| VE02 | To what extent do you agree with the following statements regarding responsibilities? |
| VE02_01 | The employees in Marketing and Key Account Management each have clearly defined areas of responsibility. |
| VE02_02 | The areas of responsibility of Marketing and Key Account Management overlap. (R) |

Note. Measured on a 7-point scale ranging from “strongly disagree” to “strongly agree”

First, the correlation of the items is considered with regard to the items of PR01, PR02, PR03, AU01, and VE 01 since they are assigned to Group 1 examined here. For better presentation, a correlation plot is chosen here because the correlation matrix is not so well suited to present the results at a glance due to the high number of items. The correlations coefficients are clustered hierarchically in order to identify hidden pattern. The big black circles indicate a high positive correlation. With decreasing intensity of the colour and the size, the correlation becomes weaker or even negative. Thus, Figure 3 shows that not all items correlate strongly with each other. Three groups clearly stand out. The group 1 in the middle of Figure 3 contains both the items for *Tasks* and *Responsibilities*. The group 2 in the top left corner and the group 3 in the lower right corner both contain parts of the items for *Processes*. The eigenvalues will provide more detailed information on the actual number of principal components.

Figure 3 Processes, Tasks, and Responsibilities – Correlation Plot



When looking at the eigenvalues in Table 12, there appear four groups, which was not clearly visible from the correlation plot.

Table 12 Processes, Tasks, and Responsibilities – Eigenvalues

| Component | Eigenvalue | Percentage of explained variance | Cumulative percentages |
|--------------|-------------|----------------------------------|------------------------|
| Component 1 | 3.76 | 29 | 29 |
| Component 2 | 2.62 | 20 | 49 |
| Component 3 | 2.24 | 17 | 66 |
| Component 4 | 1.17 | 9 | 75 |
| Component 5 | 0.64 | 5 | 80 |
| Component 6 | 0.59 | 5 | 85 |
| Component 7 | 0.49 | 4 | 89 |
| Component 8 | 0.42 | 3 | 92 |
| Component 9 | 0.32 | 2 | 94 |
| Component 10 | 0.23 | 2 | 96 |
| Component 11 | 0.21 | 2 | 98 |
| Component 12 | 0.17 | 1 | 99 |
| Component 13 | 0.12 | 1 | 100 |

Therefore, the PCA is conducted with four principal components. Conducting PCA shows that the *Process* items are not clearly assigned to one principal component because of cross-loadings. Thus, the *Process*'s construct is eliminated.

If now *Tasks* and *Responsibilities* are correlated as shown in Table 13, all correlations are above $|r|=0.5$ and, therefore, this is seen as large effect.

Table 13 Tasks and Responsibilities – Correlations

| Measures | AU01_01 | AU01_02 | VE01_01 | VE01_02 |
|----------|---------|---------|---------|---------|
| AU01_01 | - | | | |
| AU01_02 | 0.53** | - | | |
| VE01_01 | 0.75** | 0.50** | - | |
| VE01_02 | 0.50** | 0.83** | 0.53** | - |

Note. Group 1.1 (n=143), *indicates p<.05; **indicates p<.01

Also, the eigenvalues in Table 14 clearly illustrate only one principal component.

Table 14 Tasks and Responsibilities – Eigenvalues

| Component | Eigenvalue | Percentage of explained variance | Cumulative percentages |
|-------------|-------------|----------------------------------|------------------------|
| Component 1 | 2.82 | 71 | 71 |
| Component 2 | 0.76 | 19 | 90 |
| Component 3 | 0.26 | 6 | 96 |
| Component 4 | 0.16 | 4 | 100 |

The conducted PCA indicates that all variables have satisfactorily high factors loadings above 0.7 (Cohen, 1988, p. 82). Moreover, the items show a high Cronbach's alpha of 0.86 as presented in Table 15.

Table 15 Tasks and Responsibilities – Principal Component Analysis

| Factors | Factor loadings | Raw Alpha |
|--------------------------------|-----------------|-----------|
| PC1 Tasks and Responsibilities | | |
| AU01_02 | 0.86 | 0.86 |
| VE01_02 | 0.86 | |
| VE01_01 | 0.82 | |
| AU01_01 | 0.82 | |

Note. SS loadings: 2.86; proportion variance: 0.71

Therefore, the final questionnaire of the study (Part B) will only contain the questions concerning *Tasks and Responsibility*. *Processes* is excluded due to the ambiguous delimitation or assignment with respect to the other constructs.

4.3.3 Structure and Culture

The construct *Structure and Culture* is operationalised by four items as shown in Table 16 with regard to the *Esprit de Corps* construct by Salojärvi and Saarenketo (2013) that shows a

Cronbach's alpha of 0.83. The seven-point Likert scale has been retained and translated into German. This best represents *Structure* and *Culture* as these seem to be closely related in theory. Especially with regard to the two opposite oriented departments Marketing and Sales, a common *Culture* is very important since cultural differences are seen as a primary source of friction that leads to conflict (Malshe et al., 2012). In addition, *Structure* provided the framework for *Tasks, Responsibilities, and Processes* in the company, which in turn formed the basis for the *Integration* of Marketing and Sales.

Table 16 Structure and Culture – Construct and Items

| Variable | Items |
|----------|---|
| SK04 | The employees of Marketing and Sales ... (<i>KAM part of Sales</i>) |
| SK04_01 | Have a team spirit that pervades all ranks involved. |
| SK04_02 | Feel like they are part of a big family. |
| SK04_03 | Are genuinely concerned about the needs and problems of each other. |
| SK04_04 | View themselves as independent individuals who have to tolerate others around them. (R) |
| SK05 | The employees of Marketing and Sales ... |
| SK05_01 | Have a team spirit that pervades all ranks involved. |
| SK05_02 | Feel like they are part of a big family. |
| SK05_03 | Are genuinely concerned about the needs and problems of each other. |
| SK05_04 | View themselves as independent individuals who have to tolerate others around them. (R) |
| SK03 | The employees of Sales and Key Account Management ... |
| SK03_01 | Have a team spirit that pervades all ranks involved. |
| SK03_02 | Feel like they are part of a big family. |
| SK03_03 | Are genuinely concerned about the needs and problems of each other. |
| SK03_04 | View themselves as independent individuals who have to tolerate others around them. (R) |
| SK02 | The employees of Marketing and Key Account Management ... |
| SK03_01 | Have a team spirit that pervades all ranks involved. |
| SK03_02 | Feel like they are part of a big family. |
| SK03_03 | Are genuinely concerned about the needs and problems of each other. |
| SK03_04 | View themselves as independent individuals who have to tolerate others around them. (R) |

Note. Measured on a 7-point scale ranging from “strongly disagree” to “strongly agree”

First, the correlation of the items is considered with regard to the items of SK04 since they are assigned to Group 1 examined here. Table 17 shows correlation coefficients between 0.50 and 0.79, which is why the overall correlation between the items is regarded to be high or even very high which indicates only one principal component.

Table 17 Structure and Culture – Correlation

| Measures | SK04_01 | SK04_02 | SK04_03 | SK04_04 |
|----------|---------|---------|---------|---------|
| SK04_01 | 1 | | | |
| SK04_02 | 0.79** | 1 | | |
| SK04_03 | 0.71** | 0.69** | 1 | |
| SK04_04 | 0.56** | 0.50** | 0.64** | 1 |

Note. Group 1.1 (n=143), *indicates $p < .05$; **indicates $p < .01$

When looking at the eigenvalues in Table 18, there show only one principal component, too.

Table 18 Structure and Culture – Eigenvalues

| Component | Eigenvalue | Percentage of explained variance | Cumulative percentages |
|-------------|-------------|----------------------------------|------------------------|
| Component 1 | 2.95 | 74 | 74 |
| Component 2 | 0.55 | 14 | 88 |
| Component 3 | 0.29 | 7 | 95 |
| Component 4 | 0.21 | 5 | 100 |

By conducting the PCA, Table 19 illustrates that all items have very high loadings above 0.7 on the one common principal component and also high Cronbach's alpha of 0.88. Thus, Structure and Culture is treated as one construct for the study (Part B)'s investigation.

Table 19 Structure and Culture – Principal Component Analysis

| Factors | Factor loadings | Raw Alpha |
|---------------------------|-----------------|-----------|
| PC1 Structure and Culture | | |
| SK04_01 | 0.90 | |
| SK04_03 | 0.89 | |
| SK04_02 | 0.88 | 0.88 |
| SK04_04 | 0.77 | |

Note. SS loadings: 2.95; proportion variance: 0.74

4.3.4 Conflict Management

The construct *Conflict Management* is operationalised by four items with regard to the *Interdepartmental Conflict* construct by Menon et al. (1997) that shows a Cronbach's alpha of 0.87 for all seven items. The five-point scale was adapted to a seven-point Likert scale and translated into German. These items are shown in Table 20. This construct represents best the theoretical construct of *Conflict Management* since as stated by the Social Identity Theory (Tajfel, 1978) people from different groups tend to have a high potential for conflicts what

absolutely applies to Marketing and Sales because of their very different *Culture* and strategic orientation.

Table 20 Conflict Management – Construct and Items

| Variable | Items |
|----------|---|
| KM05 | To what extent do you agree with the following statements regarding Cooperation. (<i>KAM part of Sales</i>) |
| KM05_01 | People from Marketing generally dislike interacting with those from Sales. (R) |
| KM01 | To what extent do you agree with the following statements regarding Cooperation. |
| KM01_01 | People from Sales and Key Account Management generally dislike interacting with those from Marketing. (R) |
| KM06 | To what extent do you agree with the following statements regarding Cooperation. |
| KM06_01 | People from Marketing and Sales generally dislike interacting with those from Key Account Management. (R) |
| KM02 | To what extent do you agree with the following statements regarding Conflict Management. |
| KM02_01 | Marketing and Sales get along well with each other. |
| KM02_02 | When Marketing and Sales get together, tensions frequently run high. (R) |
| KM02_03 | There is little or no interdepartmental conflict in this business unit. |
| KM07 | To what extent do you agree with the following statements regarding Conflict Management. |
| KM07_01 | Marketing and Sales get along well with each other. |
| KM07_02 | When Marketing and Sales get together, tensions frequently run high. (R) |
| KM07_03 | There is little or no interdepartmental conflict in this business unit. |
| KM04 | To what extent do you agree with the following statements regarding Conflict Management. |
| KM04_01 | Sales and Key Account Management get along well with each other. |
| KM04_02 | When Sales and Key Account Management get together, tensions frequently run high. (R) |
| KM04_03 | There is little or no interdepartmental conflict in this business unit. |
| KM03 | To what extent do you agree with the following statements regarding Conflict Management. |
| KM03_01 | Marketing and Key Account Management get along well with each other. |
| KM03_02 | When Marketing and Key Account Management get together, tensions frequently run high. (R) |
| KM03_03 | There is little or no interdepartmental conflict in this business unit. |

Note. Measured on a 7-point scale ranging from “strongly disagree” to “strongly agree”

First, the correlation of the items is considered with regard to the items of KM05 and KM02 since they are assigned to Group 1 examined here. Table 21 shows correlation coefficients between 0.08 and 0.63. Since there are very low correlations here, this does not allow conclusions to be drawn about the number of principal components. However, the construct must be examined more closely.

Table 21 Conflict Management – Correlation

| Measures | KM05_01 | KM02_01 | KM02_02 | KM02_03 |
|----------|----------|---------|---------|---------|
| KM05_01 | 1 | | | |
| KM02_01 | 0.31** | 1 | | |
| KM02_02 | 0.48** | 0.29** | 1 | |
| KM02_03 | 0.08n.s. | 0.63** | 0.21* | 1 |

Note. Group 1.1 (n=143)), *indicates $p < .05$; **indicates $p < .01$; n.s. indicates not significant

When checking the eigenvalues in Table 22, two principal components are visible.

Table 22 Conflict Management – Eigenvalues

| Component | Eigenvalue | Percentage of explained variance | Cumulative percentages |
|-------------|-------------|----------------------------------|------------------------|
| Component 1 | 2.02 | 50 | 50 |
| Component 2 | 1.12 | 28 | 78 |
| Component 3 | 0.54 | 14 | 92 |
| Component 4 | 0.32 | 8 | 100 |

Although the principal component analysis shows two principal components with high loadings, these must also be checked for content. Since the interpretation of the content based on the two principal components is not unambiguous, item KM05_01 is deleted. When the eigenvalue shown in Table 23 is then checked again, only one principal component is indicated.

Table 23 Conflict Management – Eigenvalues (*adjusted*)

| Component | Eigenvalue | Percentage of explained variance | Cumulative percentages |
|-------------|-------------|----------------------------------|------------------------|
| Component 1 | 1.81 | 50 | 50 |
| Component 2 | 0.83 | 28 | 78 |
| Component 3 | 0.36 | 14 | 92 |

Table 24 shows high or even very high loadings on one principal component. For this reason, these items are retained. However, this solution doesn't reveal a satisfactory Cronbach's alpha, the construct is given further attention when looking at the overall PCA.

Table 24 Conflict Management – Principal Component Analysis

| Principal Component Analysis | | |
|------------------------------|-----------------|-----------|
| Factors | Factor loadings | Raw Alpha |
| PC1 Conflict Management | | |
| KM02_01 | 0.88 | |
| KM02_03 | 0.85 | 0.65 |
| KM02_02 | 0.57 | |

Note. SS loadings: 1.81; proportion variance: 0.60

4.3.5 Competences

The construct *Competences* is operationalised by eight items with regard to *Professional Competence* that is measured by two items from Cravens et al. (1993) and shows a Cronbach's alpha of 0.7. The further six items originate from the construct *Differences between marketing and sales in regard to interpersonal skills* by Homburg and Jensen (2007b). This construct shows a composite reliability of 0.69. The two different scales were adjusted to a uniform seven-point Likert scale and translated into German. These items are shown in Table 25. This construct best represents the theoretical construct of *Competences* since these professional and interpersonal skills which emerge on the basis of comprehensive literature research represent a prerequisite for *Integration* since a lack in any of these skills has a negative influence on the cooperation of Marketing and Sales and, therefore, prevents *Integration* (Homburg and Jensen, 2007b, p. 128).

Table 25 Competences – Construct and Items

| Variable | Items |
|----------|---|
| KO02 | To what extent do you agree with the following statements regarding Competences? Our Marketing employees ... (<i>KAM part of Sales/not part of Sales</i>) |
| KO02_01 | possess expert selling skills. |
| KO02_02 | possess detailed product knowledge. |
| KO02_03 | have the ability to work in a team. |
| KO02_04 | have communication skills. |
| KO02_05 | have negotiation skills. |
| KO02_06 | have persuasiveness and assertiveness. |
| KO02_07 | have conflict tolerance. |
| KO02_08 | have empathy. |

Table 24 Competences – Construct and Items (continued)

| Variable | Items |
|----------|---|
| KO03 | To what extent do you agree with the following statements regarding Competences? Our Key Account Managers ... |
| KO03_01 | possess expert selling skills. |
| KO03_02 | possess detailed product knowledge. |
| KO03_03 | have the ability to work in a team. |
| KO03_04 | have communication skills. |
| KO03_05 | have negotiation skills. |
| KO03_06 | have persuasiveness and assertiveness. |
| KO03_07 | have conflict tolerance. |
| KO03_08 | have empathy. |
| KO01 | To what extent do you agree with the following statements regarding Competences? Our Sales employees ... |
| KO01_01 | possess expert selling skills. |
| KO01_02 | possess detailed product knowledge. |
| KO01_03 | have the ability to work in a team. |
| KO01_04 | have communication skills. |
| KO01_05 | have negotiation skills. |
| KO01_06 | have persuasiveness and assertiveness. |
| KO01_07 | have conflict tolerance. |
| KO01_08 | have empathy. |

Note. Measured on a 7-point scale ranging from “strongly disagree” to “strongly agree”

First, the correlation of the items is considered with regard to the items KO02 since they are assigned to Group 1 examined here. Table 26 shows, with only a few exceptions, high correlations in total, which indicates one principal component.

Table 26 Competences – Correlations

| Measures | 01 | 02 | 03 | 04 | 05 | 06 | 07 | 08 |
|----------|--------|--------|--------|--------|--------|--------|--------|----|
| KO02_01 | 1 | | | | | | | |
| KO02_02 | 0.52** | 1 | | | | | | |
| KO02_03 | 0.58** | 0.53** | 1 | | | | | |
| KO02_04 | 0.56** | 0.43** | 0.69** | 1 | | | | |
| KO02_05 | 0.52** | 0.53** | 0.57** | 0.44** | 1 | | | |
| KO02_06 | 0.57** | 0.59** | 0.58** | 0.51** | 0.83** | 1 | | |
| KO02_07 | 0.50** | 0.47** | 0.62** | 0.52** | 0.64** | 0.62** | 1 | |
| KO02_08 | 0.44** | 0.35** | 0.59** | 0.55** | 0.54** | 0.50** | 0.62** | 1 |

Note. Group 1.1 (n=143)), *indicates p<.05; **indicates p<.01

Also, the eigenvalues in Table 27 show only one principal component, because only one eigenvalue is greater than zero.

Table 27 Competences – Eigenvalues

| Component | Eigenvalue | Percentage of explained variance | Cumulative percentages |
|-------------|-------------|----------------------------------|------------------------|
| Component 1 | 4.87 | 61 | 61 |
| Component 2 | 0.79 | 10 | 71 |
| Component 3 | 0.68 | 9 | 80 |
| Component 4 | 0.46 | 6 | 86 |
| Component 5 | 0.40 | 5 | 91 |
| Component 6 | 0.36 | 4 | 95 |
| Component 7 | 0.28 | 3 | 98 |
| Component 8 | 0.15 | 2 | 100 |

Table 28 shows very high loadings on one common principal component. For this reason, these items are retained. Moreover, the Cronbach’s alpha is also very high what indicates the high reliability of the items.

Table 28 Competences – Principal Component Analysis

| Principal Component Analysis | | |
|------------------------------|-----------------|-----------|
| Factors | Factor loadings | Raw Alpha |
| PC1 Conflict Management | | |
| KO02_06 | 0.84 | 0.9 |
| KO02_03 | 0.83 | |
| KO02_05 | 0.82 | |
| KO02_07 | 0.80 | |
| KO02_04 | 0.75 | |
| KO02_01 | 0.75 | |
| KO02_08 | 0.73 | |
| KO02_02 | 0.70 | |

Note. SS loadings: 4.87, Proportion Variance: 0.61

4.3.6 Leadership

The construct *Leadership* is operationalised by five items with regard to Shoemaker (1999) who refers to the “Leadership Practice Inventory” (LPI-Observer) by Kouzes and Posner (1987). The LPI-Observer consists of five dimensions whereby each dimension contains six items. In order to cover all dimensions but to keep the scope as small as possible, one item was selected from each dimension which best represents the respective dimension. Both Shoemaker (1999) and Kouzes and Posner (1987) reported high internal reliability, above 0.93 for Shoemaker and ranging from 0.82 to 0.92 for Kouzes and Posner. However, since the constructs are not completely adopted, the reliability of the items is especially checked. The

five-point Likert scale was adjusted to a seven-point Likert scale and translated into German. These items are shown in Table 29. This best represents the theoretical construct of *Leadership* since it is seen as a major facilitator of the Marketing and Sales *Integration by* creating a *Culture* of cooperation, promote mutual understanding, and reduce conflicts by aligning Sales and Marketing objectives (Madhani, 2016, p. 23).

Table 29 Leadership – Construct and Items

| Variable | Items |
|----------|---|
| FE01 | To what extent do you agree with the following statements regarding the leadership level? |
| FE01_01 | If something doesn't work as expected, the management asks the question: "What can we learn from it and improve in the future?" |
| FE01_02 | Our management creates an atmosphere of mutual trust in the projects they manage. |
| FE01_03 | Our management invests time and energy to ensure that employees adhere to the values and goals agreed. |
| FE01_04 | Our management shows great appreciation and support for the contribution of their team members. |
| FE01_05 | Our management succeeds in making their visions our own. |

Note. Measured on a 7-point scale ranging from "strongly disagree" to "strongly agree"

First, the correlation of the items is considered with regard to the items FE01 since they are assigned to Group 1 examined here. Table 30 shows high correlations which indicates one principal component.

Table 30 Leadership – Correlation

| Measures | FE01_01 | FE01_02 | FE01_03 | FE01_04 | FE01_05 |
|----------|---------|---------|---------|---------|---------|
| FE01_01 | 1 | | | | |
| FE01_02 | 0.60** | 1 | | | |
| FE01_03 | 0.49** | 0.66** | 1 | | |
| FE01_04 | 0.60** | 0.75** | 0.78** | 1 | |
| FE01_05 | 0.57** | 0.73** | 0.70** | 0.74** | 1 |

Note. Group 1.1 (n=143), *indicates p<.05; **indicates p<.01

This result is in line with eigenvalues presented in Table 31.

Table 31 Leadership – Eigenvalues

| Component | Eigenvalue | Percentage of explained variance | Cumulative percentages |
|-------------|-------------|----------------------------------|------------------------|
| Component 1 | 3.66 | 73 | 73 |
| Component 2 | 0.55 | 11 | 84 |
| Component 3 | 0.33 | 7 | 91 |
| Component 4 | 0.27 | 5 | 96 |
| Component 5 | 0.20 | 4 | 100 |

The PCA result presented in Table 32 shows overall very high loadings and a very high Cronbach's alpha. This supports the composition of the items and thus the variables can be retained as a construct.

Table 32 Leadership – Principal Component Analysis

| Principal Component Analysis | | |
|------------------------------|-----------------|-----------|
| Factors | Factor loadings | Raw Alpha |
| PC1 Leadership | | |
| FE01_04 | 0.91 | |
| FE01_02 | 0.88 | |
| FE01_05 | 0.88 | 0.92 |
| FE01_03 | 0.85 | |
| FE01_01 | 0.75 | |

Note. SS loadings: 3.66; proportion variance: 0.71

4.3.7 Strategy and Common Goals

The construct *Strategy and Common Goals* is operationalised by six items with regard to *system-related coordination mechanisms* by Haase (2006) with Cronbach's alpha of 0.72 that is based on Pinto et al. (1993) (Cronbach's alpha 0.91). The seven-point Likert scale has been retained and translated into German. These items are shown in Table 33. This operationalises the construct *Strategy and Common Goals* best since a *Common Goals* is perceived as mandatory to avoid conflicts and enable and support the *Integration* of Marketing and Sales (Madhani, 2016; Guenzi and Troilo, 2006) whereby in order to implement *Common Goals* it is necessary to define a clear *Strategy*, which will be pursued by capable managers from both departments (Kirsch and Stoyke, 2011, p. 13).

Table 33 Strategy and Common Goals – Construct and Items

| Variable | Items |
|----------|---|
| SZ01 | The employees of Marketing and Sales ... (<i>KAM part of Sales</i>) |
| SZ01_01 | share the same strategic orientation, i.e. the Marketing and Sales strategies are jointly developed and coordinated. |
| SZ01_02 | share a common mindset with regard to the coordinated strategic orientation. |
| SZ02 | To what extent do you agree with the following statements regarding goals? |
| SZ02_01 | The goals of Marketing and Sales are defined jointly and are coordinated both in terms of content and timing. |
| SZ02_02 | Marketing and Sales have a mutually balanced target system and are measured and evaluated accordingly. |
| SZ02_03 | Both Marketing and Sales are measured and evaluated against contribution margin targets that they can influence. |
| SZ02_04 | Marketing and Sales mutually appreciate the importance of the contribution of the other division/department to achieving their respective goals. |
| SZ03 | The employees of Marketing and Sales ... |
| SZ03_01 | share the same strategic orientation, i.e. the Marketing and Sales strategies are jointly developed and coordinated. |
| SZ03_02 | share a common mindset with regard to the coordinated strategic orientation. |
| SZ06 | To what extent do you agree with the following statements regarding goals? |
| SZ06_01 | The goals of Marketing and Sales are defined jointly and are coordinated both in terms of content and timing. |
| SZ06_02 | Marketing and Sales have a mutually balanced target system and are measured and evaluated accordingly. |
| SZ06_03 | Both Marketing and Sales are measured and evaluated against contribution margin targets that they can influence. |
| SZ06_04 | Marketing and Sales mutually appreciate the importance of the contribution of the other division/department to achieving their respective goals. |
| SZ05 | The employees of Sales and Key Account Management ... |
| SZ05_01 | share the same strategic orientation, i.e. the Marketing and Sales strategies are jointly developed and coordinated. |
| SZ05_02 | share a common mindset with regard to the coordinated strategic orientation. |
| SZ08 | To what extent do you agree with the following statements regarding goals? |
| SZ08_01 | The goals of Sales and Key Account Management are defined jointly and are coordinated both in terms of content and timing. |
| SZ08_02 | Sales and Key Account Management have a mutually balanced target system and are measured and evaluated accordingly. |
| SZ08_03 | Both Sales and Key Account Management are measured and evaluated against contribution margin targets that they can influence. |
| SZ08_04 | Sales and Key Account Management mutually appreciate the importance of the contribution of the other division/department to achieving their respective goals. |
| SZ04 | The employees of Marketing and Key Account Management ... |
| SZ04_01 | share the same strategic orientation, i.e. the Marketing and Sales strategies are jointly developed and coordinated. |
| SZ04_02 | share a common mindset with regard to the coordinated strategic orientation. |

Table 32 Strategy and Common Goals – Construct and Items (continued)

| Variable | Items |
|----------|---|
| SZ07 | To what extent do you agree with the following statements regarding goals? |
| SZ07_01 | The goals of Marketing and Key Account Management are defined jointly and are coordinated both in terms of content and timing. |
| SZ07_02 | Marketing and Key Account Management have a mutually balanced target system and are measured and evaluated accordingly. |
| SZ07_03 | Both Marketing and Key Account Management are measured and evaluated against contribution margin targets that they can influence. |
| SZ07_04 | Marketing and Key Account Management mutually appreciate the importance of the contribution of the other division/department to achieving their respective goals. |

Note. Measured on a 7-point scale ranging from “strongly disagree” to “strongly agree”

First, the correlation of the items is considered with regard to the items SZ01 and SZ02 since they are assigned to Group 1 examined here. Table 34 shows consistently high or even very high results of correlation, indicating one common principal component.

Table 34 Strategy and Common Goals – Correlation

| Measures | SZ01_01 | SZ01_02 | SZ02_01 | SZ02_02 | SZ02_03 | SZ02_04 |
|----------|---------|---------|---------|---------|---------|---------|
| SZ01_01 | 1 | | | | | |
| SZ01_02 | 0.79** | 1 | | | | |
| SZ02_01 | 0.73** | 0.69** | 1 | | | |
| SZ02_02 | 0.67** | 0.65** | 0.80** | 1 | | |
| SZ02_03 | 0.51** | 0.51** | 0.58** | 0.64** | 1 | |
| SZ02_04 | 0.61** | 0.58** | 0.72** | 0.72** | 0.65** | 1 |

Note. Group 1.1 (n=143), *indicates p<.05; **indicates p<.01

The eigenvalues in Table 35 reinforces this assumption.

Table 35 Strategy and Common Goals – Eigenvalues

| Component | Eigenvalue | Percentage of explained variance | Cumulative percentages |
|-------------|-------------|----------------------------------|------------------------|
| Component 1 | 4.28 | 71 | 71 |
| Component 2 | 0.63 | 11 | 82 |
| Component 3 | 0.38 | 6 | 88 |
| Component 4 | 0.33 | 5 | 93 |
| Component 5 | 0.21 | 4 | 97 |
| Component 6 | 0.18 | 3 | 100 |

The PCA result in Table 36 shows overall very high loadings on one common principal component and a very high Cronbach's alpha. For this reason, these items are retained and used for the questionnaire in the study (Part B).

Table 36 Strategy and Common Goals – Principal Component Analysis

| Principal Component Analysis | | |
|-------------------------------|-----------------|-----------|
| Factors | Factor loadings | Raw Alpha |
| PC1 Strategy and Common Goals | | |
| SZ02_01 | 0.90 | |
| SZ02_02 | 0.88 | |
| SZ01_01 | 0.85 | 0.9 |
| SZ01_02 | 0.84 | |
| SZ02_04 | 0.84 | |
| SZ02_03 | 0.76 | |

Note. SS loadings: 4.28; proportion variance: 0.71

4.3.8 Customer Value

Customer Value represents a benefit as an aspect of the consequences resulting from an improved *Integration* of Marketing and Sales. With regard to previous studies, there is no consensus on how *Customer Value* is operationalised. Following, the investigation by Blocker (2011) *Customer Value* is implemented as a formative second order construct. The formative measurement is theoretically based on research on buyer behaviour (Cannon and Perreault Jr, 1999), which shows that the value drivers do not necessarily correlate with each other, so a high evaluation of quality does not necessarily imply a good seller-customer relationship. Ulaga and Eggert (2006) also operationalise the investigated relationship value as formative higher-order measurement model. According to Woodruff (1997), *Customer Value* can, besides the commonly known trade-off between sacrifices and benefits, be interpreted as a summary judgement about a relationship. O'cass and Ngo (2012) state that by offering value that meets the customers' expectations the opportunity to gain a market advantage is provided. Thus, customers can search for superior value in various aspects of the offering. By focusing only on benefits and sacrifices in the analysis of customer value, important aspects such as the customer-supplier relationship mentioned by Woodruff (1997) may remain unconsidered. Therefore, the construct *Customer Value* is operationalised for the here conducted study as a formative second order construct determined by three reflective first order dimensions according to Ngo and O'cass (2009) with regard to *Performance Value* consisting of five items (AVE=0.66; composite reliability=0.91), *Relationship Value* (AVE=0.62; composite reliability=0.89) consisting also of five items, and *Co-Creation Value*

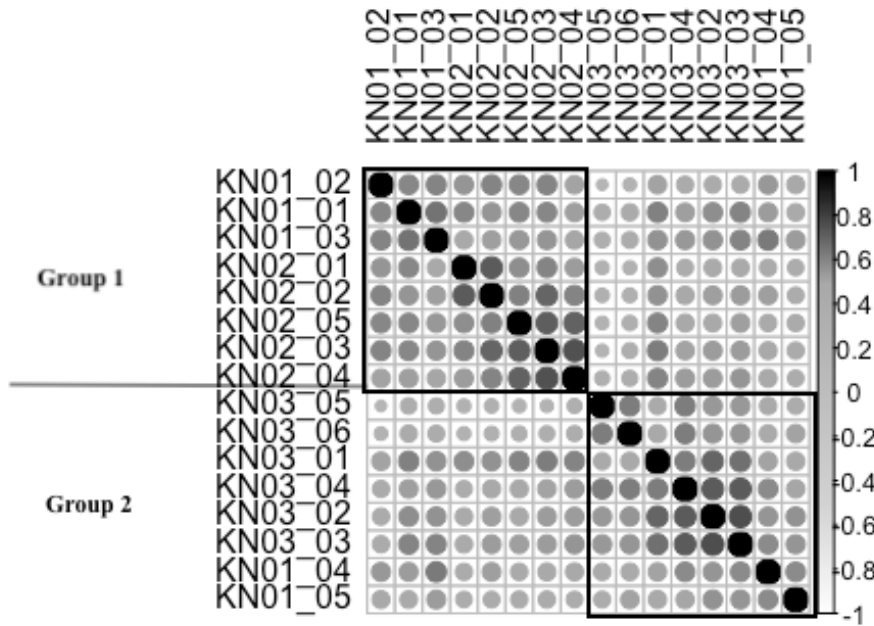
that consists of six items (AVE=0.69; composite reliability=0.93). The seven-point Likert scale has been retained and translated into German. These items are shown in Table 37. This best reflects the literature derived and theoretically underpinned definition of *Customer Value* since the tailor-made performance of the product is of great importance for the customer (*Performance Value*), for which a close relationship between the customer and the supplier (*Relationship Value*) as well as the involvement of the customer in the creation of products (*Co-Creation Value*) is absolutely necessary.

Table 37 Customer Value – Construct and Items

| Variable | Items |
|--|--|
| KN01 | To what extent do you agree with the following statements regarding Customer Value? |
| KN01_01 | We ensure customers' personal preferences are satisfied. |
| KN01_02 | We deliver quality products. |
| KN01_03 | We deliver products and/or services that are exactly what customers want. |
| KN01_04 | We deliver products that exceed customers' expectations. |
| KN01_05 | We deliver products with innovative performance features. |
| KN02 | To what extent do you agree with the following statements regarding the customer relationship? |
| KN02_01 | We ensure that customers have easy access to the business at any time. |
| KN02_02 | We ensure rapid response standards to deal with any customer enquiry. |
| KN02_03 | We have continuing relationships with customers. |
| KN02_04 | We deliver add-on values to keep customers. |
| KN02_05 | We maintain long term relationships with our customers. |
| KN03 | To what extent do you agree with the following statements with respect to creating Shared Value? |
| KN03_01 | We interact with customers to serve them better. |
| KN03_02 | We work together with customers to produce offerings that mobilize them. |
| KN03_03 | We interact with customers to design offerings that meet their needs. |
| KN03_04 | We provide products for and in conjunction with customers. |
| KN03_05 | We co-opt customer involvement in providing products for them. |
| KN03_06 | We provide customers with supporting systems to help them get more value. |
| Note. Measured on a 7-point scale ranging from "strongly disagree" to "strongly agree" | |

Due to the high number of items, the first estimation is based on the corrplot, which suggests two principal components shown Figure 4.

Figure 4 Customer Value – Correlation Plot



This assumption is confirmed by the result of the two eigenvalues greater than one shown in Table 38.

Table 38 Customer Value – Eigenvalues

| Component | Eigenvalue | Percentage of explained variance | Cumulative percentages |
|--------------|-------------|----------------------------------|------------------------|
| Component 1 | 8.91 | 56 | 56 |
| Component 2 | 1.62 | 10 | 66 |
| Component 3 | 0.82 | 5 | 71 |
| Component 4 | 0.61 | 4 | 75 |
| Component 5 | 0.55 | 4 | 79 |
| Component 6 | 0.50 | 3 | 82 |
| Component 7 | 0.48 | 3 | 85 |
| Component 8 | 0.37 | 2 | 87 |
| Component 9 | 0.36 | 2 | 89 |
| Component 10 | 0.32 | 2 | 91 |
| Component 11 | 0.30 | 2 | 93 |
| Component 12 | 0.28 | 2 | 95 |
| Component 13 | 0.25 | 2 | 97 |
| Component 14 | 0.23 | 1 | 98 |
| Component 15 | 0.22 | 1 | 99 |
| Component 16 | 0.18 | 1 | 100 |

After the implementation of the PCA, two principal components emerge. First, the item KN03_01 is deleted due to cross-loadings. By closer inspection, two further items KN01_04 and KN01_04 have to be deleted, which do not fit thematically to the principal component

assigned to them and, moreover, only show weak loadings. When the PCA is conducted again, it becomes apparent, as shown in Table 39, that the items assign to two principal components. All items show high loadings on the respective construct, and the constructs are also clearly distinguished from each other in terms of content. Thus, they are retained for the study (Part B) in the same way.

Table 39 Customer Value – Principal Component Analysis

| Principal Component Analysis | | |
|------------------------------|-----------------|-----------|
| Factors | Factor loadings | Raw Alpha |
| RC1 Customer Value | | |
| KN02_03 | 0.83 | |
| KN02_02 | 0.80 | |
| KN02_05 | 0.80 | |
| KN01_02 | 0.79 | |
| KN02_01 | 0.77 | |
| KN02_04 | 0.74 | |
| KN01_01 | 0.67 | 0.92 |
| KN01_03 | 0.62 | |
| RC2 | | |
| KN03_05 | 0.85 | |
| KN03_06 | 0.81 | |
| KN03_04 | 0.78 | |
| KN03_02 | 0.72 | |
| KN03_03 | 0.72 | |

Note. SS loadings: RC1 5.19; RC2 3.72; cumulative variance: 0.69

4.3.9 All Factors

After checking the individual influencing factors and the two target variables, a PCA is now performed jointly for all items in order to test whether the individual constructs clearly differentiate themselves from the other constructs. Thereby the exogenous and endogenous models have to be investigated separately. Primarily, the exogenous model is examined. When checking the eigenvalues in Table 40, six principal components show which is consistent with the number of influencing factors considered so far.

Table 40 Exogenous – Eigenvalues

| Component | Eigenvalue | Percentage of explained variance (rounded) | Cumulative percentages |
|--------------|--------------|--|------------------------|
| Component 1 | 12.77 | 43 | 43 |
| Component 2 | 3.12 | 10 | 53 |
| Component 3 | 1.96 | 7 | 60 |
| Component 4 | 1.43 | 5 | 65 |
| Component 5 | 1.34 | 4 | 69 |
| Component 6 | 1.11 | 4 | 73 |
| Component 7 | 0.92 | 3 | 76 |
| Component 8 | 0.78 | 3 | 79 |
| Component 9 | 0.72 | 2 | 81 |
| Component 10 | 0.62 | 2 | 83 |
| Component 11 | 0.60 | 2 | 85 |
| Component 12 | 0.48 | 2 | 87 |
| Component 13 | 0.44 | 1 | 88 |
| Component 14 | 0.43 | 1 | 89 |
| Component 15 | 0.39 | 1 | 90 |
| Component 16 | 0.35 | 1 | 91 |
| Component 17 | 0.32 | 1 | 92 |
| Component 18 | 0.28 | 1 | 93 |
| Component 19 | 0.27 | 1 | 94 |
| Component 20 | 0.26 | 1 | 95 |
| Component 21 | 0.21 | 1 | 96 |
| Component 22 | 0.19 | 1 | 97 |
| Component 23 | 0.18 | 1 | 98 |
| Component 24 | 0.16 | 1 | 99 |
| Component 25 | 0.15 | 1 | 100 |
| Component 26 | 0.13 | 0 | 100 |
| Component 27 | 0.11 | 0 | 100 |
| Component 28 | 0.11 | 0 | 100 |
| Component 29 | 0.09 | 0 | 100 |
| Component 30 | 0.06 | 0 | 100 |

The individual constructs for the endogenous model are now examined in detail. The PCA results are shown in Table 41. The first factor considered is *Tasks and Responsibilities* (AU and VE). Also, in the total PCA the items are clearly differentiated and show high loadings on the common construct between 0.84 and 0.87.

Second, *Structure, and Culture* (SK) is examined. The total PCA shows that the four items are not clearly assigned to one principal component and for this reason they are not suitable for further measurement. Therefore, it was decided to use new constructs for the study (Part B) and to separate the topics *Structure* and *Culture* in order to obtain better interpretable results. This result, that is based on the data of the study (Part A), is initially examined from a

theoretical point of view, which also supports the splitting of the two constructs. The new items for *Structure* refer to Gounaris and Tzempelikos (2014). Their construct *Organizational Structure* is divided into four items concerning *Centralisation* that show a Cronbach's alpha of 0.87 and six items concerning *Formalisation* showing a Cronbach's alpha of 0.82. This construct best operationalises the theoretical construct *Structure* in terms to an often in literature mentioned division of *Structure* into *Formalisation* and *Centralisation* as suggested, for instance, by Gounaris and Tzempelikos (2014) and Gupta et al. (1986).

The new items for *Culture* refer to the construct *Esprit de Corps* that is operationalised by seven items from Jaworski and Kohli (1993). This construct is also used by Homburg et al. (2002) but only using six items. Therefore, *Culture* is operationalised with regard to the original seven items showing a Cronbach's alpha of 0.9. This construct best describes *Culture*, especially with regard to the difficult relationship of Marketing and Sales. Madhani (2016) states that Marketing and Sales need an own culture to enable successful performance but also the ability to relate to other functional culture (Madhani, 2016, p. 24).

Third, the *Conflict Management* items are inspected. The three items show cross-loadings and are not clearly assigned to a joint principal component. Since the content of the original construct by Menon et al. (1997) fits very well and also shows a high Cronbach's alpha of 0.87 in both studies by Menon et al. (1997) and Jaworski and Kohli (1993), the same construct is kept for the study (Part B), but now all seven items are used, not only four items as for the study (Part A), in order to get better results.

Fourth, the construct *Competences* is taken a closer look at. For some items, however, cross-loadings to other constructs appear, but all clearly load the highest on the common principal component. Except item KO02_02 which is deleted for this reason for further investigations since it shows no sufficient loading on any construct.

Fifth, all items of the *Leadership* construct are clearly assigned to one joint principal component with overall high loadings. Just two items show very weak cross-loadings what can be neglected. The same applies to the sixth construct *Strategy and Common Goals* (SZ). There are just two weak cross-loadings, but all items highly load on the common principal component.

Table 41 Exogenous Principal Component Analysis

| | Factors | RC3 | RC1 | RC4 | RC2 | RC6 | RC5 |
|-------------------------------|---------|------|------|------|------|------|------|
| Strategy and Common Goals | SZ02_02 | 0.88 | | | | | |
| | SZ02_01 | 0.84 | | | | | |
| | SZ02_03 | 0.74 | | | | | |
| | SZ02_04 | 0.71 | | | | | |
| | SZ01_01 | 0.70 | | | | | |
| | SZ01_02 | 0.69 | | | | | |
| Competences | K002_02 | | | | | | |
| Structure and Culture | SK04_02 | | | | | | |
| Competences | KO02_06 | | 0.80 | | | | |
| | KO02_05 | | 0.73 | | | | |
| | KO02_07 | | 0.71 | | | | |
| | KO02_03 | | 0.67 | | | | |
| | KO02_04 | | 0.64 | | | | |
| | KO02_08 | | 0.55 | 0.54 | | | |
| | KO02_01 | | 0.53 | | | | |
| Structure and Culture | SK04_01 | | | | | | |
| Leadership | FE01_04 | | | 0.81 | | | |
| | FE01_05 | | | 0.79 | | | |
| | FE01_02 | | | 0.79 | | | |
| | FE01_03 | | | 0.75 | | | |
| | FE01_01 | | | 0.66 | | | |
| Tasks and Responsibilities | AU01_02 | | | | 0.87 | | |
| | VE01_02 | | | | 0.85 | | |
| | VE01_01 | | | | 0.84 | | |
| | AU01_01 | | | | 0.84 | | |
| Conflict Management | KM02_02 | | | | | 0.65 | |
| | KM02_01 | | | | | 0.85 | |
| Structure and Culture | SK04_03 | | | | | 0.56 | |
| | SK04_04 | | | | | | |
| Conflict Management | KM02_02 | | | | | | 0.86 |

Note. SS loadings: RC3 5.23; RC1 5.01; RC4 4.48; RC2 3.05; RC6 2.63; RC5 1.33; cumulative variance: 0.72.

Next, the endogenous model with two target variables *Integration* and *Customer Value* is examined. This shows three eigenvalues greater than one, which suggests three principal components. The result of the PCA is presented in Table 42. All items assigned to *Integration* have no cross-loadings and high loadings on the common principal component. However, the *Customer Value* construct is divided into two principal components. One can be summarized as the *Relationship* construct. The second is concerned with *Common Value*.

Table 42 Endogenous Principal Component Analysis

| Factors | RC1 | RC2 | RC3 |
|---------|------|------|------|
| KN02_03 | 0.84 | | |
| KN02_01 | 0.82 | | |
| KN02_04 | 0.79 | | |
| KN02_05 | 0.78 | | |
| KN02_02 | 0.77 | | |
| KN01_02 | 0.69 | | |
| KN01_01 | 0.54 | | 0.53 |
| GZ04_04 | | 0.90 | |
| GZ04_03 | | 0.88 | |
| GZ04_02 | | 0.86 | |
| GZ04_05 | | 0.84 | |
| GZ04_01 | | 0.78 | |
| KN03_04 | | | 0.83 |
| KN03_06 | | | 0.78 |
| KN03_03 | | | 0.76 |
| KN03_05 | | | 0.76 |
| KN03_02 | | | 0.72 |
| KN01_03 | 0.54 | | 0.56 |

Note. SS loadings: RC1 4.86; RC2 3.92; RC3 3.87; cumulative variance: 0.70

The results of the final PCA for both exogenous and endogenous factors are decisive for the content of the final questionnaire of the study (Part B) and, thus, are adopted.

4.4 Reduction of complexity

As can be seen from the previous presentation of the constructs, complexity of the questionnaire has to be reduced. Mainly for the reason that the aim is to present the results in a common model, which is currently not possible due to the different questions relating to the respective group. Therefore, the six target groups of respondents – Marketing, Sales and Key Account Manager/with or without KAM as part of Sales - are tested with regard to differences or equality. The aim is to show if there are differences between the departments considered concerning the assessment of the individual influencing factors.

4.4.1 Integration

The influencing factor *Integration* deals with the cooperation of one department with another. In principle, this can involve cooperation with Marketing, Sales and/or Key Account Management, which will be considered separately below. For the investigation t-tests and

analysis of variance (ANOVA) are carried out, which examine the mean values of the groups for significant differences.

4.4.1.1 Sales

The aim is to investigate whether there is a difference between Marketing Managers and Key Account Managers with respect to the estimation of the degree of *Integration* with the Sales department.

Therefore, first the groups 2.1 and 2.2 are compared by using a t-test to check if a significant difference between these groups exists with regard to their estimation towards the degree of *Integration* with the Sales department, since indeed both groups consist of Marketing Managers, but a difference might arise concerning the Key Account Management being assigned to the Sales department (Group 2.1) or not (Group 2.2).

As shown in Table 44a the conducted t-test does not indicate a significant mean difference between the groups 2.1 and 2.2, $t(111)=0.91, p=.36$.

Therefore, following an ANOVA is conducted to check if there a significant difference exists within the two groups of Marketing Managers and the third group 3.2 that consists of Key Account Managers that are not assigned to the Sales department. Since all three groups are interacting with the Sales department, they were asked to evaluate their perceived level of *Integration*. The result of the ANOVA presented in Table 44b shows no significant difference within the groups, $F(2,179)=0.46, p=.63$.

Due to these results the final questionnaire will not differentiate between the groups 2.1, 2.2 and 3.2 anymore concerning how the questions are formulated. Each group receives the same questionnaire regarding the more general attitude towards the willingness to cooperate.

4.4.1.2 Marketing

Now it is to be examined whether there is a difference between Sales Managers and Key Account Managers with regard to the estimation of the degree of *Integration* with the Marketing department. Both the groups 1.1 and 1.2 consist of Sales Managers and evaluate the level of *Integration* with the Marketing department, independently of the assignment of the Key Account department in their company. To check whether there a difference exists within these two groups, a t-test is conducted.

The conducted t-test shows in Table 44c that there is no significant mean difference between the two groups, $t(106)=0.60, p=.55$.

Following, the groups 3.1 and 3.2 that both consist of Key Account Managers are checked, too. In group 3.1 the Key Account Managers are part of the Sales department, due to this they are referred to as Sales department in the questionnaire. Since the participants assigned themselves at the beginning of the survey as Key Account Managers being part of the Sales department, they also interact with the Marketing department as Key Account Managers do that are independent of the Sales department. To check whether there are differences within these two groups with regard to the perceived interaction with the Marketing department, a t-test is conducted. The t-test shown in Table 44c also did not conform a significant difference between the two compared groups, $t(88)=1.92, p=.06$. Therefore, an ANOVA within all four groups is conducted.

The results of the ANOVA shown in Table 44d emphasises that there are no significant mean differences within these four groups, all interacting with the Marketing department, $F(3, 326)=1.48, p=.22$.

4.4.1.3 Key Account Management

Finally, the cooperation with the Key Account Management is investigated. For this purpose, it is examined whether there is a difference between Sales Managers and Marketing Managers with regard to the estimation of the degree of *Integration* with the Key Account Management. Therefore, group 1.2 that consists of Sales Managers and group 2.2 that consists of Marketing Managers are examined concerning differences in the evaluation of the level of *Integration* with the Key Account Management. The results shown in Table 44e also reveal no significant difference within the two groups with respect their evaluation of the level of *Integration* with the Key Account Management, $t(103)=0.46, p=.65$.

As a result of the analysis in Tables 44a – 44e, the survey was be simplified by asking the exact same questions for all groups with regard to *Integration*. Due to the conducted PCAs and the examination of the groups, the final questionnaire for study (Part B) is adapted and simplified as shown in Table 43.

Table 43 Integration – Final Items

| Variable | Items |
|----------|---|
| IG01 | During the last six months, how often did the departments Marketing, Sales and Key Account Management interact with each other? |
| IG01_01 | Informally working together (unplanned, spontaneous, demand-oriented). |
| IG01_02 | Sharing ideas, information, and/or resources. |
| IG01_03 | Working together as a team. |
| IG01_04 | Conducting joint planning to anticipate and resolve operational problems. |
| IG01_05 | Making joint decisions about ways to improve overall cost efficiency. |

Note. Measured on a 7-point scale ranging from “strongly disagree” to “strongly agree”

Table 44 Analysis Integration

Table 44a
Integration Sales – Results of Welch’s Two-Sample t-Test

| Group | | 95% CI for Mean Difference | | t | df |
|-----------|----|----------------------------------|----|-------------|------|
| M | n | M | n | | |
| Group 2.1 | | Group 2.2 | | | |
| 4.64 | 84 | 4.44 | 48 | -0.25, 0.67 | 0.91 |

Note. *p<.05

Table 44b
Integration Sales – Summary of ANOVA

| | df | Sum of Squares | Mean Square | F |
|-----------|----|-------------------|----------------|------|
| Group 2.1 | | | | |
| Group 2.2 | 2 | 1.7 | 0.87 | 0.46 |
| Group 3.2 | | | | |

Note. *p<.05

Table 44c
Integration Marketing – Results of Welch’s Two-Sample t-Test

| Group | | 95% CI for Mean Difference | | t | df |
|-----------|-----|----------------------------------|----|-------------|------|
| M | n | M | n | | |
| Group 1.1 | | Group 1.2 | | | |
| 4.37 | 143 | 4.22 | 59 | -0.22, 0.63 | 0.60 |
| Group 3.1 | | Group 3.2 | | | |
| 4.61 | 79 | 4.05 | 51 | -0.02, 1.12 | 1.92 |

Note. *p<.05

Table 44
Integration Marketing – Summary of ANOVA

| | df | Sum of Squares | Mean Square | F |
|-----------|----|-------------------|-------------|------|
| Group 1.1 | | | | |
| Group 1.2 | 3 | 10.5 | 3.51 | 1.48 |
| Group 3.1 | | | | |
| Group 3.2 | | | | |

Note. *p<.05

Table 44e
Integration Key Account Management – Results of Welch’s Two-Sample t-Test

| Group | | 95% CI for Mean Difference | | t | df |
|-----------|----|----------------------------------|----|-------------|------|
| M | n | M | n | | |
| Group 1.2 | | Group 2.2 | | | |
| 4.46 | 59 | 4.05 | 48 | -0.47, 0.75 | 0.46 |

Note. *p<.05

4.4.2 Processes, Tasks, and Responsibilities

The influencing factor deals with existing *Processes* in the company and also examines the estimation of regulations for *Tasks* and *Responsibilities* with regard to the departments Marketing, Sales and Key Account Management, which will be investigated separately below. For the investigation, t-tests or ANOVA are carried out, which examine the mean values of the groups for significant differences.

At this point it must be noted that the construct *Processes* will not be included in the further survey for the study (Part B) due to the results of the PCA but will also be considered here for the sake of completeness.

4.4.2.1 Sales

The purpose is to investigate whether there is a difference between Marketing Managers and Key Account Managers with regard to the estimation of the subjects: *Processes*, *Tasks*, and *Responsibilities* with respect to the Sales department.

First, it is tested if there significant mean differences exist between the groups 2.1 and 2.2. Both groups consist of Marketing Managers but in group 2.2 the Key Account Management is not part of the Sales department. Table 46a shows the results meaning that there are no significant mean differences between the two groups of Marketing Managers with regard to *Processes*, $t(106)=-0.93$, $p=.36$, *Tasks* $t(103)=-0.43$, $p=.66$ and *Responsibilities* $t(97)=-1.3$, $p=.19$.

Next, it is tested if differences between the two groups of Marketing Managers and Key Account Managers exist by conducting an ANOVA with regard to the constructs *Processes*, *Tasks*, and *Responsibilities*. The results shown in Table 46b indicate that there are no significant mean differences between the groups considered concerning *Processes* $F(2,180)=1.03$, $p=.36$, *Tasks* $F(2,180)=.30$, $p=.74$ and *Responsibilities* $F(2,179)=.89$, $p=.41$.

4.4.2.2 Marketing

Next, it is to be examined whether there is a difference in the evaluation of *Processes*, *Tasks* and, *Responsibilities* between Sales Managers and Key Account Managers with regard to the estimation of processes with respect to the Marketing department. Both the groups 1.1 and 1.2 consist of Sales Managers and evaluate *Processes*, *Tasks* and *Responsibilities* with respect to the Marketing department, independently of the assignment of the Key Account department in their company. To check whether a difference exists within these two groups, t-tests are

conducted. The results in Table 46c show no significant differences concerning *Processes* $t(97)=-1.80, p=.07$, *Tasks* $t(144)=-0.29, p=.77$ and *Responsibilities* $t(133)=-0.26, p=.80$.

Following, the groups 3.1 and 3.2 that both consist of Key Account Managers are checked, too. Here, as well, the results presented in Table 46c show that there are no significant differences occurring with respect to *Processes* $t(106)=1.73, p=.09$, *Tasks* $t(95)=-1.08, p=.28$ and *Responsibilities* $t(95)=-0.92, p=.36$.

Since the results of the investigations of the four groups do not indicate a significant difference in the mean values, all four groups are then examined together for differences in the mean values using an ANOVA. The results presented in Table 46d also show no significant difference in the mean values with regard to *Processes* $F(3,327)=2.59, p=.05$, *Tasks* $F(3,327)=0.76, p=.52$ and *Responsibilities* $F(3,327)=0.36, p=.78$.

4.4.2.3 Key Account Management

Finally, it is to be investigated whether there is a significant difference between Marketing Managers and Sales Managers with regard to the evaluation of Processes, Tasks, and Responsibilities with respect to Key Account Management. Therefore, group 1.2 that consists of Sales Managers and group 2.2 that consists of Marketing Managers are examined. The results shown in Table 46e also reveal no significant difference within the two groups concerning their evaluation in respect to the Key Account Management in terms of Processes $t(104)=0.08, p=.94$, Tasks $t(81)=-0.67, p=.50$ and Responsibilities $t(91)=-1.62, p=.11$.

As a result of the analysis in Tables 46a – 46e, the survey was simplified by asking the exact same questions for all groups with regard to *Processes, Tasks, and Responsibilities*. Due to the conducted PCAs and the examination of the groups, the final questionnaire for study (Part B) is adapted and simplified as shown in Table 45.

Table 45 Tasks and Responsibilities – Final Items

| Variable | Items |
|----------|--|
| AU01 | To what extent do you agree with the following statements regarding the tasks and responsibilities of the Marketing, Sales and Key Account Management departments? |
| AU01_01 | The employees each have clearly defined tasks. |
| AU01_02 | The tasks overlap. (R) |
| AU01_03 | The employees each have clearly defined areas of responsibility. |
| AU01_04 | The areas of responsibility overlap. (R) |

Note. Measured on a 7-point scale ranging from “strongly disagree” to “strongly agree”

Table 46 Analysis Processes, Tasks, and Responsibilities

Table 46a
Processes, Tasks, and Responsibilities Sales – Results of Welch’s Two-Sample t-Test

| | Group | | 95% CI for Mean Difference | | t | df |
|------------------|-----------|----|----------------------------|----|-------------|--------------|
| | M | n | M | n | | |
| | Group 2.1 | | Group 2.2 | | | |
| Processes | 4.43 | 84 | 4.56 | 48 | -0.42, 0.15 | -0.93 105.69 |
| Tasks | 4.48 | 84 | 4.60 | 48 | -0.68, 0.43 | -0.43 102.66 |
| Responsibilities | 4.60 | 84 | 4.96 | 48 | -0.89, 0.18 | -1.31 97.09 |

Note. *p<.05

Table 46b
Processes, Tasks, and Responsibilities Sales – Summary of ANOVA

| df | Sum of Squares | Mean Square | F |
|----|----------------|-------------|------|
| 2 | 1.46 | 0.73 | 1.04 |
| 2 | 1.5 | 0.73 | 0.30 |
| 2 | 3.9 | 1.96 | 0.89 |

Note. *p<.05

Table 46c
Processes, Tasks, and Responsibilities Marketing – Results of Welch’s Two-Sample t-Test

| | Group | | 95% CI for Mean Difference | | t | df |
|------------------|-----------|-----|----------------------------|----|-------------|--------------|
| | M | n | M | n | | |
| | Group 1.1 | | Group 1.2 | | | |
| Processes | 4.29 | 143 | 4.57 | 59 | -0.60, 0.03 | -1.80 97.48 |
| Tasks | 4.33 | 143 | 4.39 | 59 | -0.47, 0.35 | -0.29 143.74 |
| Responsibilities | 4.46 | 143 | 4.52 | 59 | -0.47, 0.36 | -0.26 132.98 |
| | Group 3.1 | | Group 3.2 | | | |
| Processes | 4.60 | 79 | 4.32 | 51 | -0.04, 0.61 | 1.73 105.86 |
| Tasks | 4.42 | 79 | 4.69 | 51 | -0.78, 0.23 | -1.08 95.08 |
| Responsibilities | 4.46 | 79 | 4.69 | 51 | -0.73, 0.27 | -0.92 95.24 |

Note. *p<.05

Table 46d
Processes, Tasks, and Responsibilities Marketing – Summary of ANOVA

| df | Sum of Squares | Mean Square | F |
|----|----------------|-------------|------|
| 3 | 6.9 | 2.30 | 2.59 |
| 3 | 4.8 | 1.61 | 0.76 |
| 3 | 2.2 | 0.72 | 0.36 |

Note. *p<.05

Table 46e
Processes, Tasks, and Responsibilities Key Account Management – Results of Welch’s Two-Sample t-Test

| | Group | | 95% CI for Mean Difference | | t | df |
|------------------|-----------|----|----------------------------|----|-------------|-------------|
| | M | n | M | n | | |
| | Group 1.2 | | Group 2.2 | | | |
| Processes | 4.57 | 59 | 4.56 | 48 | -0.33, 0.36 | 0.08 103.72 |
| Tasks | 4.39 | 59 | 4.59 | 48 | -0.79, 0.39 | -0.67 80.75 |
| Responsibilities | 4.52 | 59 | 4.96 | 48 | -0.98, 0.10 | -1.62 91.38 |

Note. *p<.05

4.4.3 Structure and Culture

Structure and *Culture* are influencing factors, which could be perceived differently by Marketing, Sales and Key Account Management due to their different orientations. For this reason, the estimates of *Structure* and *Culture* for the departments are considered separately and examined for differences. For the investigation t-tests and ANOVA are carried out, which examine the mean values of the groups for significant differences.

4.4.3.1 Sales

It is checked whether there is a significant mean difference between Marketing Managers and Key Account Managers with regard to the estimation of the *Structure* and *Culture* with respect to the Sales department.

First, it is tested if there significant differences exist between the groups 2.1 and 2.2. Both groups consist of Marketing Managers but in group 2.2 the Key Account Management is not part of the Sales department. The results presented in Table 49a show no significant differences, $t(127)=0.96, p=.34$.

Next, it is tested if differences between the two groups of Marketing Managers and Key Account Managers (Group 3.2) exist by conducting an ANOVA with regard to the constructs *Structure* and *Culture*. The results are presented in Table 49b and show no significant mean differences between the three groups of Marketing and Key Account Managers, $F(2,179)=0.53, p=.59$.

4.4.3.2 Marketing

Next is to be reviewed whether there is a significant mean difference in the evaluation of *Structure* and *Culture* by Sales Managers and Key Account Managers with respect to the Marketing.

Both groups 1.1 and 1.2 consist of Sales Managers and evaluate *Structure* and *Culture* with regard to the Marketing department, independently of the assignment of the Key Account department in their company. To check whether a difference exists within these two groups, a t-test is conducted. The results presented in Table 49c show no significant mean difference between the investigated groups, $t(117)=-0.91, p=.36$. Following, the groups 3.1 and 3.2 that both consist of Key Account Managers are checked, too. Again, there is no significant difference in the mean values between the considered groups as shown in Table 49c, $t(99)=0.28, p=.78$.

Next, an ANOVA is conducted to check whether there are differences within these four groups with regard to their interaction with the Marketing department with respect to Structure and Culture. There is also no significant difference in the mean values between the considered groups as shown in Table 49d, $F(3,336)=2.20, p=.09$.

4.4.3.3 Key Account Management

To conclude, it should be checked whether there is a significant mean difference in the evaluation of Structure and Culture by Marketing Managers and Sales Managers with regard to the estimation of the *Structure* and *Culture* with the Key Account Management.

Therefore, group 1.2 that consists of Sales Managers and group 2.2 that consists of Marketing Managers are examined concerning differences in the evaluation with the Key Account Management. The results are presented in Table 49e and again there is no significant difference in the mean values between the groups, $t(104)=-0.30, p=.76$.

As a result of the analysis in Tables 49a – 49e, the survey was simplified by asking the exact same questions for all groups with regard to *Structure* and *Culture*. Due to the conducted PCAs and the examination of the groups, the final questionnaire for study (Part B) is adapted and simplified as shown in Table 47 and Table 48.

Table 47 Structure –Final Items

| Variable | Items |
|----------------|--|
| Centralisation | |
| ST01 | To what extent do you agree with the following statements with regard to the areas/departments Marketing, Sales and possibly Key Account Management? |
| ST01_01 | There can be little action taken here until a supervisor approves a decision. |
| ST01_02 | A person who wants to make his own decision would be quickly discouraged here. |
| ST01_03 | Even small matters have to be referred to someone higher up for a final answer. |
| ST01_04 | Someone has to ask his boss before he does almost anything. |
| Formalisation | |
| ST02 | To what extent do you agree with the following statements with regard to the areas/departments Marketing, Sales and possibly Key Account Management? |
| ST02_01 | Most people here make their own rules on the job. (R) |
| ST02_02 | A person feels he is his own boss in most matters. (R) |
| ST02_03 | Specific rules are always followed for every matter that occurs. |
| ST02_04 | People here are expected to follow specific rules. |
| ST02_05 | The employees are constantly being checked on for rule violation. |
| ST02_06 | A person cannot make his own decisions without being checked. |

Note. Measured on a 7-point scale ranging from “strongly disagree” to “strongly agree”

Table 48 Culture –Final Items

| Variable | Items |
|----------|---|
| KU01 | The employees of Marketing, Sales and Key Account Management ... |
| KU01_01 | ...are genuinely concerned about each other’s needs and problems. |
| KU01_02 | ...have team spirit across all hierarchical levels and functional areas. |
| KU01_03 | ...feel like part of a big family. |
| KU01_04 | ...feel emotionally attached to each other. |
| KU01_05 | ...feel a strong togetherness. |
| KU01_06 | ...lack a sense of team spirit. |
| KU01_07 | ...see themselves as independent individuals who have to tolerate others around them. (R) |

Note. Measured on a 7-point scale ranging from “strongly disagree” to “strongly agree”

Table 49 Analysis Structure and Culture

Table 49a
Structure and Culture Sales – Results of Welch’s Two-Sample t-Test

| Group | | 95% CI for Mean Difference | | t | df |
|-----------|----|----------------------------------|----|-------------|-------------|
| M | n | M | n | | |
| Group 2.1 | | Group 2.2 | | | |
| 4.61 | 84 | 4.41 | 48 | -0.21, 0.61 | 0.96 127.14 |

Note. *p<.05

Table 49b
Structure and Culture Sales – Summary of ANOVA

| | df | Sum of Squares | Mean Square | F |
|-----------|----|-------------------|----------------|------|
| Group 2.1 | 2 | 1.73 | 0.87 | 0.53 |
| Group 2.2 | | | | |
| Group 3.2 | | | | |

Note. *p<.05

Table 49c
Structure and Culture Marketing –Results of Welch’s Two-Sample t-Test

| Group | | 95% CI for Mean Difference | | t | df |
|-----------|-----|----------------------------------|----|-------------|------------|
| M | n | M | n | | |
| Group 1.1 | | Group 1.2 | | | |
| 4.30 | 143 | 4.48 | 59 | -0.58, 0.21 | -0.91 117 |
| Group 3.1 | | Group 3.2 | | | |
| 4.72 | 79 | 4.66 | 51 | -0.38, 0.51 | 0.28 98.67 |

Note. *p<.05

Table 49d
Structure and Culture Marketing – Summary of ANOVA

| | df | Sum of Squares | Mean Square | F |
|-----------|----|-------------------|-------------|------|
| Group 1.1 | 3 | 11.1 | 3.70 | 2.20 |
| Group 1.2 | | | | |
| Group 3.1 | | | | |
| Group 3.2 | | | | |

Note. *p<.05

Table 49e
Structure and Culture Key Account Management – Results of Welch’s Two-Sample t-Test

| Group | | 95% CI for Mean Difference | | t | df |
|-----------|-----|----------------------------------|----|-------------|-------------|
| M | n | M | n | | |
| Group 1.1 | | Group 1.2 | | | |
| 4.48 | 143 | 4.41 | 59 | -0.35, 0.49 | 0.30 104.36 |

Note. *p<.05

4.4.4 Conflict Management

This point is about the influencing factor of *Conflict Management*. Here, too, it will be examined whether the Marketing, Sales and Key Account Management departments have different perceptions with regard to *Conflict Management*. For this purpose, they are considered separately and examined for differences in the mean values. For the investigation, t-tests and ANOVA are used.

4.4.4.1 Sales

It is checked whether there is a significant mean difference between Marketing Managers and Key Account Managers with regard to the estimation of the *Conflict Management* with respect to the Sales department.

First it is tested if there are significant differences between the groups 2.1 and 2.2. Both groups consist of Marketing Managers but in group 2.2 the Key Account Management is not part of the Sales department. The results of the t-test in Table 51a show that there is no significant mean difference between the two considered groups, $t(112)=0.58, p=.56$.

Next, it is tested if differences between the two groups of Marketing Managers and Key Account Managers (Group 3.2) exist by conducting an ANOVA with regard to the construct conflict management. The results presented in Table 51b also show no significant mean difference within the three groups, $F(2,180)=0.40, p=.67$.

4.4.4.2 Marketing

In the following it is checked whether there is a difference between Sales Managers and Key Account Managers with regard to the estimation of the *Conflict Management* with respect to the Marketing department.

Both groups 1.1 and 1.2 consist of Sales Managers and evaluate *Conflict Management* with regard to the Marketing department, independently of the assignment of the Key Account department in their company. To check whether a difference exists within these two groups, a t-test is conducted. The result shows no significant mean difference as presented in Table 51c $t(128)=-0.83, p=.41$. Following, the groups 3.1 and 3.2 that both consist of Key Account Managers are checked, too. The same result can be seen here as well shown in Table 51c. There is no significant difference in the mean values between the two considered groups, $t(83)=-1.45, p=.15$.

The ANOVA which is now carried out subsequently also shows no significant differences between the groups with regard to their mean values, $F(3,328)=0.99, p=.40$. The results are presented in Table 51d.

4.4.4.3 Key Account Management

To conclude the investigation of the *Conflict Management* influence factor, it should be examined whether there is a difference between Marketing Managers and Sales Managers with regard to the estimation of the *Conflict Management* with respect to the Key Account Management.

Therefore, group 1.2 that consists of Sales Managers and group 2.2 that consists of Marketing Managers are examined as concerns differences in the evaluation with the Key Account Management. Again, there is no significant difference in the mean values as shown in Table 51e, $t(99)=0.48, p=.63$.

As a result of the analysis in Tables 51a – 51e, the survey was simplified by asking the exact same questions for all groups with regard to *Conflict Management*. Due to the conducted PCAs and the examination of the groups, the final questionnaire for study (Part B) is adapted and simplified as shown in Table 50.

Table 50 Conflict Management – Final Items

| Variable | Items |
|----------|--|
| KO01 | To what extent do you agree with the following statements with regard to conflict management between Marketing, Sales and possibly Key Account Management? |
| KO01_01 | The divisions/departments get along well with each other. |
| KO01_02 | When employees from these areas/departments meet, tensions frequently run high. |
| KO01_03 | The employees in these areas/departments dislike working together. |
| KO01_04 | Employees of the different departments feel that the goals of their departments are in harmony. |
| KO01_05 | In these areas/departments it is taken for granted to defend one's own interests. |
| KO01_06 | The objectives set by each division/department are not compatible with those of the others. |
| KO01_07 | There is little or no conflict potential between these areas/departments. |

Note. Measured on a 7-point scale ranging from “strongly disagree” to “strongly agree”

Table 51 Analysis Conflict Management

Table 51a

Structure and Culture Sales – Results of Welch’s Two-Sample t-Test

| Group | | 95% CI for Mean Difference | | t | df |
|-----------|----|----------------------------------|----|-------------|-------------|
| M | n | M | n | | |
| Group 2.1 | | Group 2.2 | | | |
| 4.90 | 84 | 4.76 | 48 | -0.26, 0.48 | 0.58 111.52 |

Note. *p<.05

Table 51b

Structure and Culture Sales – Summary of ANOVA

| | df | Sum of Squares | Mean Square | F |
|-----------|----|-------------------|----------------|------|
| Group 2.1 | 2 | 1.02 | 0.51 | 0.40 |
| Group 2.2 | | | | |
| Group 3.2 | | | | |

Note. *p<.05

Table 51c

Structure and Culture Marketing –Results of Welch’s Two-Sample t-Test

| Group | | 95% CI for Mean Difference | | t | df |
|-----------|-----|----------------------------------|----|-------------|--------------|
| M | n | M | n | | |
| Group 1.1 | | Group 1.2 | | | |
| 4.72 | 143 | 4.85 | 59 | -0.44, 0.18 | -0.83 128.18 |
| Group 3.1 | | Group 3.2 | | | |
| 4.67 | 79 | 4.96 | 51 | -0.69, 0.11 | 1.45 83.32 |

Note. *p<.05

Table 51d

Structure and Culture Marketing – Summary of ANOVA

| | df | Sum of Squares | Mean Square | F |
|-----------|----|-------------------|-------------|------|
| Group 1.1 | 3 | 3.4 | 1.12 | 0.99 |
| Group 1.2 | | | | |
| Group 3.1 | | | | |
| Group 3.2 | | | | |

Note. *p<.05

Table 51e

Structure and Culture Key Account Management – Results of Welch’s Two-Sample t-Test

| Group | | 95% CI for Mean Difference | | t | df |
|-----------|----|----------------------------------|----|-------------|------------|
| M | n | M | n | | |
| Group 1.2 | | Group 2.2 | | | |
| 4.85 | 59 | 4.76 | 48 | -0.28, 0.46 | 0.48 99.42 |

Note. *p<.05

4.4.5 Competences

A further influencing factor is the *Competences* of the employees. Here, too, it should be determined whether the employees from Marketing, Sales and Key Account Management have different attitudes towards this topic. For this purpose, they are considered separately and examined for differences in the mean values. For the investigation, t-tests and ANOVA are used.

4.4.5.1 Sales

The first thing to investigate is whether there is a difference between Marketing Managers and Key Account Managers with regard to the estimation of the *Competences* with the Sales department.

First, it is tested if significant differences exist between the groups 2.1 and 2.2. Both groups consist of Marketing Managers but in group 2.2 the Key Account Management is not part of the Sales department. It is found that there is no significant difference between the groups as shown in Table 53a, $t(96)=-0.06, p=.95$.

Next, it is tested if differences between the two groups of Marketing Managers and Key Account Managers (Group 3.2) exist by conducting an ANOVA with regard to the construct *Competences*. No significant difference between the groups as shown in Table 53b can be seen here either, $F(2,180)=1.16, p=.32$.

4.4.5.2 Marketing

Secondly, with regard to *Competences*, it should be found out whether there are any significant differences between Sales Managers and Key Account Managers concerning the estimation of the *Competences* with respect to the Marketing department.

Both groups 1.1 and 1.2 consist of Sales Managers and evaluate *Competence* with respect to the Marketing department, independently of the assignment of the Key Account department in their company. To check whether a difference exists within these two groups, a t-test is conducted. It can be seen that there is a significant difference in the means between the considered groups as shown in Table 53c, $t(132)=-3.25^*, p<.05$.

Following, the groups 3.1 and 3.2 that both consist of Key Account Managers are checked, too. As shown in Table 53c, there is no significant mean difference, $t(103)=-0.57, p=.57$. Now all four groups are checked together for differences.

As already suspected based on the results between the first two groups, there is a significant difference in the mean values with regard to the assessment of *Competences* in relation to the Marketing department as Table 53d shows, $F(3, 326)=3.22^*$, $p<.05$.

4.4.5.3 Key Account Management

Thirdly, with regard to *Competences*, it will be examined whether there are differences in the perception between Marketing Managers and Sales Managers with respect to the Key Account Management.

Therefore, group 1.2 that consists of Sales Managers and group 2.2 that consists of Marketing Managers are examined as concerns differences in the evaluation with the Key Account Management. The result of the test shown in Table 53e does not indicate a significant difference in the means of the considered groups, $t(93)=0.22$, $p=.83$.

As a result of the analysis in Tables 53a – 53e, the survey was simplified by asking the exact same questions for all groups with regard to *Conflict Management*. Due to the conducted PCAs and the examination of the groups, the final questionnaire for study (Part B) is adapted and simplified as shown in Table 52.

Table 52 Competences – Final Items

| Variable | Items |
|-------------|---|
| Competences | To what extent do you agree with the following statements regarding competences: The employees in Marketing, Sales and possibly Key Account Management ... |
| KO01_01 | ...are competent. |
| KO01_02 | ...are team players. |
| KO01_03 | ...are able to communicate. |
| KO01_04 | ...are good negotiators. |
| KO01_05 | ...are convincing and assertive. |
| KO01_06 | ...are capable of resolving conflicts. |
| KO01_07 | ...are empathetic. |

Note. Measured on a 7-point scale ranging from “strongly disagree” to “strongly agree”

Table 53 Analysis Competences

Table 53a
Competences Sales – Results of Welch’s Two-Sample t-Test

| Group | | 95% CI for Mean Difference | | t | df |
|-----------|----|----------------------------------|----|-------------|-------------|
| M | n | M | n | | |
| Group 2.1 | | Group 2.2 | | | |
| 5.22 | 84 | 5.23 | 48 | -0.39, 0.37 | -0.06 95.73 |

Note. *p<.05

Table 53b
Competences Sales – Summary of ANOVA

| | df | Sum of Squares | Mean Square | F |
|-----------|----|-------------------|----------------|------|
| Group 2.1 | 2 | 2.54 | 1.27 | 1.16 |
| Group 2.2 | | | | |
| Group 3.2 | | | | |

Note. *p<.05

Table 53c
Competences Marketing –Results of Welch’s Two-Sample t-Test

| Group | | 95% CI for Mean Difference | | t | df |
|-----------|-----|----------------------------------|----|--------------|---------------|
| M | n | M | n | | |
| Group 1.1 | | Group 1.2 | | | |
| 4.78 | 143 | 5.27 | 59 | -0.79, -0.19 | -3.25* 131.66 |
| Group 3.1 | | Group 3.2 | | | |
| 4.85 | 79 | 4.96 | 51 | -0.47, 0.26 | -0.57 102.52 |

Note. *p<.05

Table 53d
Competences Marketing – Summary of ANOVA

| | df | Sum of Squares | Mean Square | F |
|-----------|----|-------------------|----------------|-------|
| Group 1.1 | 3 | 10.4 | 3.46 | 3.22* |
| Group 1.2 | | | | |
| Group 3.1 | | | | |
| Group 3.2 | | | | |

Note. *p<.05

Table 53e
Competences Key Account Management – Results of Welch’s
Two-Sample t-Test

| Group | | 95% CI for Mean Difference | | t | df |
|-----------|----|----------------------------------|----|-------------|------------|
| M | n | M | n | | |
| Group 1.2 | | Group 2.2 | | | |
| 5.27 | 59 | 5.23 | 48 | -0.34, 0.43 | 0.22 92.55 |

Note. *p<.05

4.4.6 Leadership

Leadership is another influencing factor. Since this only includes the evaluation of the Marketing, Sales and Key Account Management departments with regard to the *Leadership*, which is why all groups are questioned in the same way, no closer investigation is necessary and the result with respect to the construct and the items PCA remains unchanged. The construct *Leadership* is queried on the basis of five items, as shown in Table 54.

Table 54 Leadership – Final Items

| Variable | Items |
|----------|---|
| FK01 | To what extent do you agree with the following statements regarding the Leadership? |
| FK01_01 | If something doesn't work as expected, the management asks the question: "What can we learn from it and improve in the future?" |
| FK01_02 | Our management creates an atmosphere of mutual trust in the projects they manage. |
| FK01_03 | Our management invests time and energy to ensure that employees adhere to the values and goals agreed. |
| FK01_04 | Our management shows great appreciation and support for the contribution of their team members. |
| FK01_05 | Our management succeeds in making their visions our own. |

Note. Measured on a 7-point scale ranging from "strongly disagree" to "strongly agree"

4.4.7 Customer Value

A distinction between Marketing, Sales and Key Account Management is also not necessary when assessing the target variable *Customer Value*. All departments can be surveyed in the same way, which means that the PCA result also represents the final constructs and items, as shown in Table 55.

Table 55 Customer Value – Final Items

| Variable | Items |
|--|--|
| Relationship | |
| CV01 | To what extent do you agree with the following statements regarding Customer Value? |
| CV01_01 | We ensure customers' personal preferences are satisfied. |
| CV01_02 | We deliver quality products. |
| CV01_03 | We deliver products and/or services that are exactly what customers want. |
| To what extent do you agree with the following statements regarding the Customer Relationship? | |
| CV01_04 | We ensure that customers have easy access to the business at any time. |
| CV01_05 | We ensure rapid response standards to deal with any customer enquiry. |
| CV01_06 | We have continuing relationships with customers. |
| CV01_07 | We deliver add-on values to keep customers. |
| CV01_08 | We maintain long term relationships with our customers. |
| Common Value | |
| CV02 | To what extent do you agree with the following statements with respect to creating Shared Value? |
| CV02_01 | We work together with customers to produce offerings that mobilize them. |
| CV02_02 | We interact with customers to design offerings that meet their needs. |
| CV02_03 | We provide products for and in conjunction with customers. |
| CV02_04 | We co-opt customer involvement in providing products for them. |
| CV02_05 | We involve our customers in the product development process. |
| CV02_06 | We provide customers with supporting systems to help them get more value. |
| Note. Measured on a 7-point scale ranging from “strongly disagree” to “strongly agree” | |

4.4.8 Strategy and Common Goals

Strategy and *Common Goals* represent a further influencing factor in which it must be examined in more detail whether the Marketing, Sales, and Key Account Management departments have fundamentally different views on this subject. For this purpose, the departments are considered separately and examined for differences in the means. For the investigation, t-tests and ANOVA are used.

4.4.8.1 Sales

The first thing to investigate is whether there is a difference between Marketing Managers and Key Account Managers with regard to the estimation of the *Strategy* and *Common Goals* with respect to the Sales department.

First, it is tested if significant differences exist between the groups 2.1 and 2.2. Both groups consist of Marketing Managers but in group 2.2 the Key Account Management is not part of the Sales department. The results in Table 57a show no significant mean difference between the considered groups, $t(100)=-0.32, p=.75$.

Next, it is tested if there are differences between the two groups of Marketing Managers and Key Account Managers (Group 3.2) by conducting an ANOVA with regard to the construct *Strategy and Common Goals*. Again, as shown in Table 57b, there is no significant difference between the groups in terms of their means $F(2, 179)=0.07, p=.94$.

4.4.8.2 Marketing

The second to investigate is whether there are differences between Sales Managers and Key Account Managers with regard to the estimation of the *Strategy and Common Goals* with respect to the Marketing department.

Both groups 1.1 and 1.2 consist of Sales Managers and evaluate *Strategy and Common Goals* concerning the Marketing department, independently of the assignment of the Key Account department in their company. To check whether there is a difference within these two groups, a t-test is conducted. The result of the t-test shows a significant difference between the two groups in terms of their means, $t(124)=-2.57^*, p<.05$ as presented in Table 57c.

Following, the groups 3.1 and 3.2 that both consist of Key Account Managers are checked, too. Here the result of the tests shows no significant difference between the two groups as presented in Table 57c, $t(100)=0.1, p=.92$.

An ANOVA is performed to check the means of all four groups for differences. The result, like the mean differences between the first two groups, shows a significant difference as presented in Table 57d, $F(3,326)=2.73^*, p<.05$.

4.4.8.3 Key Account Management

Thirdly, with regard to *Strategy and Common Goals*, it will be examined whether there are differences in the perception between Marketing Managers and Sales Managers with respect to the Key Account Management. Therefore, group 1.2 that consists of Sales Managers and group 2.2 that consists of Marketing Managers are examined with respect to differences in the evaluation with the Key Account Management. The result presented in Table 57e show no significant difference, $t(99)=0.23, p=.82$.

As a result of the analysis in Tables 57a – 57e, the survey was simplified by asking the exact same questions for all groups with regard to *Strategy and Common Goals*. Due to the

conducted PCAs and the examination of the groups, the final questionnaire for study (Part B) is adapted and simplified as shown in Table 56.

Table 56 Strategy and Common Goals – Final Items

| Variable | Items |
|----------|---|
| SZ01 | To what extent do you agree with the following statements with regard to the goals of the areas/departments Marketing, Sales, and, if applicable, Key Account Management? |
| SZ01_01 | They share the same strategic orientation, i.e. the Marketing and Sales strategies are jointly developed and coordinated. |
| SZ01_02 | They share a common mindset with regard to the coordinated strategic orientation. |
| SZ01_03 | The goals of Marketing and Sales are defined jointly and are coordinated both in terms of content and timing. |
| SZ02_04 | Marketing and Sales have a mutually balanced target system and are measured and evaluated accordingly. |
| SZ02_05 | Both Marketing and Sales are measured and evaluated against contribution margin targets that they can influence. |
| SZ01_06 | They mutually appreciate the importance of the contribution of the other domain/department in achieving the respective goals. |

Note. Measured on a 7-point scale ranging from “strongly disagree” to “strongly agree”

Table 57 Strategy and Common Goals

Table 57a
Strategy and Common Goals Sales – Results of Welch’s Two-Sample t-Test

| Group | | 95% CI for Mean Difference | | t | df |
|-----------|----|----------------------------|----|-------------|-------------|
| M | n | M | n | | |
| Group 2.1 | | Group 2.2 | | | |
| 5.48 | 84 | 4.54 | 48 | -0.49, 0.35 | -0.32 99.82 |

Note. *p<.05

Table 57b
Strategy and Common Goals Sales – Summary of ANOVA

| | df | Sum of Squares | Mean Square | F |
|-----------|----|----------------|-------------|------|
| Group 2.1 | 2 | 0.19 | 0.09 | 0.07 |
| Group 2.2 | | | | |
| Group 3.2 | | | | |

Note. *p<.05

Table 57c
Strategy and Common Goals Marketing –Results of Welch’s Two-Sample t-Test

| Group | | 95% CI for Mean Difference | | t | df |
|-----------|-----|----------------------------|----|--------------|---------------|
| M | n | M | n | | |
| Group 1.1 | | Group 1.2 | | | |
| 4.12 | 143 | 4.6 | 59 | -0.85, -0.11 | -2.57* 124.29 |
| Group 3.1 | | Group 3.2 | | | |
| 4.49 | 79 | 4.46 | 51 | -0.44, 0.48 | 0.10 99.56 |

Note. *p<.05

Table 57d
Strategy and Common Goals Marketing – Summary of ANOVA

| | df | Sum of Squares | Mean Square | F |
|-----------|----|----------------|-------------|-------|
| Group 1.1 | 3 | 13.3 | 4.43 | 2.73* |
| Group 1.2 | | | | |
| Group 3.1 | | | | |
| Group 3.2 | | | | |

Note. *p<.05

Table 57e
Strategy and Common Goals Key Account Management – Results of Welch’s Two-Sample t-Test

| Group | | 95% CI for Mean Difference | | t | df |
|-----------|----|----------------------------|----|------------|------------|
| M | n | M | n | | |
| Group 1.2 | | Group 2.2 | | | |
| 4.6 | 59 | 4.54 | 48 | -0.39, 0.5 | 0.23 99.16 |

Note. *p<.05

4.4.9 Communication

The construct *Communication* was not part of the study (Part A). It is operationalized as shown in Table 58 for the study (Part B) with regard to the construct *Bidirectionality* provided by Fisher et al. (1997). The construct initially refers to Mohr et al. (1996) and Mohr and Nevin (1990). The provided items by Mohr et al. (1996) show a satisfactory Cronbach's alpha of 0.88. The five-point scale was adapted to a seven-point Likert scale and translated into German. This construct is best to operationalise *Communication* according to theory since not just *Communication* in terms of talking is considered but also bidirectional communicative interaction and information exchange.

Table 58 Communication – Final Items

| Variable | Items |
|----------|--|
| KI01 | To what extent do you agree with the following statements with regard to the communication of the areas/departments Marketing, Sales and, if applicable, Key Account Management? |
| KI01_01 | I always respond to requests or notifications from other areas/departments. |
| KI01_02 | The other areas/departments always respond to my requests or notifications. |
| KI01_03 | There is a good dialogue between the divisions/departments. |
| KI01_04 | There is regular e-mail communication between the departments. |
| KI01_05 | The divisions/departments give each other feedback. |
| KI01_06 | There is always two-way communication between the areas/departments. |

Note. Measured on a 7-point scale ranging from “strongly disagree” to “strongly”

4.4.10 Conclusion Study (Part A)

For the study (Part A) that took place between 11 December 2015 and 10 February 2016 with 676 persons taking part in the survey of which 464 questionnaires were completed in full and used for the investigation. Six different Marketing, Sales, and Key Account Management constellations were examined. It appears that the distinction between the six groups is no longer necessary for the study (Part B), since data revealed that the attitudes of the observed groups differ significantly in only two cases, which is less than 1% of the cases observed. From this it can be deduced that all the departmental constellations viewed have a similar view of the single factors of the model. There is no imbalance between Marketing and Sales as might be expected due to the different orientations and characteristics. However, this does not mean that there are no conflicts. Rather, there is an indication that the Marketing and Sales departments reviewed see a need for improvement in the same areas and, on the basis of the same assessment, also feel the need for improvement similarly. It was not possible to identify any differences between the departments with regard to the individual factors nor

with regard to which department the questions were asked. This means that there was no significant difference for example in whether a Marketing Manager or a Sales Manager asked about their assessment of *Communication*. Also no difference showed up whether a Marketing Manager answered a question regarding *Communication* with Sales or Key Account Management. Therefore, a uniform questionnaire for all six groups was created for the study (Part B). Thereby the results of the PCA performed based on the data of the study (Part A) are taken into account. Since some items did not show a sufficiently high loading on their associated construct or strong cross-loadings on other constructs, they were deleted. This improves the measurement of the construct for the investigation (Part B). Further, the questionnaire for the investigation (Part B) will be improved, so that if constructs such as *Structure and Culture* did not show a satisfactory result in PCA, they will be re-operationalised based on theory. Thus, for the study (Part B) the two topics *Structure* and *Culture* will be considered separately in order to obtain better results.

However, the result that there almost no differences were shown between the six groups investigated is also remarkable from a content point of view because it means that the considered departments Marketing, Sales, and Key Account Management assess the examined influencing variables on the *Integration* equally. Though, especially between Marketing and Sales there is a great potential for conflict, which in literature is usually attributed to their different nature. Although the investigation (Part A) does not allow any conclusions to be drawn about the existing conflicts and problems, it does show that a similar assessment of the current situation in the company prevails, which can be a good prerequisite for *Integration*.

Chapter 5: Results and Findings of study Part (B)

5.1 Introduction

The field phase of the study (Part B) took place within the period from 02/12/2017 to 10/01/2018. Thereby, 1123 online surveys were filled, thereof 848 completed. Table 59 shows that most respondents are assigned to Sales and less than 20% are Key Account Managers. Overall, it emerges that only about the same low percentage of Key Account Management is independent. This also strengthens the previously made assumption and decision to refrain from splitting up the departments in the further procedure on the basis that in the Study (Part A) only two assessments revealed significantly different results. It seems that although interface problems arise due to different orientations and attitudes of the departments, these are predominantly perceived equally by both sides.

Table 59 Assignments Respondents

| Respondent is assigned to ... | n | Key Account Management is ... | n |
|-------------------------------|-----|--------------------------------|-----|
| Sales | 431 | part of Sales | 681 |
| Marketing | 254 | | |
| Key Account Management | 163 | an independent unit/department | 167 |
| Total | 848 | | 848 |

Therefore, in the following a model will be used to examine which of the selected influencing factors play an important role in improving *Integration* in the long term in order to create added value for the customer.

The precondition for choosing models to exemplify, explain, and evaluate relationships and influences is a theory-based prospect with regard to the examined issues. Thus, correlations of appearances have to be formally phrased as hypotheses derived from the previously examined theories. These hypotheses then can be empirically tested by choosing structural equation modelling and proof their validity (Weiber and Mühlhaus, 2014). This kind of reasoning dates back on the approach of Hempel and Oppenheim (1948). In this regard, relationships or correlations are explained together by reasoning from general scientifically laws and empirical observations. Therefore, a cause-effect link is always assumed (Hempel and Oppenheim, 1948) and is accepted in general as a characteristic attribute of causality. According to Cook and Campbell (1979), causality is given between dependent and independent variables if first a change in the independent variable causes a change in the

dependant variable, wherefore a systematic connection exists. These changes within the variables can be measured by covariance. Secondly, a chronology exists in which the change in the independent variable lies before the change in the dependant variable. Thirdly, the independent variable is the only feasible, theory-based explanation for the change in the dependant variable. As the influence of different causes is very hard to control, the third condition is very hard to validate. Therefore, in terms of Blalock (1985) the alleviated term of a supposed causality is more appropriate.

The combination of more than one scientific, theory-supported hypotheses are named structural models. Therefore, structural equation modelling enables to transfer the complex combination of hypotheses into a formal structure that can be empirically tested. The advantage of structural equational models over simple linear models is the possibility to evaluate the direction and strength of the weights or loadings (Weiber and Mühlhaus, 2014). For this reason, structural equation modelling was chosen for the analysis of the theory-based relationships presented here.

5.2 Structural Equation Modelling

Basically, path models are defined by two sets of linear equations: the measurement model (outer model) that defines the relationship between a construct and its observed indicators and the structural model (inner model), that specifies the relationship between constructs (Henseler, Hubona, and Ray, 2016, p. 4).

In general, two approaches exist to estimate measurement models: the partial least squares structural equation modelling (PLS-SEM) and the covariance (or factor) based structural equation modelling (CB-SEM). To estimate the relationship between latent variables, Wold (1982) suggests a PLS-SEM that determines the parameters of a set of equations in a path model by combining Principal Component Analysis to evaluate the measurement models with the path analysis (Wold, 1982; Hair, Sarstedt, Ringle, and Gudergan, 2018). It was introduced as an alternative for the CB-SEM developed by Jöreskog (1973). Jöreskog and Wold (1982) emphasize that these two approaches differ fundamentally although both methods estimate the relationship among constructs and indicators. The main difference is that in CB-SEM initially the variance is divided into two parts, the common and the unique variance. The common variance is estimated from the variance shared with other indicators in the measurement model of a construct. The unique variance consists of both specific and error variance. Thereby, the specific variance is assumed to be systematic and reliable. The error variance is

assumed to be random and unreliable. The CB-SEM calculates the covariance of a set of variables (common variance) and this variance only is included in any solution derived. Due to this reason, the CB-SEM follows a common factor approach in the estimation of the construct measures because it is assumed that the variance of a set of indicators can be perfectly explained by the existence of one unobserved variable (the common factor) and individual random error. This approach fully conforms to the measurement philosophy underlying reflective measurement models. Because of this, it is noted that this approach, however, has limitations in terms of estimating formative constructs (Hair, Hult, Ringle, Sarstedt, and Thiele, 2017b, p. 619; Hair et al., 2017a, p. 15).

In contrast, the PLS-SEM approach does not divide the variance into common and unique variance. It takes into account the total variance of the indicators in estimating the model. To do this indicators are combined linearly to form composites, thus generally conforming to the measurement philosophy underlying formative measurement models (Henseler et al., 2016).

In line with the suggestion of Jöreskog and Wold (1982) who points out to use CB-SEM if “the primary purpose of the maximum likelihood approach is to study the structure of the observables [...]. The primary purpose of the PLS approach is to predict the indicators by means of the components expansion” (Jöreskog and Wold, 1982, p. 266). Hair et al. (2011) recommend to consider the following dimensions: research goal, measurement specification, structural model, data characteristics, and algorithm and model evaluation. First, if the research goal is to test theory, the utilization of CB-SEM is recommended. But since the prediction of the key target constructs as “Integration” and “Customer Value” is in the focus of the research, the recommendation to choose PLS-SEM is followed. Second, with regard to measurement model specification it must be taken into account that formative constructs as “Customer Value” and “Structure” are part of the structural model, for which is why it is recommended to choose PLS-SEM rather than CB-SEM due to complex and limiting specification rules. Third, since the model used is quite complex due to its high number of items and constructs, the use of a PLS-SEM is also recommended here. Fourth, in terms of data characteristics both approaches would be conceivable. Fifth, since with *Customer Value* and *Structure* two second order constructs are part of the model for whose calculation latent variable scores are necessary, PLS-SEM is recommended as the best choice (Hair et al., 2011, p. 144).

The PLS path modelling method was devised by Wold (1982). A sequence of regressions in the form of weight vectors represents the PLS algorithm (Henseler, Ringle, and Sinkovics, 2009). After convergence of the PLS algorithm, the weight vectors satisfy fixed point

equations (Dijkstra, 2010). The underlying PLS algorithm is based on Lohmöller (1989) and comprises three stages.

First, an iterative estimation of latent variable scores is executed. Latent variable, also known as constructs, cannot be observed directly but rather mathematically inferred from manifest variables that are observed as they can be directly measured. These manifest variables are also referred to as items or indicators (Hair et al., 2018). Therefore, a four-step iterative procedure is conducted and is repeated until convergence has been achieved or until the maximum number of iterations has been attained. This procedure comprises (1) outer approximation of the latent variable scores, (2) estimation of the inner weights, (3) inner approximation of the latent variable scores, and (4) estimation of the outer weights. In the fourth step, a distinction must be made between reflective and formative constructs (Hair et al., 2011, p. 142).

With a reflective measurement model, it is assumed that the construct to be measured is the cause for the characteristic values on the selected indicators. Reflective indicators are similar in form and content and have a relatively high correlation with each other (Döring and Bortz, 2016, p. 230), since they all reflect the same construct. Thus, causality is from the construct to its measures (Hair et al., 2017a). Furthermore, according to Nunnally and Bernstein (1994), reflective indicators can be seen as a representative sample of all the possible items available in the conceptual domain of the construct.

In contrast, formative measurement models assume that causal indicators form the construct by means of linear combinations. With a formative construct, it is assumed that the construct to be measured is the result of the characteristic values of the indicators (Döring and Bortz, 2016). Each indicator for a formative construct captures a specific aspect of the construct's domain. Together, these items define the meaning of the construct, implying that deleting an item may change the nature of the construct. Thus, formative indicators are not interchangeable as is the case with reflective indicators (Hair et al., 2017a). Moreover, formative measurement models do not require correlated indicators (Hair et al., 2018).

If a construct is measured reflectively, the correlation between the inner proxy of each latent construct and its indicator variable is applied (outer loadings). If a construct is measured formatively, then regression weights (i.e. outer weights) are applied that are the result of the ordinary least squares regression of each latent construct's inner proxy on its indicator variables. The fourth step is repeated until the sum of the outer weights' changes between two iterations drops below a predetermined limit. Then the final outer weights are used to compute the final latent construct score in stage 2. These final construct scores are utilized to run the

ordinary least squares regression for each construct to determine the structural model relationships' estimates (path coefficients) (Hair et al., 2011).

The second stage of the PLS algorithm is the estimation of outer weights/loading and path coefficients. The third step persists of the estimation of location parameters.

These steps are carried out sequentially for the present model in the next chapter.

5.3 Model

After importing the data, first the handling of missing data has to be set. To avoid inaccuracy of estimation procedure, the offered choice "Mean Replacement" was avoided as recommended by Weiber and Mühlhaus (2014) as being not an appropriate option to deal with missing data and since the data show in total more than the advised 5% missing data for this approach (Hair et al., 2017a, p. 57).

Therefore, "Pair Wise Replacement" was chosen over "Case Wise Replacement" as advised by Hair et al. (2017a) because of the few missing values in the single cases but the in total higher percentage than recommended. This approach only deletes for the calculation relevant missing data in contrast to the "Case Wise Replacement". Here, total cases are deleted because of missing data what leads to a high loss of data (Weiber and Mühlhaus, 2014, p. 340).

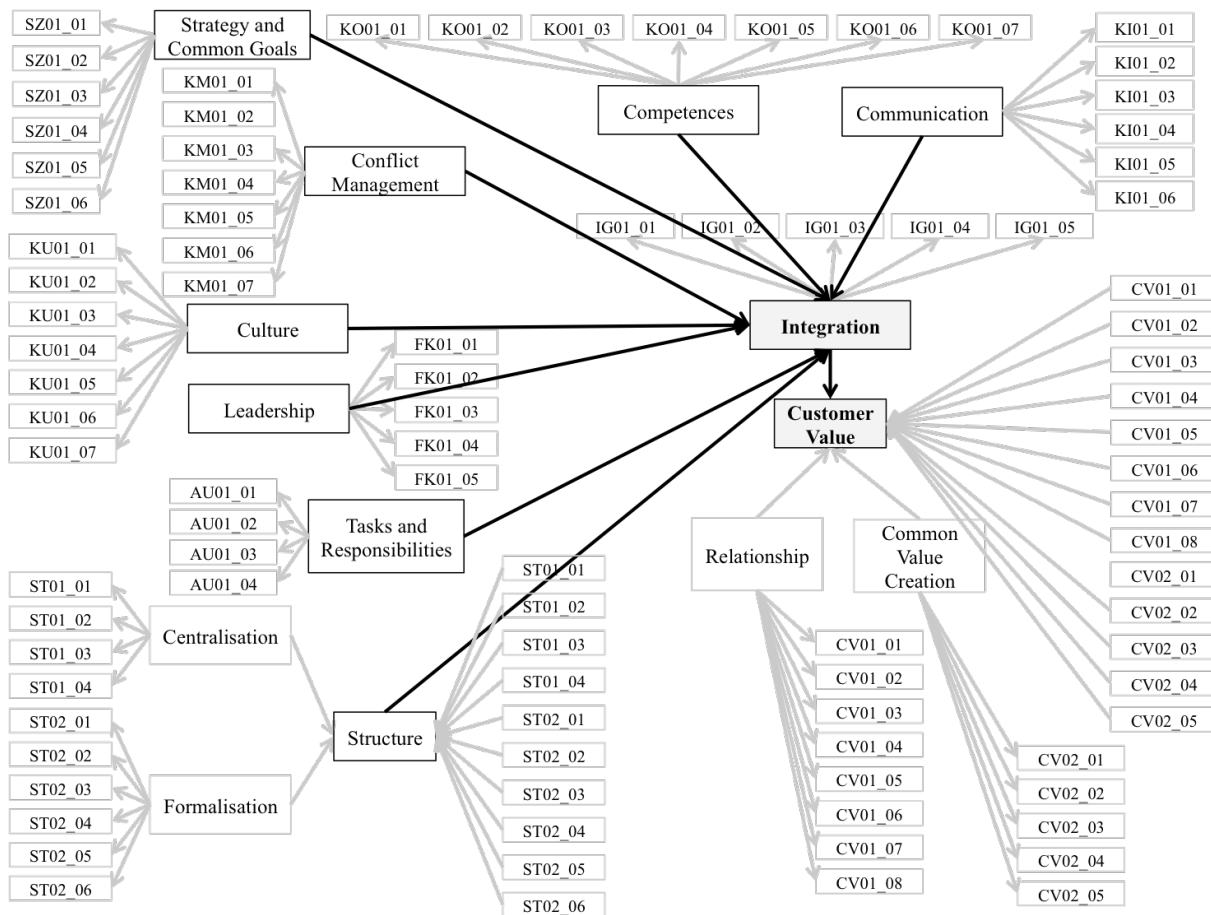
Then, first the settings for the PLS-SEM algorithm have to be set. Initially, the weighting scheme has to be selected. Here, "Factor Weighting Scheme", "Centroid Weighting Scheme", or "Path Weighting Scheme" can be chosen to improve the estimation. As Johansson and Yip (1994) point out that results only differ marginally (Johansson and Yip, 1994, p. 587) and Boßow-Thies and Panten (2009) indicate that for that reason, the default setting "Path Weighting Scheme" is to be preferred, since with this method the direction of action direction of the effect is taken into account. Hair, Sarstedt, Ringle, and Mena (2012) explicate the stop criterion as the "sum of outer weights' changes between two iterations" (Hair et al., 2012, p. 429) and follow the recommendation by Wold (1982) of using $<10^{-5}$ for this. Moreover, the suggested number of 300 for the number of maximum iterations is kept. The "Abort Criteria" are also kept and no "Initial Weights" specified as it is non-existent in the data. In the following the calculation is started.

Basically, the PLS-SEM follows a two-step process that separately assesses the measurement and the structural model. First, the reliability and validity of measures are investigated with respect to certain criteria associated with formative and reflective measurement specification.

It is important to check these first to be confident that the chosen measures represent the constructs of interest. If that is not the case, these measures should not be included in the examination of the structural relationship. After reviewing and confirming the first step, the second step consists of reviewing the structure model estimation (Hair et al., 2011). Thereby, reflective and formative models have to be distinguished (Henseler et al., 2009).

The underlying model consists mainly of reflective constructs except for the two-second stage constructs *Structure* and *Customer Value* as shown in Figure 5. In the following, the reflective and then the formative constructs of the measurement model are examined. Subsequently, the second-order constructs are calculated and the structure model is revised.

Figure 5 Model of Integration



5.3.1 Measurement Model – Outer Loadings

A measurement model consists of either reflective or formative exogenous constructs and their assigned indicators. With reflective measurement models, the measures represent the effect of an underlying construct. The causality goes from the construct to the measures.

According to Hair et al. (2017a) the reflective indicators are used as a “representative sample of all possible items within the conceptual domain of the construct” (Hair et al., 2017a, p. 47). Thus, since a reflective measure implies that all indicator items must be caused by the same construct, indicators assigned to the same construct must be highly correlated. Moreover, each individual item should be interchangeable and in principle be omitted without changing the meaning of the construct, under the condition of sufficiently high reliability. In contrast, “formative measurement models are based on the assumption that causal indicators form the construct by linear combinations” (Hair et al., 2017a, p. 47). Here, the indicators are not interchangeable because each indicator contains a specific aspect of the construct and removing a single indicator would change the meaning of the construct as the items as a whole only collectively capture the meaning of the construct.

All constructs are measured reflective except for the two second stage constructs *Structure* and *Customer Value*. Both constructs are very complex and, therefore, operationalized as second-order constructs. Thereby, the second order construct is built by more concrete lower order constructs (Hair et al., 2018). In general, the higher order latent variable is modelled by first order latent variables with measured items (Chin, 1998a, p. 10). That means that a higher order construct has no manifest variables but is measured by first order latent variables. These latent variables can be either measured formative or reflective by using indicators/items. The context between the higher order construct and the first order construct can be either reflective or formative, too. Therefore, four types of second order constructs exist (Becker, Klein, and Wetzels, 2012, p. 363):

Reflective-Reflective (Type 1): This model consists of reflective relationships only, both on factor and construct level. The first order constructs and the belonging factors are measured reflectively and represent themselves as reflective indicator of the second order construct ” (Huber, Herrmann, Meyer, Vogel, and Vollhardt, 2007). In literature the first type is also called “molecular model” (Chin, 2010, p. 665).

Reflective-Formative (Type 2): This model measures the second order construct formatively but the factors are measured reflectively (Huber et al., 2007). This kind of model is also called “molar” model (Chin, 2010, p. 665).

Formative-Reflective (Type 3): This model measures the second construct order reflectively but its indicators, the first order constructs, are measured formatively (Chin, 2010p. 665).

Formative-Formative (Type 4): This model is multidimensional and is measured formative on all levels (Huber et al., 2007). As shown in Figure 5, here only Reflective-Formative second order constructs come into effect.

To estimate a partial least squares path model (PLS) as a structural equation model, the computation of construct scores for each latent variable in the path model is necessary. Since in second (respective higher) order constructs indicators for the second order construct do not exist, Becker et al. (2012) present three approaches to model hierarchical latent variables in PLS-SEM. First the repeated indicator approach (Lohmöller, 1989; Wold, 1982), second the sequential latent variable score method or two-stage approach (Ringle, Sarstedt, and Straub, 2012; Wetzels, Odekerken-Schröder, and Van Oppen, 2009), and third the hybrid approach (Wilson and Henseler, 2007).

The repeated indicators approach is based on Wold (1982) who proposes to estimate a second order construct by reproducing all indicators of the reflective first order constructs to the second order construct (Wold, 1982, p. 41). Therefore, all indicators are used twice, once for the initial first order construct and once for the second order construct (Lohmöller, 1989, p. 130). Thereby, the second order construct is also measured by observed variables and all constructs can be estimated simultaneously. According to Becker et al. (2012) this is advantageous because interpretational confounding can be avoided, since the entire model is taken into account, not only the lower level or the higher level model. This is the case with the sequential latent variable score method (two stage approach) as here the first order constructs are modelled separately in a first-stage model without considering the second order constructs at all. Subsequently, these first stage construct scores are used in a separate second stage analysis as indicators for the second order latent variable (Becker et al., 2012, p. 365). For this reason, the sequential latent variable score method is not used here. However, also the repeated indicator approach has a disadvantage. Due to the duplicate use of the same indicators, artificially correlated residuals can occur. This is avoided in the hybrid approach, where the indicators are randomly distributed to either the first order or the second order construct and are, therefore, only used once. However, since only half of the indicators are used here, this leads to a considerably lower reliability of the constructs. For this reason, the hybrid approach is not used here. Another disadvantage that reveals by using the repeated indicator approach for formative higher order constructs is as follows: All the variance of the second order construct is already explained by the first order constructs. This is problematic if the higher order construct has additional antecedent variable(s) (Hair et al., 2018, p. 51), since it cannot explain any of second order variance which means that the paths to the second order construct are zero and, therefore, not significant (Ringle et al., 2012). As this is not the case with this model, however, this does not need to take into account and the recommendation of

Becker et al. (2012) can be followed and the repeated indicator approach is chosen to model the second order constructs.

5.3.1.1 Outer Model Evaluation – Reflective

Reliability

Internal consistency reliability in terms of construct reliability is the first criterion to be evaluated. Thereby, Cronbach's alpha and composite reliability are distinguished. Hair et al. (2012) state that Cronbach's alpha is the most common measure of internal consistency reliability, but is constrained by the assumption that all indicators are equally reliable, and efforts to maximize them can seriously compromise reliability (Raykov, 2007). In contrast, composite reliability does not assume that all indicators are equally reliable. The indicators are prioritized according to their individual reliability, which makes them more suitable for PLS-SEM (Hair et al., 2012; Hair et al., 2011). However, as recommended by Hair et al. (2017a) it is reasonable to consider both criteria. Cronbach's alpha as a conservative measure tends to result in relatively low reliability values and composite reliability tends to overestimate the internal consistency resulting in comparatively higher reliability estimates. Thus, Cronbach's alpha can be referred to as the lower bound and the composite reliability as the upper bound, since the true reliability usually lies between these two (Hair et al., 2017a). For both, values should be higher than 0.70. Though, values above 0.95 are not desirable because this indicates that all the indicator variables are measuring the same phenomena. In this case, the indicators are not a valid measure of the construct (Hair et al., 2017a, p. 112). As shown in Table 60, all values for both Cronbach's alpha and composite reliability are above 0.7 and below 0.95 except the Cronbach's alpha for the construct *Formalisation*. Therefore, it will be examined in the further steps closely.

Table 60 Internal Consistency Reliability

| Reflective Constructs | Cronbach's alpha | Composite Reliability |
|---------------------------|------------------|-----------------------|
| Tasks & Responsibilities | 0.80 | 0.81 |
| Relationship* | 0.92 | 0.94 |
| Formalisation* | 0.58 | 0.70 |
| Leadership | 0.91 | 0.94 |
| Common Value Creation* | 0.89 | 0.92 |
| Integration | 0.90 | 0.93 |
| Communication | 0.87 | 0.90 |
| Competences Employees | 0.90 | 0.92 |
| Conflict Management | 0.82 | 0.87 |
| Culture | 0.91 | 0.93 |
| Strategy and Common Goals | 0.89 | 0.94 |
| Centralisation* | 0.90 | 0.93 |

Note. *Second Order Construct

The next step is to look at the reliability of each individual indicator by means of the indicator's absolute standardized loading. Here, indicators with loadings between 0.40 and 0.70 must be considered to be deleted if this increases composite reliability (Hair et al., 2011). However, Hair et al. (2017a) add that indicators should not be eliminated automatically when their outer loading is below 0.7 because the item removal may have an effect on the composite reliability and the content validity of the construct and, therefore, should be examined carefully. Thus, weak items may be kept due to their contribution to content validity. Though, indicators with very low outer loadings below 0.4 should always be eliminated (Bagozzi, Yi, and Phillips, 1991; Hair et al., 2011). Thus firstly, all loadings below 0.4 are picked and deleted. This occurred twice by the *Formalisation* construct. For this reason, these items (ST02_01, ST02_02) are deleted.

Secondly, the model is calculated again and following all outer loadings below 0.7 are examined. It has to be noted that the outer loadings for the second order constructs *Customer Value* and *Structure* themselves are not examined at this stage of calculation and, hence, are not taken into account however their first order constructs are. Hence, following the constructs (1) *Tasks and Responsibilities*, (2) *Formalisation*, (3) *Conflict Management*, (4) *Culture*, (5) *Communication*, and (6) *Strategy and Common Goals* are examined separately and thoroughly because items shall not be easily deleted, since this may have an effect on the reliability and validity of the construct. Thereby, the content of the items is taken into account, too.

The construct (1) *Tasks and Responsibilities* consists of two subjects – tasks and responsibilities – but by looking at the outer loadings, it appears that there is a stronger connection between the contents of respectively two of the statements, which does not correspond to the original assignment. Thus, the delimitation is drawn within *Clear Definition* and *Overlapping*. By doing so, the outer loadings of the former construct *Tasks and Responsibilities* increase strongly. Therefore, no items are deleted but the construct is now represented by a second order construct. This result is rechecked by the Total-PCA, which is conducted at the conclusion of the analysis for all constructs together.

Table 61 Task & Responsibilities – Loadings

| Items | Loadings | |
|---------|----------|------------------|
| AU01_01 | 0.93 | Clear Definition |
| AU01_03 | 0.92 | 0.92 |
| | | 0.93 |
| AU01_02 | 0.45 | Overlapping |
| AU01_04 | 0.46 | 0.92 |
| | | 0.93 |

The second order construct (2) Structure consists of two reflective first order constructs, *Formalisation* and *Centralisation*. *Formalisation* shows two items with low loadings as presented in Table 62. Thus, the item with the lowest loading (ST02_04) is deleted first by considering the values of the composite reliability.

Table 62 Formalisation – Loadings

| Items | Loadings 1 | CR 1 | Loadings 2 | CR 2 | Loadings 3 | CR3 | Cronbach's Alpha |
|---------|------------|------|------------|------|------------|------|------------------|
| ST02_03 | 0.71 | | 0.64* | | | | |
| ST02_04 | 0.57* | | | | | | |
| ST02_05 | 0.80 | 0.78 | 0.84 | 0.78 | 0.87 | 0.83 | 0.58 |
| ST02_06 | 0.65 | | 0.72 | | 0.81 | | |

Note. *deleted item because loading is below 0.7

After deleting the lowest item, the composite reliability remains the same. Moreover, the former second lowest item's loading increased above the critical value but another one decreased. Thus, secondly this item (ST02_03) also has to be deleted and the impact on the construct examined. After deleting the second lowest item, it leads to an increase in the loading of the two remaining items. Moreover, the composite reliability increases further. Additionally, the construct's Cronbach's alpha is investigated, too. Although all other

measures increase, Cronbach's alpha as the lower bound of internal consistency does not meet the requirements and, therefore, the first order construct *Formalisation* has to be removed and is not considered in any further calculations. Consequently, the former second order construct Structure does not exist anymore and from now on is measured as a reflective, multi-item construct with regard to *Centralisation* as shown in Table 63.

Table 63 Centralisation – Loadings

| Items | Loadings 1 | CR 1 | Cronbach's Alpha |
|---------|------------|------|------------------|
| ST01_01 | 0.85 | | |
| ST01_02 | 0.87 | | |
| ST01_03 | 0.89 | 0.93 | 0.89 |
| ST01_04 | 0.89 | | |

This iterative process is repeated in the following for all reflective constructs in the same way. However, the respective intermediate steps are no longer documented, but only the final results are presented.

The construct (3) *Conflict Management* shows four items with loadings below 0.7 as presented in Table 64. Therefore, the lowest item (KM01_05) is deleted first.

Table 64 Conflict Management – Loadings

| Items | Loadings | CR | Final Loadings | Final CR | Cronbach's Alpha |
|---------|----------|------|----------------|----------|------------------|
| KM01_01 | 0.79 | | 0.84 | | |
| KM01_02 | 0.69* | | | | |
| KM01_03 | 0.74 | | 0.72 | | |
| KM01_04 | 0.75 | 0.87 | 0.80 | 0.86 | 0.78 |
| KM01_05 | 0.52* | | | | |
| KM01_06 | 0.62* | | | | |
| KM01_07 | 0.68* | | 0.72 | | |

Note. *deleted item because loading is below 0.7

After removing the lowest item (KM01_05), an increase in the composite reliability appears. Following, the next low item (KM01_06) is deleted and leads to an increase in one of the critical items (KM01_07) above the critical value. Thus, the only item below 0.7 (KM01_02) is deleted, too.

After all low items are removed, the composite reliability decreased slightly but is still above the critical value. The lowest bond – Cronbach's alpha for internal consistency – is fulfilled as well. Therefore, the remaining items build the construct *Conflict Management*.

The construct (4) *Culture* shows two low loadings as presented in Table 65. After deleting the item (KU01_07) with the lowest loading, all items' loadings increase as well as the values of the composite reliability. Only the second lowest item decreases and, therefore, is removed in the next step.

Table 65 Culture – Loadings

| Items | Loadings | CR | Final Loadings | Final CR | Cronbach's Alpha |
|---------|----------|------|----------------|----------|------------------|
| KU01_01 | 0.78 | | 0.80 | | |
| KU01_02 | 0.87 | | 0.88 | | |
| KU01_03 | 0.88 | | 0.89 | | |
| KU01_04 | 0.85 | 0.93 | 0.88 | 0.94 | 0.92 |
| KU01_05 | 0.90 | | 0.91 | | |
| KU01_06 | 0.69* | | | | |
| KU01_07 | 0.62* | | | | |

Note. *deleted item because loading is below 0.7

After deleting the second lowest item KU01_07 with the lowest loading, all items' loadings increase as well as the values of the composite reliability. Only one item decreases further and, therefore, is removed in the next step. The removal of the last low item leads to an increase in all items' loadings, the composite reliability. The Cronbach's alpha for the construct *Culture* is also high and consistent with the other measures.

The construct (5) *Communication* shows only one low item (KI01_01), as presented in Table 66, that is deleted. Deleting the low item leads to an increase in composite reliability and Cronbach's alpha is consistent, too.

Table 66 Communication – Loadings

| Items | Loadings | CR | Final Loadings | Final CR | Cronbach's Alpha |
|---------|----------|------|----------------|----------|------------------|
| KI01_01 | 0.490* | | | | |
| KI01_02 | 0.734 | | 0.713 | | |
| KI01_03 | 0.873 | | 0.871 | | 0.88 |
| KI01_04 | 0.820 | 0.90 | 0.824 | 0.92 | |
| KI01_05 | 0.836 | | 0.849 | | |
| KI01_06 | 0.822 | | 0.831 | | |

Note. *deleted item because loading is below 0.7

The construct (6) *Strategy and Common Goals* involves one low item (SZ01_05) as shown in Table 67. After deleting the low item, the composite reliability increases and the Cronbach's alpha also shows a sufficient high value.

Table 67 Strategy and Common Goals – Loadings

| Strategy and Common Goals | Loadings | CR | Final Loadings | Final CR | Cronbach's Alpha |
|---------------------------|----------|------|----------------|----------|------------------|
| SZ01_01 | 0.865 | | 0.876 | | |
| SZ01_02 | 0.868 | | 0.883 | | |
| SZ01_03 | 0.870 | | 0.876 | | |
| SZ01_04 | 0.814 | 0.92 | 0.803 | 0.93 | 0.90 |
| SZ01_05 | 0.547* | | | | |
| SZ01_06 | 0.779 | | 0.778 | | |

Note. *deleted item because loading is below 0.7

Before considering the validity of the model, the model is recalculated because as a result of the reliability testing the two constructs *Structure* and *Task and Responsibilities* have undergone structural changes. The construct *Structure* is no longer a second order construct but is only represented by the items of the previous first order construct *Formalisation*. The construct *Tasks and Responsibilities* on the other hand is now described by the two first order constructs *Overlapping* and *Clear Definition* as second order constructs.

Validity

After examining the reflective measurement model's reliability, its validity has to be thoroughly investigated, too. Thereby, the focus is on convergent validity and discriminant validity. For convergent validity, the average variance extracted (AVE) has to be examined. With regard to AVE, it is stated that an AVE value above 0.5 indicates that on average the construct explains more than half of the variance of its indicators. Since a value below 0.5 indicates that "more variance explained remains in the error of the items than in the variance explained by the construct" (Hair et al., 2017a, p. 115), a value below 0.5 is not desirable. All AVE values, as shown in Table 68, are above 0.5.

Table 68 AVE all constructs

| Construct | Average Variance Extracted (AVE) | Mean | Standard Deviation |
|------------------------------|-------------------------------------|------|-----------------------|
| 1 Clear Definition | 0.87 | 4.62 | 1.53 |
| 2 Common Value Creation | 0.70 | 4.89 | 1.33 |
| 3 Communication | 0.69 | 4.68 | 1.29 |
| 4 Competences Employees | 0.63 | 5.15 | 1.02 |
| 5 Conflict Management | 0.60 | 4.60 | 1.00 |
| 6 Culture | 0.76 | 4.35 | 1.31 |
| 7 Integration | 0.72 | 4.29 | 1.38 |
| 8 Leadership | 0.75 | 4.46 | 1.40 |
| 9 Overlapping | 0.86 | 3.98 | 1.56 |
| 10 Relationship | 0.65 | 5.59 | 1.09 |
| 11 Strategy and Common Goals | 0.77 | 4.08 | 1.28 |
| 12 Structure | 0.77 | 3.31 | 1.51 |

To examine discriminant validity, the Fornell-Larcker criterion and cross-loadings have to be investigated. Discriminant validity “is the extent to which a construct is truly distinct from other constructs”(Hair et al., 2017a, p. 115). The Fornell-Larcker criterion states that a latent construct should share more covariance with its own assigned indicators than with any other latent variable in the structural model (Fornell and Larcker, 1981). This criterion compares the square root of the AVE values with the latent variable correlations (Hair et al., 2017a), or the other way round the AVE of each latent construct should be higher than the construct’s highest squared correlation with any other latent construct (Hair et al., 2011). Table 69 shows in bold the square roots of the model’s AVE on the diagonal. The correlations between the latent variables are presented on the nondiagonal (Hair et al., 2017a, p. 117). Thus, it emerges that the Fornell-Larcker is fulfilled for all reflective constructs, since all square roots of the AVE are higher than the correlations.

Table 69 Fornell-Larcker Criterion

| Construct | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1 | 0.93 | | | | | | | | | | | - |
| 2 | 0.20 | 0.84 | | | | | | | | | | - |
| 3 | 0.23 | 0.39 | 0.83 | | | | | | | | | - |
| 4 | 0.35 | 0.43 | 0.52 | 0.79 | | | | | | | | - |
| 5 | 0.31 | 0.35 | 0.59 | 0.62 | 0.78 | | | | | | | - |
| 6 | 0.24 | 0.37 | 0.55 | 0.56 | 0.62 | 0.87 | | | | | | - |
| 7 | 0.14 | 0.38 | 0.66 | 0.44 | 0.52 | 0.53 | 0.85 | | | | | - |
| 8 | 0.30 | 0.43 | 0.51 | 0.57 | 0.48 | 0.52 | 0.49 | 0.86 | | | | - |
| 9 | 0.46 | 0.02 | 0.08 | 0.11 | 0.14 | 0.02 | 0.01 | 0.09 | 0.93 | | | - |
| 10 | 0.31 | 0.63 | 0.47 | 0.57 | 0.44 | 0.36 | 0.37 | 0.46 | 0.11 | 0.81 | | - |
| 11 | 0.25 | 0.44 | 0.64 | 0.52 | 0.58 | 0.58 | 0.65 | 0.56 | 0.10 | 0.42 | 0.85 | - |
| 12 | -0.10 | -0.23 | -0.29 | -0.31 | -0.31 | -0.28 | -0.22 | -0.37 | -0.01 | -0.28 | -0.28 | 0.88 |

Note. The names and sequence of the constructs correspond to those in Table 68.

The second criterion for discriminant validity is cross-loadings. Here, the own outer loadings of an indicator should be higher than all of its cross-loadings on other constructs (Hair et al., 2011) examining the cross-loadings, it shows all indicators have the highest loadings value with the construct they are assigned to. Therefore, this criterion is fulfilled, too. A section of the table for the items of *Communication* is presented in Table 70. This example clearly shows that the loading of the five items are highest on their own construct *Communication* (CM). Item 2 shows a loading of 0.72 on *Communication* that is clearly higher than 0.44 on *Competences*, 0.48 on *Conflict Management*, 0.41 on *Culture*, 0.39 on *Integration*, 0.40 on *Leadership*, 0.40 on *Strategy and Common Goals*, and -0,27 on *Structure*.

Table 70 Crossloadings - Section for Communication

| | KI | KO | KM | KU | FK | SZ | ST |
|--------|-------------|------|------|------|------|------|-------|
| Item 2 | 0.72 | 0.44 | 0.48 | 0.41 | 0.40 | 0.40 | -0.27 |
| Item 3 | 0.88 | 0.54 | 0.62 | 0.56 | 0.5 | 0.61 | -0.33 |
| Item 4 | 0.83 | 0.37 | 0.42 | 0.37 | 0.37 | 0.47 | -0.22 |
| Item 5 | 0.86 | 0.43 | 0.48 | 0.51 | 0.45 | 0.58 | -0.22 |
| Item 6 | 0.84 | 0.39 | 0.47 | 0.43 | 0.4 | 0.56 | -0.2 |

Note. KI: Communication; KO: Competences; KM: Conflict Management; KU: Culture; FK: Leadership; SZ: Strategy and Common Goals; ST: Structure. This table shows a part of the crossloadings - see Appendix F for the whole table.

The complete crossloadings table is shown in Appendix F. Though, Henseler et al. (2015) have found that that neither the cross-loadings approach nor the Fornell-Larcker Criterion reliability identifies discriminant validity issues. On account of this, heterotrait-monotrait ratio (HTMT) of the correlations is proposed. Here, a value above 0.9 is an indicator for lack in discriminant validity. The result for the HTMT is presented in Table 71. It shows that no values are above the critical value and, therefore, the HTMT criterion is fulfilled, too. Thus, all reliability and validity criteria are fulfilled.

Table 71 Heterotrait-Monotrait Ratio (HTMT)

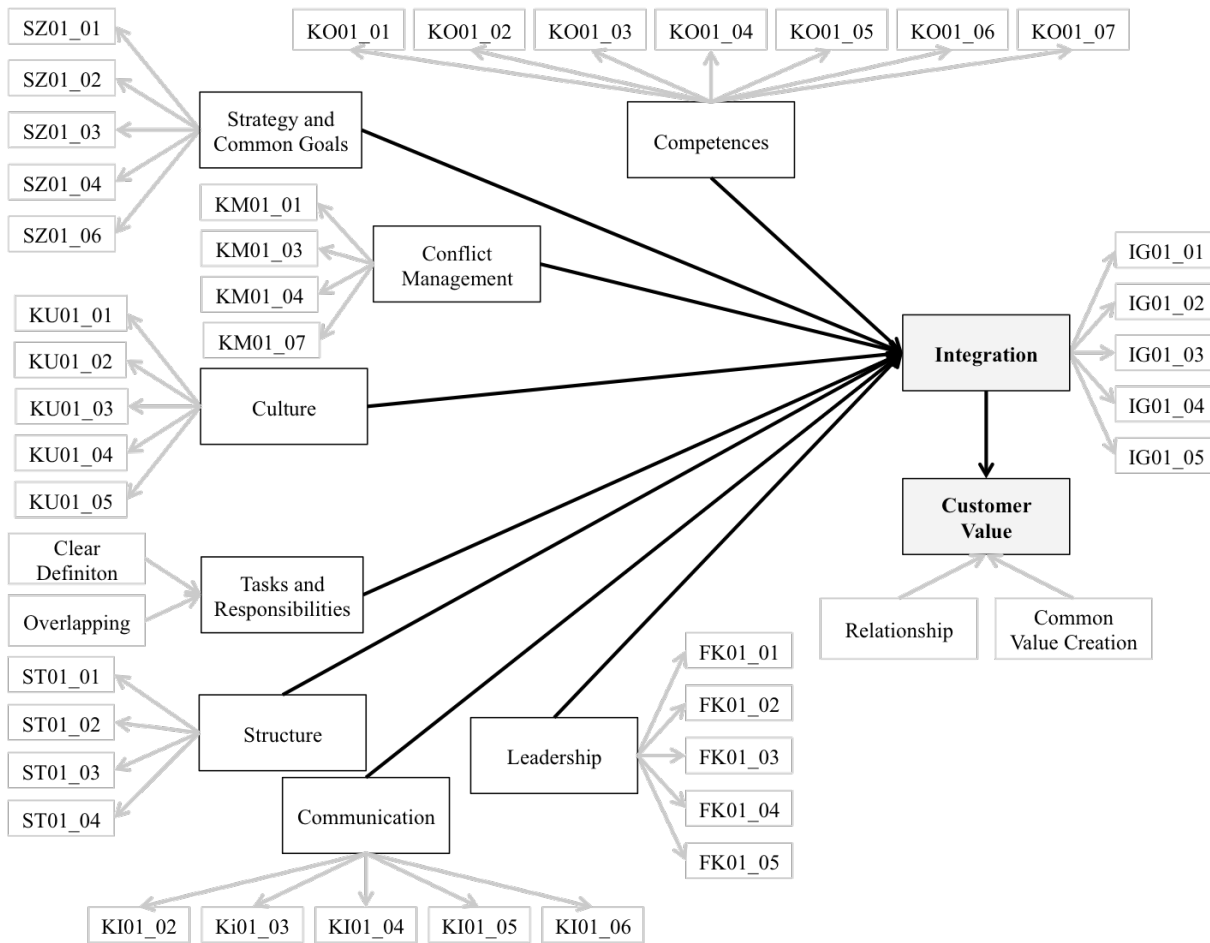
| Construct | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|-----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----|
| 1 | | | | | | | | | | | | |
| 2 | 0.222 | | | | | | | | | | | |
| 3 | 0.273 | 0.435 | | | | | | | | | | |
| 4 | 0.404 | 0.476 | 0.582 | | | | | | | | | |
| 5 | 0.381 | 0.413 | 0.721 | 0.723 | | | | | | | | |
| 6 | 0.277 | 0.400 | 0.615 | 0.603 | 0.725 | | | | | | | |
| 7 | 0.161 | 0.420 | 0.733 | 0.480 | 0.617 | 0.579 | | | | | | |
| 8 | 0.344 | 0.477 | 0.574 | 0.629 | 0.563 | 0.573 | 0.546 | | | | | |
| 9 | 0.557 | 0.038 | 0.087 | 0.133 | 0.180 | 0.031 | 0.023 | 0.108 | | | | |
| 10 | 0.353 | 0.682 | 0.525 | 0.628 | 0.507 | 0.393 | 0.403 | 0.499 | 0.126 | | | |
| 11 | 0.287 | 0.488 | 0.716 | 0.571 | 0.689 | 0.632 | 0.722 | 0.627 | 0.116 | 0.458 | | |
| 12 | 0.119 | 0.245 | 0.326 | 0.321 | 0.360 | 0.299 | 0.241 | 0.401 | 0.046 | 0.297 | 0.296 | |

Note. The names and sequence of the constructs correspond to those in Table 68.

Therefore, the values for latent variables are included into the data set for the second order constructs: *Tasks and Responsibilities* with its latent variables *Clear Definition* and *Overlapping*, *Customer Value* with its latent variables *Common Value Creation* and *Relationship*. Since the latent variable *Formalisation* had to be dropped, the construct *Structure* is not second order anymore and from now on is represented reflectively.

Next, the two formative constructs *Tasks and Responsibilities* and *Customer Value* have to be examined.

Figure 6 Model including formative measures for formative constructs



5.3.1.2 Outer Model Evaluation – Formative

In formative constructs, the indicators represent the independent causes of the latent construct without necessarily being highly correlated. Moreover, Edwards and Bagozzi (2000) assume formative indicators as error-free. Nevertheless, criteria are applied for the examination of formative measurement models.

The relative importance of the indicator is examined by the indicator’s weight and its absolute importance is examined by its loading. Both weight and loading have to be significant, otherwise there is no empirical support for the relevance of the indicators in terms of providing content to the formative construct (Hair et al., 2011, p. 146). To test significance for both absolute and relative importance, bootstrapping is utilized. For bootstrapping, subsamples, so-called auxiliary data sets, are randomly drawn from the original data set by the “Drag and drop” method. To ensure the stability of the results, the number of subsamples should be relatively large, which is why the recommended number of 5000 was used (Hair et al., 2017a, p. 149; Hair et al., 2012, p. 429).

As shown in Table 72, all outer loadings are clearly above 0.2 as recommended by Chin (1998b) and Lohmöller (1989). Next, the bootstrapping results are enquired and show that except for *Overlapping* all results are significant for $p < 0.05$. The significance level for the entire study is defined as $\alpha = 0.05$, which corresponds to a confidence-interval of 95%, which is a commonly used value in social research. Thus, p-values below 0.05 are considered significant and values greater than or equal to 0.05 are not considered significant.

Following Hair et al. (2011), it is chosen to still keep *Overlapping*, since the theory-driven conceptualization strongly supports to keep the indicator. With regard to the weights, it shows that concerning the construct *Tasks and Responsibilities* the formative indicator *Clear Definition* has the relatively highest weight and, therefore, contributes the most to *Tasks and Responsibilities*. However, the weights of the indicators *Common Value Creation* and *Relationship* are approximately equally strong for the construct *Customer Value*.

Table 72 Outer Loadings and Weights

| | Outer Weights | Bootstrapping | | Outer Loadings | Bootstrapping | |
|-----------------------------------|---------------|---------------|---------|----------------|---------------|---------|
| | | t value | p value | | t value | p value |
| Tasks and Responsibilities | | | | | | |
| Clear Definition | 1.13 | 4.9 | <0.01* | 0.90 | 5.07 | <0.01 |
| Overlapping | -0.49 | 1.72 | 0.086 | 0.034 | 0.15 | 0.884 |
| Customer Value | | | | | | |
| Common Value Creation | 0.60 | 6.50 | <0.01* | 0.92 | 28.61 | <0.01 |
| Relationship | 0.51 | 5.26 | <0.01* | 0.89 | 22.75 | <0.01 |

Note. Two tailed bootstrapping, $t > 1.96$, $p < 0.05$; *significant $p < 0.05$

Following, the multicollinearity is examined. According to Hair et al. (2011), the information of an indicator can become redundant due to a high level of multicollinearity in the formative measure. This can be the reason why the indicators are nonsignificant. Diamantopoulos and Winklhofer (2001) suggest calculating the variance inflation factor (VIF) to detect the level of multicollinearity in the formative indicators. A VIF value of 5 or greater indicates possible multicollinearity problems. A value of 5 means that 80 percent of an indicator's variance is accounted for by the remaining formative indicators of the same construct and a reconsideration of the formative measurement models is advised by Hair et al. (2011). As shown in Table 73, all VIF values are clearly below the critical value and, therefore, are kept in the model.

Table 73 Collinearity of Indicators

| | VIF |
|-------------------------------------|------|
| Tasks & Responsibilities | |
| Clear Definition | 1.27 |
| Overlapping | 1.27 |
| Customer Value | |
| Common Value Creation | 1.66 |
| Relationship | 1.66 |

5.3.2 Inner model – Structural Model

Finally, the structural model is considered. Therefore, first the R^2 and cross-validated redundancy measures are examined, followed by values and significance of the path coefficients.

Table 74 shows a moderate R^2 value for *Integration* and a weak R^2 value for *Customer Value* where R^2 is the coefficient of determination that measures the level of variance of an endogenous construct explained by its predictor constructs (Hair et al., 2017a).

Moreover, Table 74 shows the model's capability to adequately predict each endogenous latent construct's indicators by the Stone-Geisser's Q^2 (Geisser, 1974; Stone, 1974). The Stone-Geisser's Q^2 is an evaluation criterion for the cross-validated redundancy of the PLS path model that is calculated by the blindfolding technique as a measure of prediction accuracy (Geisser, 1974; Stone, 1974). Hair et al. (2011) suggest relating to the cross-validated redundancy because this takes both the structural model and the measurement model into account. Thereby a value larger than zero indicates predictive relevance for a certain endogenous latent variable. Which is, therefore, the case both for the Q^2 value of *Integration* and for the value of *Customer Value* as shown in Table 74.

Table 74 R-Squared and cross-validated Redundancy Measures

| | R^2 | Adjusted R^2 | Q^2 |
|----------------|-------|----------------|-------|
| Customer Value | 0.17 | 0.17 | 0.128 |
| Integration | 0.54 | 0.53 | 0.357 |

The path coefficients are presented in Table 75 whereby it reveals that besides *Competences*, *Conflict Management* and *Structure* the remaining influence factors show significances. However, Chin (1998a) notes that paths should only be considered truly meaningful from a value of 0.2 and higher. This must be reflected in the interpretation of the results of the constructs *Culture*, *Leadership*, and *Tasks and Responsibilities*.

Table 75 Path Coefficient Estimates

| | Path coefficient | t-value | p-value |
|----------------------------|------------------|---------|-----------------|
| Communication | 0.35* | 8.62 | <0.01 |
| Competences | -0.03 | 0.79 | 0.43 |
| Conflict Management | 0.06 | 1.68 | 0.09 |
| Culture | 0.10* | 2.90 | 0.04 |
| Integration | 0.41* | 13.38 | <0.01 |
| Leadership | 0.10* | 2.93 | <0.01 |
| Strategy and Common Goals | 0.31* | 7.28 | <0.01 |
| Structure | 0.04 | 1.49 | 0.14 |
| Tasks and Responsibilities | -0.06* | 1.97 | 0.05 |

Note. *significant p <.05

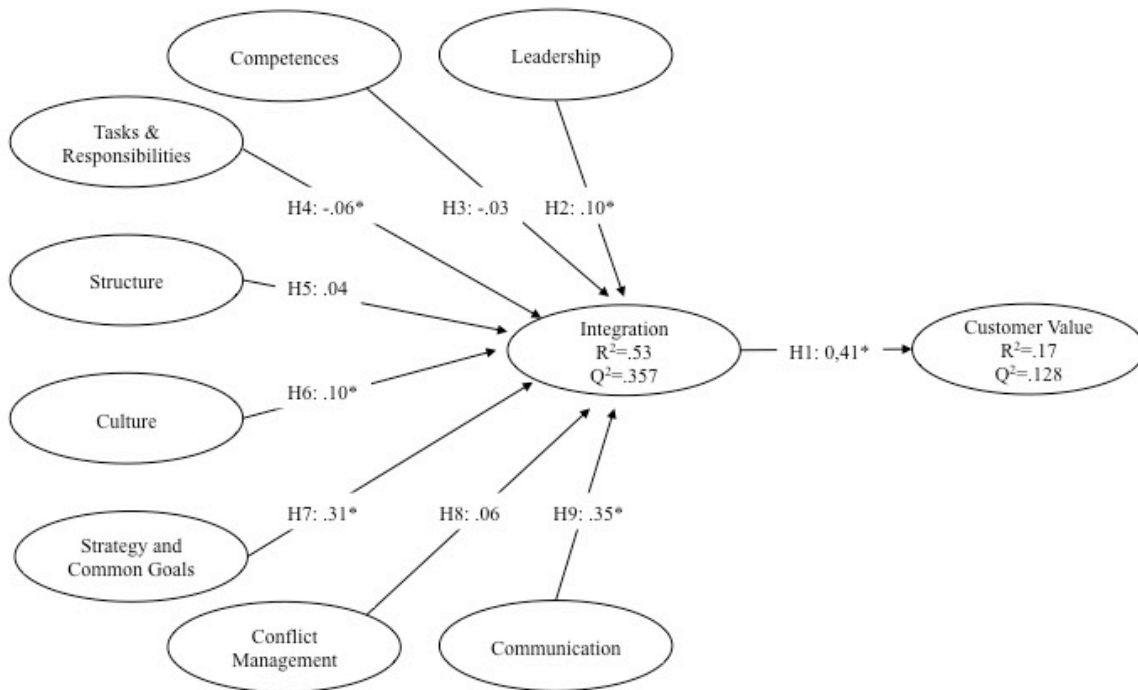
According to Hair et al. (2011), the absence of multicollinearity can also be checked by VIF values for the inner model. The values displayed in Table 76 show that here, too, it can be assumed that no multicollinearity is present as the critical value of 5 is not exceeded by any construct.

Table 76 Collinearity of inner indicators - VIF

| | Customer Value | Integration |
|----------------------------|----------------|-------------|
| Communication | | 2.05 |
| Competences | | 2.08 |
| Conflict Management | | 2.25 |
| Culture | | 2.01 |
| Integration | 1 | |
| Leadership | | 1.91 |
| Strategy and Common Goals | | 2.16 |
| Structure | | 1.20 |
| Tasks and Responsibilities | | 1.16 |

After all criteria for the model have been examined, the final model as shown in Figure 7 results. The strength and direction of the influences of the final model are shown by the path coefficients displayed in Table 75. Thus, all constructs considered show a positive influence on the *Integration* of Marketing and Sales except for *Competences* and *Tasks and Responsibilities*. The positive influence of *Integration* on *Customer Value* can also be seen. Moreover, it shows that besides *Competences*, *Conflict Management* and *Structure* the remaining influence factors show significant results.

Figure 7 Final Model on the Integration of Marketing and Sales



Note. *p-value <.05

5.4 Summary

Initially, all constructs relevant for the *Integration* of Marketing and Sales were gradually presented in detail and operationalised on the basis of literature. Whether the constructs to be measured were appropriately operationalised by the selected items, was first checked separately for each of the constructs considered using a PCA based on the data of the study (Part A) and adjusted if necessary in order to obtain improved and reliable constructs for the study (Part B). Subsequently, all constructs were considered together in a PCA to ensure that they were clearly distinguishable from each other. Based on this, it was concluded that the construct *Structure and Culture* for the survey (Part B) must be operationalised newly since it does not allow a clear measurement. The examination of the construct *Conflict Management* also showed on the basis of cross-loadings that there is a need for improvement, which is taken into account in the study (Part B) by adjusting the construct on the basis of literature. In the case of *Competences*, only one item did not show a clear assignment, which is why it was deleted and is not taken into account in the further investigation. The other constructs *Leadership*, *Strategy and Common Goals*, and *Tasks and Responsibilities* showed no serious problems. The investigation of the endogenous model showed that the construct *Customer Value* had to be measured as a higher order construct, which is taken into account in the

following calculation. Then each construct was examined for differences between Marketing, Sales, and Key Account Management. It was found that in less than 1% of the cases there were significant differences in the assessment of the constructs considered between the groups. On this basis, a uniform questionnaire was created for the survey (Part B) for all groups, based on the constructs reviewed and optimised by the PCA. The study (Part B) was then carried out and evaluated using structural equation modelling. At first, the reliability of the constructs was checked and no problems appeared. Then the items of the individual constructs were examined for their reliability. Items with weak loadings were closely examined and, if necessary, deleted for further calculations. Afterwards the validity of the reflective constructs was checked and thereby all criteria were fulfilled, too. All the criteria to be taken into account were also considered and fulfilled in the examination of the formative constructs. From which the model shown in Figure 7 (see Chapter 4.5.4, p. 172) results showing that all factors investigated showed significant results besides *Competences*, *Conflict Management*, and *Structure*.

Chapter 6: Discussion

6.1 Introduction

This chapter contains the summary and final interpretation and evaluation of the results. Initially, the essential quality criteria of the model are presented and then the individual factors are considered separately.

First, the results of the analysis are interpreted with regard to the factors influencing *Integration* and the creation of *Customer Value*. Thereby, the results are also investigated in the context of the underlying theories and the current state of research. Following, implications for research and practice are derived. The results are at the beginning critically evaluated with regard to the scientific contribution to the theory. Subsequently, the contribution to practice is critically assessed.

6.2 Study (Part B) - Quality Evaluation of the Model

The classification of Chin (1998b), *Customer Value* shows a low R^2 of 0,17 (Chin, 1998b, p. 323) as shown in Table 74. Since, in addition to *Integration*, a large number of other influencing factors such as market orientation (Narver and Slater, 1990) may have an effect on the creation of *Customer Value*, the rather low degree of the coefficient of determination seems reasonable. The goal was not to fully explain *Customer Value*, but to investigate the impact of *Customer Value* on *Integration*, which is reflected in the strong, significant, and positive impact. *Integration* shows a moderate to almost substantial level of R^2 of 0,53 (Chin, 1998b, p. 323) which means that more than 50% of the variance of the *Integration* can be explained by the influencing factors involved, which is a satisfactory result with regard to the prediction of human behaviour.

For both constructs, *Integration* and *Customer Value*, the respective Q^2 of the Stone-Geisser Criteria value is above zero, so it can be said that the model has predictive relevance (Fornell and Bookstein, 1982, p. 449). Since the objective of the study was not mainly to provide a complete explanation of the creation of *Customer Value*, rather, the focus was on examining the influence of *Integration* on the creation of *Customer Value*, which is significant and shows a positive path coefficient what reinforces the first hypothesis that *Integration* has a positive impact on the creation of *Customer Value*. In principal, for significance testing of

path estimates bootstrapping was chosen and it shows that six out of ten structural paths were found to be significant at the 95% confidence interval ($p < 0.05$) as shown in Figure 7 (see Chapter 4.5.4, p. 172). The strength of the significant influences varies between 0.41 and -0.06.

6.3 Hypothesis

In the following, the results of the individual hypotheses are presented and then discussed separately. Initially, the direction and strength of the result are considered. Subsequently, the results are set in relation to theory and literature. A result is considered significant if its p-value is less than 5%.

An overview of the hypotheses is shown here:

Hypothesis 1: The *Integration* of Marketing and Sales has a positive influence on the creation of Customer Value. (supported)

Hypothesis 2: *Leadership* has a positive influence on the *Integration* between Marketing and Sales. (supported)

Hypothesis 3: *Competences* have a positive influence on the *Integration* between Marketing and Sales. (not supported)

Hypothesis 4: *Responsibilities and Tasks* have a positive influence on the *Integration* between Marketing and Sales. (supported)

Hypothesis 5: *Structure* has a positive influence on the *Integration* between Marketing and Sales. (not supported)

Hypothesis 6: *Culture* has a positive influence on the *Integration* between Marketing and Sales. (supported)

Hypothesis 7: *Strategy and Common Goals* have a positive influence on the *Integration* between Marketing and Sales. (supported)

Hypothesis 8: *Conflict Management* has a positive influence on the *Integration* between Marketing and Sales. (not supported)

Hypothesis 9: *Communication* has a positive influence on the *Integration* between Marketing and Sales. (supported)

In the following, the hypotheses are considered depending on the strength and significance of the influence, starting from the strongest to the weakest influence on *Integration*. Finally, the

hypothesis concerning the influence of *Integration* on *Customer Value* is examined.

6.3.1 Influence of Communication on Integration H9

The highest significant impact on *Integration* shows *Communication* with a path coefficient of 0.35. That *Communication* is a very important or even the most important factor to enhance *Integration* is reflected in a variety of studies. The result of this study, which supports the ninth hypothesis that *Communication* has a positive, significant impact on *Integration*, is in line with a number of studies such as the qualitative observations of Oliva (2006). These observations show that strong *Communication* is necessary to effectively link Marketing and Sales, whereby it is always emphasised as, for example, by Maltz and Kohli (1996) that quality and not quantity of *Communication* is important. Menon et al. (1997) also emphasise that the quality and appropriate frequency of *Communication* is important because the absence of depth in *Communication* can lead to conflicts which would interfere with smooth cooperation in the sense of *Integration*. Hulland et al. (2012) attribute a moderating role to interfunctional *Communication* with respect to interdepartmental relationship effectiveness. The study also shows a positive significant result. They based their assumptions basically on an earlier work of Ruekert and Walker (1987) that also indicated *Communication* as important aspect of interfunctional interaction. Guenzi and Troilo (2006) choose an explorative approach with a qualitative research design and also find that *Communication* and collaboration emerge as two components of the *Integration* construct which is consistent with the framework set up by Kahn (1996). The research conducted by Guenzi and Troilo (2006) shows that *Communication* is even the central node in this network of concepts representing *Integration*. The framework set up by Kahn (1996) follows the approach that *Integration* consists of the components interaction and collaboration, where *Communication* is perceived as a key component of interdepartmental relationships (Kahn, 1996, p. 138). This is also reflected in the assumption of Rouziès et al. (2005). In the framework set up there regarding *Integration* mechanisms, *Communication* is subordinate to processes and systems, but however regarded as a key driver for cross-departmental *Integration*.

However, both studies by Kahn (1996) and Kahn and Mentzer (1998) did not show a significant effect of interaction in terms of *Communication* on the performance of the company examined there. It is argued by Kahn and Mentzer (1998) that this may be because interaction as part of *Integration* may not have a direct impact on the company's performance.

Nevertheless, this study shows in Figure 7 (see Chapter 4.5.4, p. 172) a significant and strong influence of *Communication* in the sense of interaction on *Integration*. Thus, it can be argued that *Communication* is an important factor to enable interdepartmental *Integration* as a necessary precondition that must be fulfilled in order to allow for overarching goals such as the creation of *Customer Value* or other business goals such as performance improvement.

Basically, the literature confirms, in agreement with the study conducted here, that *Communication* is an important factor influencing interdepartmental *Integration*. However, there is no agreement here, too, on how comprehensively *Communication* must be interpreted. However, there is agreement that quality and appropriate frequency are important considerations.

A different perspective is provided by Le Meunier-Fitzhugh and Piercy (2007a). In this study *Communication* is not used as a direct influencing factor on the collaboration between Marketing and Sales measured. *Communication* has an indirect effect on collaboration by exerting a direct, negative influence on the conflict potential between departments which then has a direct influence on collaboration that, in addition, is supported by Contingency Theory (Ruekert et al., 1985). However, *Communication* also plays a central role in this model which, irrespective of the direct or indirect relationship to *Integration*, once again underlines the importance of this construct. The conceptual framework set up by Le Meunier-Fitzhugh and Piercy (2007b) and refined by exploratory case studies sees *Communication* as part of the listed integrators that strengthen the relationship between departments over the long term. Again, it is noted that effective *Communication* has a direct positive influence on the cooperation between Marketing and Sales.

Therefore, the study conducted here reinforces the assumption of the direct influence of *Communication* on the *Integration* of Marketing and Sales. However, it shows that this assumption is not restricted to verbal *Communication* between individuals, but moreover includes further aspects such as the response frequency, two-way communication, and the quality of communication. This may also be a possible reason for the previous, inconsistent research results regarding the influence of *Communication* on *Integration*, which do not take into account the different possibilities of operationalising *Communication*. Thus, the results of the study carried out here showed that *Communication* in the context of the *Integration* of Marketing and Sales makes a strong contribution to *Integration* when understood in a broader and more comprehensive way. On the basis of this finding, it can be concluded that *Communication* is certainly an important factor necessary to create better mutual understanding and support in order to get enable *Integration*.

6.3.2 Influence of Strategy and Common Goals on Integration H7

The influence factor *Strategy and Common Goals* with a significant, positive path coefficient of 0.31 shows an almost as high influence on *Integration* as *Communication*. In principle, it must be noted that there is very little quantitative research on *Strategy and Common Goals*. Often these are experimental studies or merely conceptual considerations (Pinto et al., 1993, p. 1282). The investigation by Pinto et al. (1993) is one of the few studies that explicitly show the significant, positive influence of superordinate goals as influencing factors on interdepartmental cooperation. This result supports the hypothesis presented here and the result obtained. Moreover, it supports the adoption of Šarif (1962) who states that superordinate goals favour inter-group cooperation that increases group performance (Šarif, 1962, p. 11), which also applies to inter-departmental cooperation in the sense of *Integration*. Freeman (1974), Gupta et al. (1986) as well as Lawrence and Lorsch (1969a) agree that a high degree of *Integration* is particularly beneficial when there is an unsafe environment and is depending on a company's *Strategy*. With such an unsafe environment not only companies with a particularly aggressive market entry *Strategy* have to struggle, but also companies in highly competitive markets which is increasingly the case today. Here they are confronted with many competitors and have few opportunities to differentiate themselves in terms of competitive advantage. In this environment companies must formulate *Common Goals* as *Customer Value* for Marketing and Sales because only through the *Integration* of the knowledge and skills of the business units this high level of competition can be countered. It becomes clear that these *Common Goals* additionally have to take into account the environment, meaning among other things the market situation, and that they only can be competitive if they jointly follow the resulting *Strategy* in terms of *Integration*. Therefore, *Customer Value* has to be defined as a *Common Goal* and interdepartmental *Strategies* have to be formulated that are binding for both parties. This joint alignment makes it possible to create *Customer Value* for the customer and to stand out from the competition, as there is no frictional loss in the company as a result of *Strategies and Common Goals* that are oriented in opposite directions.

Therefore, the study carried out here adds to knowledge that the definition of *Common Goals and Strategies* can not only enable interdepartmental cooperation, as previously investigated, but that the result shows that the definition of *Strategies and Common Goals* significantly and strongly positively influences the *Integration* of Marketing and Sales. Since *Integration* represents a much more comprehensive approach than cooperation, this is perceived a new

insight with regard to research on *Integration*. With regard to the aspect that cross-group cooperation, which is considered here in the form of *Integration*, increases group performance, the creation of *Customer Value* is addressed in this study. The result of the investigation shows that the definition of *Strategies and Common Goals* enables an *Integration* in first place which in turn facilitated an increased group performance in terms of the here viewed aspect - the creation of *Customer Value*. This shows clearly by the strong positive influence of *Integration* on *Customer Value*.

6.3.3 Influence of Culture on Integration H6

In the model *Culture* shows a rather weak but still significant, positive path coefficient of 0.1 on *Integration*. As already discussed, *Integration* is not only a kind of coordinated collaboration or interaction between the departments under consideration, but goes beyond that. Just a change of attitude in the sense of the Organizational Citizen Theory (Katz, 1964) allows this and the *Culture* in the company plays an important role in this. With regard to the overarching goal of the creation of *Customer Value* and with respect to a possible competitive advantage, Narver and Slater (1990) state that “to create and maintain the culture that will produce the necessary behaviors” is mandatory (Narver and Slater, 1990, p. 21).

The interviews conducted by Kohli and Jaworski (1990) on market orientation revealed that the central element of market orientation is the focus on the customer. It was also revealed that a market orientation is not the exclusive responsibility of a Marketing department, but that it is crucial for a large number of departments to know the customer’s needs and to react to these needs (Kohli and Jaworski, 1990, p. 3). Thus, the necessity for an *Integration* of all departments involved in order to meet these requirements can also be concluded here. In contrast to the model shown in Figure 7 (see Chapter 4.5.4, p. 172), the increase in *Culture* is a consequence of the common market orientation considered in the study conducted by Kohli and Jaworski (1990). In the present model, however, this represents a preceding condition which should be given or strengthened first in order to enable a closer relationship between the departments with regard to *Integration* at all. It is argued that the common goal “focus on the customer” brings departments and individuals closer. Thus, with regard to the influence of *Culture* on *Integration* there is a need in this case to consider the direction of action carefully. The result found here, however, is in its causality in agreement with Homburg and Pflesser (2000). Here, contrary to Kohli and Jaworski (1990), but also with regard to customer orientation, it is argued that “that particular shared basic values are more likely to support a

market orientation than others“ (Homburg and Pflesser, 2000, p. 450). Even if in the study examined market orientation is not regarded as a construct, the argumentation is still valid since *Integration* focuses on the customer with the aim of creating *Customer Value*. Furthermore, this argumentation is also in line with the theory of Organizational Behaviour by Katz and Kahn (1978) who state that behaviours of organisational members are driven by “the norms prescribing and sanctioning these behaviours and the values in which the norms are embedded” (Katz and Kahn, 1978, p. 43).

Moreover, the result is also in line with the extended Fishbein model by Ajzen and Fishbein (1980). In relation and agreement with the model presented, this means that the underlying values and beliefs in the sense of a common *Culture* have an influence on observable behaviour, such as *Integration* in the sense of increased collaboration and interaction. This is further strengthened by the qualitative survey carried out by Le Meunier-Fitzhugh and Piercy (2010). Again it is stated that poor cooperation is partly due to cultural differences. The investigation reveals in accordance with Beverland et al. (2006) that there is the “need to manage across cultural boundaries“ (Beverland et al., 2006, p. 387) since Sales and Marketing differ in many ways. Therefore, the attitude of leadership towards cooperation also influences the formation of an appropriate interdepartmental *Culture*. The common, interdepartmental *Culture* is seen as a framework condition that enables cooperation at the interface of Marketing and Sales. This is further supported by Madhani (2016) who states that organisation *Culture* is a facilitator that enhances the Marketing and Sales *Integration*. Moreover, that *Culture* under certain conditions can be a reason for a competitive advantage is stated by Barney (1986). This can be seen in agreement with the study carried out here as *Culture* is initially seen as a prerequisite for the *Integration* of departments and, thus, contributes to the creation of *Customer Value*. This, in turn, is seen in the long term as a prerequisite for the creation of a desirable, sustainable creation for competitive advantage. The holistic framework presented by Malshe et al. (2012) also underlines the importance of *Culture* with regard to *Integration*. *Culture* is representing “the backbone of mutual understanding and *Integration* mechanisms across diverse functional groups“ with the superordinate goal of creating *Customer Value* which reinforces the results found here. Beverland et al. (2006) add that there may also be separate specialised subcultures of the individual departments, but there must also be a shared *Culture* as a basis for cooperation. Therefore, the here conducted investigation empirically sheds light in the direction of reasoning and empirically supports the assumption that a joint *Culture* facilitates the *Integration* of Marketing and Sales.

6.3.4 Influence of Leadership on Integration H2

The same significant, positive influence on *Integration* as *Culture* can be recognised in *Leadership*. If one looks at the role of managers in the literature, it can be noticed that they are often seen as a basic precondition for good relations within the company.

The research conducted by Kahn (1996) shows that collaboration is also an important component for interdepartmental *Integration*, not just interaction. The *Leadership* is seen here in the superordinate role which should enable the content assigned to the collaboration whereby it should „consider[s] programs that encourage departments to achieve goals collectively, have mutual understanding, work informally together, ascribe to the same vision, and share ideas/resources“. In addition, the responsibility for the reduction of interdepartmental conflicts: can be found in *Leadership* by Kotler et al. (2006) as conflicts often arise due to scarce resources or unclear understanding of roles. Thus, the result of this study as well as the literature is consistent with the contingency model of Fiedler (1967). The rather weak direct influence of *Leadership* on *Integration* can be justified by the fact that, as often can be found in the existing literature, the influence of *Leadership* may be seen as superordinate or preceding. The importance of *Leadership* in a company that wants to develop further is proposed by Day (1994). It is stated that *Leadership* is necessary to reshape the *Culture* within a company through actions like „proposing a challenging vision of the future“ (Day, 1994, p. 48). Furthermore, it is concluded that, in order to ensure long-term and sustainable broad participation, understanding and acceptance of the chosen direction, *Leadership* must implement a strategic development process. In the study on market orientation conducted by Jaworski and Kohli (1993), the focus is on interdepartmental customer orientation which also applies to the creation of *Customer Value*. It is shown that emphasis by *Leadership* on the importance of the customer does have a significant impact on the market orientation of the company. This can be transferred to the creation of *Customer Value* because the emphasis and support from *Leadership* encourages individual employees to take more responsibility for the customer in order to contribute to the creation of *Customer Value*. The qualitative research carried out by Le Meunier-Fitzhugh and Piercy (2010) with regard to influence factors on collaboration between Marketing and Sales shows that the attitude of *Leadership* towards the cooperation of Marketing and Sales plays a direct and critical role. The study shows that while there are internal factors such as *Communication* on which employees can focus directly to improve collaboration, this is only effective if it is supported by *Leadership* (Le Meunier-Fitzhugh and Piercy, 2010, p. 301). The case studies

conducted by Le Meunier-Fitzhugh and Piercy (2007a) also conclude that *Leadership* attitudes play a central role in creating and improving collaboration between Marketing and Sales. Also the study conducted by Menon et al. (1997) reveals a significant influence of *Leadership* in the sense of greater connectedness of the departments considered.

The result of the study in accordance with the literature clearly shows that *Leadership* is not only an important but central role with regard to the *Integration* of Marketing and Sales. Only if *Leadership* shows a positive attitude, interdepartmental work can be carried out and *Integration* of the departments can be achieved in the long term.

The rather weak influence of *Leadership* in the here conducted study could be explained by the fact that *Leadership* is already indirectly taken into account in some of the factors considered in this study or is a prerequisite for this. The investigations by Madhani (2016) perceives top management responsible for the complex relationship of Marketing and Sales and in charge to improve the willingness to cooperate by promoting an open minded *Culture*, encourage formal and informal *Communication*. He also emphasises that top management in terms of *Leadership* as responsible to formalise overlapping *Task and Responsibilities* as well as playing a critical role in reducing interdepartmental conflict. This attitude is also evident when looking at the studies of Le Meunier-Fitzhugh et al. (2011b), Le Meunier-Fitzhugh and Piercy (2010), and Le Meunier-Fitzhugh and Piercy (2007a). In all three studies management attitude towards coordination has a direct influence on interdepartmental conflict and than either additionally directly influences the examined collaboration between Marketing and Sales (Le Meunier-Fitzhugh et al., 2011b) or just indirectly impact the viewed collaboration. In accordance with the recent study by Le Meunier-Fitzhugh and Massey (2019) the *Leadership* is also responsible to provide the opportunities to align goals which has to be embed in an interdepartmental strategy which is reflected in the study carried out by the influence factor *Strategy and Common Goals*. Ultimately, the recruitment and promotion of open-minded, team-oriented employees in Marketing and Sales who have the necessary professional knowledge that is perceived by Rouziès et al. (2005) to improve *Integration*, is also the responsibility of *Leadership*, which is represented here by the influencing factor *Competences*. Therefore, as result from the here conducted study add a new insight on the topic of Sales and Marketing *Integration* as it shows clearly that *Leadership* can be regarded as a cross-cutting influence on all viewed influence factors, which in turn enables the *Integration* of Marketing and Sales. *Leadership* paves the way for all concerns within the departments and also at the interfaces.

6.3.5 Influence of Tasks and Responsibilities on Integration H4

With regard to the influence of *Tasks and Responsibilities* on *Integration*, it shows a significant but very weak negative result that supports H4. The very weak effect can possibly be explained by the fact that the clear demarcation of *Tasks and Responsibilities* is seen as part of the *Leadership* task and does not represent an independent influencing factor.

The structural equational model by Ayers et al. (1997) revealed that clear stated *Tasks and Responsibilities* referred to as role formalisation enhances *Integration* positively and shows a significant impact. The investigation by Troilo et al. (2009) perceives that clarity of the role in terms of „the extent to which roles, goals and responsibilities of the Marketing and Sales units are respectively clearly defined“ (Troilo et al., 2009, p. 874) as one factor besides collaboration and interaction to have a direct impact on the creation of superior *Customer Value* in contrast to the model considered in Figure 7 (see Chapter 4.5.4, p. 172). In the model researched by the author of this thesis the creation of *Customer Value* is seen as a consequence of successful *Integration* of the Marketing and Sales divisions whereby in contrast to the study by Troilo et al. (2009) not the direct influence of *Tasks and Responsibilities* on *Customer Value* but on *Integration* is significantly measured. The investigation by Troilo et al. (2009) did not show a significant result. Cespedes (1993) shows that increased interdepartmental cooperation can take place without breaking down clearly defined roles with regard to *Tasks and Responsibilities*. The results of the interviews conducted for this study agree that an improved interdepartmental *Integration* of Marketing and Sales is necessary for more effective Marketing which can also include the formation of *Customer Value* considered. However, it is also emphasised that there is a continuing need to preserve the assigned expertise of the respective area. This is also underlined by the view of *Integration* represented in the model researched by the author of this thesis. It is not a matter of eliminating differences between the departments under consideration but of combining the knowledge and skills of both areas efficiently and effectively (Cespedes, 1993, p. 54). In addition, unclear role definitions lead to dysfunctional conflicts which damages efficiency and effectiveness.

In summary, it can be said that the significance of *Tasks and Responsibilities* cannot be clearly interpreted empirically, which is also reflected in the inconsistent results of the studies considered. There is agreement that *Tasks and Responsibilities* make an important contribution to the *Integration* of the Marketing and Sales departments, especially with regard to the necessary differentiation and clear allocation. However, a new insight that emerges

from the here conducted study is that the construct may have to be operationalised in a different way to capture the topic more precise and in detail or even be located as part of *Leadership* tasks.

The influencing factors considered in the following do not show a significant influence on the target variable *Integration*.

6.3.6 Influence of Competences on Integration H3

The influence of the *Competences* of the employees originates from a statement by Grant (1996). It is noted that capabilities are becoming increasingly important for companies in terms of long-term strategies rather than served markets. This is due to the ever faster innovation cycles and the increasing intensity and diversity of competitors. However, the result of this study does not show a significant result in terms of the third hypothesis that the *Competences* of the employees have an influence on interdepartmental *Integration*. This may be due to the fact that the specific knowledge and skills of the individual departments or employees are less important than the ability to integrate them efficiently what is supported by the statement of Grant (1996). It is concluded that “if the strategically most important resource of the firm is knowledge, and if knowledge resides in specialized form among individual organizational members, then the essence of organizational capability is the *Integration* of individuals’ specialized knowledge“ (Grant, 1996, p. 375). Moreover, a broader understanding of the *Competence* factor could be more relevant in terms of capabilities and contribute more to the *Integration* and creation of *Customer Value*. This is also confirmed by Vorhies (1998) who in line with Day (1994), Prahalad and Hamel (1990), and Barney (1986) views organisational capabilities as a key component in achieving a competitive advantage. This approach treats the sources of a defensible competitive advantage in the different, difficult to duplicate individual resources that the company has developed over time. Capabilities are the adhesive that brings together the collected assets of companies and makes it possible to use them to their advantage. Unlike assets, no monetary values can be allocated to them. In addition, they cannot be traded or imitated because they are firmly anchored in organisational routines and practices (Day, 1994, p. 38). Grant describes the emergence of capabilities as the *Integration* of the knowledge and skills of the company’s employees to transform marketing inputs to outputs (Grant, 1991; Grant, 1996). Thus, capabilities are the integrative processes that aim to apply the collective knowledge, skills, and resources of the

company to the market needs of the company so that the company is able to add value to its goods and services in terms of *Customer Value*, thereby contributing to sustainable competitive advantage (Day, 1994).

An insight gained by the result of the here conducted study is as already apparent from the literature, the *Competences* of the individual employees play a subordinate role with regard to *Integration* which is strengthened by the insignificant result in the model researched by the author of this thesis. Particularly in view to *Integration*, a broader factor that acts as a linking between assets such as superior capabilities is better suited and could be an explanation for the insignificant influence.

6.3.7 Influence of Conflict Management on Integration H8

Contrary to the assumption, *Conflict Management* shows no significant influence on *Integration*. This result is unexpected because conflicts are destructive and disrupt efficient cooperation. A closer look, however, reveals that *Conflict Management* does not appear to be a separate influencing factor. It appears that it is management's responsibility to create the conditions for good *Conflict Management*. This is in line with the research by Kotler et al. (2006) which sees the reason for conflicts occurring mainly as a result of scarce resources or unclear understanding of roles. Improving or resolving this is viewed as management's responsibility.

In their 2005 study, Dawes and Massey (2005) hypothesised that the *Integration* of Marketing and Sales reduces conflict. Though, no significant result was found here either. It is argued that the fundamental differences between the two departments are likely to remain independent of the structure of the organisation. But according to the Institutional Theory of DiMaggio and Powell (1983), it can be assumed that conflict improves over time as social systems change more slowly than their environment. So an *Integration* of Marketing and Sales does not need to have an immediate impact on the relationship. Improvements in the relationship and collaboration can take some time to develop. As claimed in this theory, the direction of causality between *Conflict Management* and *Integration* should be reconsidered for this study. In contrast to the investigation by DiMaggio and Powell (1983), the study carried out for this thesis understands *Integration* as a consequence of successful *Conflict Management*. However, neither of these shows a significant relationship between the constructs considered. Thus, it may not be possible to achieve a lower conflict potential or better *Conflict Management* if the structural circumstances are not adapted or improved first,

in the sense of company organisation and *Leadership* support. Hence, it seems that *Conflict Management* plays a role downstream of organisational structure and management, whereby a suitable environment must first be created. The findings of the case studies carried out by Le Meunier-Fitzhugh and Piercy (2010) also show this result. It is observed that although conflicts between departments are among the internal factors on which employees can focus directly to improve collaboration, *Leadership* support is needed to be effective. It is confirmed that there are conflicts between Marketing and Sales and that these have an influence on the cooperation. In this study these conflicts between the two departments are counted among the factors on which employees can concentrate directly to improve collaboration, but in order to be effective it is emphasised that *Leadership* support is needed (Le Meunier-Fitzhugh and Piercy, 2010, p. 301). Also the quantitative study conducted by Jaworski and Kohli (1993) shows a significant negative influence of interdepartmental conflicts on the dissemination of information which impedes cooperation.

Thus, the here conducted investigation reveals a new insight that shows that *Conflict Management* does not have a direct influence on *Integration* which is reinforced by the insignificant result. This is an important finding with regard to the research of influencing factors for the *Integration* of Marketing and Sales since it is certainly true that conflicts that are particularly frequent between Marketing and Sales, clearly have a negative influence on *Integration*. This supports the assumption by that causality goes from conflict reduction to *Integration*, which means that conflict prevention is a necessary condition for *Integration*, and that *Integration* does not precede conflict reduction in the first place. However, since *Conflict Management* is not an independent influencing factor based on the results obtained here, this topic must be considered as part of another influencing factor. Based on the literature, this could be the case with *Leadership* because, as in Le Meunier-Fitzhugh and Piercy (2010), since supporting *Leadership* plays an important role in avoiding conflict and must already be located in the company organisation.

6.3.8 Structure on Integration H5

The construct *Structure*, which consists of the constructs *Formalisation* and *Centralisation*, shows no significant influence on the *Integration*. This is in contrast to the result of the study conducted by Ayers et al. (1997). Whereby there *Centralisation* reduces and role *Formalisation* enhances *Integration* significantly (Ayers et al., 1997, p. 112). However, it is also emphasised that *Leadership* plays an important role in this as they are responsible for

creating appropriate organisational structures (Ayers et al., 1997, p. 112). The study of Gounaris and Tzempelikos (2014), on the other hand, agrees with the results found here, but with regard to the supplier-customer relationship. Here, too, no significant influence of *Centralisation* and *Formalisation* on information sharing is found what can be understood as a subarea of *Integration*. However, *Centralisation* showed a significant influence on the ability to resolve conflicts, but not *Formalisation*.

In the same way as with the influencing factor *Leadership*, it might be the case that *Structure* plays a subordinate role to *Leadership* as emphasised by Ayers et al. (1997) and therefore has no direct significant influence on *Integration* itself. This could also be confirmed by the results of Gounaris and Tzempelikos (2014) because the result that *Centralisation* negatively influences conflict resolution indicates a direct influence on *Conflict Management* which in turn is subordinated to *Leadership* on the basis of previous results.

6.3.9 Influence of Integration on Customer Value H1

The model shows with 0.41 a significant, strong positive path coefficient from *Integration* on the creation of *Customer Value* what reinforces the first hypothesis that *Integration* has a positive impact on the creation of *Customer Value*. Thus, the result regarding *Integration* and *Customer Value* is in line with past researches.

The investigation by Guenzi and Troilo (2007) also shows a significant, positive influence of the effectiveness of Marketing and Sales relationship on the creation of superior *Customer Value* where this effective relationship is interpreted as *Integration*. This result also underlines the previous work of Guenzi and Troilo (2006), in which a qualitative study also revealed that “Marketing–Sales integration emerges as a company key capability contributing to the generation of customer value“ (Guenzi and Troilo, 2006, p. 985). Moreover, with regard to the underlying theory of Organizational Citizenship, they note that the *Integration* of Marketing and Sales generates *Customer Value* through an integration-favoured increase of Organizational Citizenship. Another quantitative study by Troilo et al. (2009) that is based on previous empirical studies also confirms that Marketing and Sales collaboration has a significant, positive impact on *Customer Value*. Furthermore, Kotler et al. (2006) reaffirm the striving for *Integration* in order to create *Customer Value*. However, no empirical study was carried out by them for this purpose. An earlier study by Narver and Slater (1990) also emphasises that it is the cross-departmental coordination in terms of *Integration* that makes it possible to use the com

pany's resources to create *Customer Value* for target customers. In this model, however, good cooperation in terms of *Integration* is used as only one of three components of market orientation to explain business performance. Thus, the result of this study regarding the influence of *Integration* on the creation of *Customer Value* is consistent with the results of current research. However, it appears, which is also reflected in rather the low R^2 (0.17) for the *Customer Value* construct, that the creation of *Customer Value* cannot be described as satisfying solely through *Integration*. In accordance with Ulaga and Eggert (2006), with regard to the conceptual perspective an even deeper understanding of the dimensions that contribute to the creation of *Customer Value* is needed. In a comprehensive approach, fundamental issues such as the interface of the companies under consideration, intercultural problems, or the compatibility of the systems used play a role and must be addressed.

Basically, it must be said that very little research has been done so far on the influence of *Integration* on the creation of *Customer Value*. This can be explained by the fact that research on *Customer Value* is still very limited and there does not seem to have been any overall agreement in terms of theory on this so far which makes a uniform comparison and advancement of the research results difficult. The creation of value is basically located in consumer behaviour and relationship marketing (Zeithaml, 1988; Christopher, 1996), however, the inconsistent use and definition of the term must be pointed out. Frequently, research refers to overarching objectives such as increasing company performance in which the creation of (*Customer*) *Value* is only one part that often contributes subordinately.

This is also observed by Ulaga and Eggert (2006) and it is further stated that "previous studies explored either individual drivers or subsets of value-creating dimensions in business relationships" (Ulaga and Eggert, 2006, p. 120). The focus in research, however, is hardly on the conditions necessary for the creation of *Value*.

Though, following Ngo and O'cass (2009) there is currently an increasing demand for a paradigm shift in Marketing arising. According to Seth and Sisodia (2004), the focus in Marketing has to shift from markets to customers and from transaction to interaction (Seth and Sisodia, 2004, p. 142). This is covered by the *Customer Value* approach considered in this study. The focus of companies is not primarily on monetary parameters such as the increase in performance or profit but primarily on the customer, who is then responsible for the success of the company in subsequent consequence. Moreover, this view is complemented by Vargo and Lusch (2004) with focus on the shift from "operand resources to operant resources" whereby operand resources can refer to physical resources as raw materials or just resources in general that still need to be processed to achieve an effect, whereas operant resources as

competences, skills, or knowledge (intangibles) are used to operate the operand resources to achieve effects. This can be transferred to the here presented model. Thereby, the defined influence factors on the *Integration* of Marketing and Sales can be regarded as operand resources that are used to achieve effects. They are defined to be dynamic, infinite, and not static, what applies to the here viewed factors as, e.g., *Communication*, *Leadership*, and *Conflict Management*, and are able to multiply the value of natural resources or to create additional operand resources (Vargo and Lusch, 2004, p. 3), which is the case here, i.e., the *Integration* of Marketing and Sales in turn enables the creation of *Customer Value*, a further operand resource.

6.4 Contributions

This chapter presents the new achievements and insights obtained by the study conducted here. Initially, the new findings will be presented, which contribute to the extension of the current state of theory. The findings are then placed in relation to existing theories and examined critically.

6.4.1 Contribution to Knowledge

This study extends academic marketing research in several ways. Firstly, it is one of the very few empirical, quantitative studies dealing with the issue of *Customer Value* creation and the influence of *Integration* between Marketing and Sales on it and shows that *Integration* converts single Marketing and Sales capabilities to *Customer Value*. Only Troilo et al. (2009) examine empirically the influence of collaboration and interaction separately in terms of *Integration* on superior *Customer Value* with the aim of improving market performance. However, in this study just the dispersion of Marketing and Sales as preceding influence factor is considered. The study by Le Meunier-Fitzhugh and Piercy (2009) investigate influence factors on *Integration* in high agreement with the study executed here. Though, the direct influence of *Integration* on business performance is considered but not the influence of the *Integration* on *Customer Value*. Moreover, there not one single broad *Integration* construct is considered but interaction and collaboration are investigated separately, too. The recent investigation by Le Meunier-Fitzhugh and Massey (2019) finally included a more comprehensive set of factors influencing *Integration* but the here conducted study still contributes, on the one hand, to a better understanding of relevant factors influencing

Integration and complements existing models which usually only take extracts of the here considered influence factors into account, e.g., Le Meunier-Fitzhugh and Piercy (2007a), Le Meunier-Fitzhugh and Piercy (2007b), Le Meunier-Fitzhugh and Piercy (2009), Le Meunier-Fitzhugh and Piercy (2010), Menon et al. (1997) by simultaneously investigating a still broader set of influencing factors and, on the other hand, bridges the influence of *Integration* on the creation of *Customer Value* what is understood in this study as the basis for competitiveness (Troilo et al., 2009). Therefore, the originality of this study is that for the first time research is united with respect to the investigation of a new comprehensive set of influence factors on *Integration* and, simultaneously, examining the influence of the broad *Integration* approach on the creation of *Customer Value*. This contributes to the understanding of *Integration* as a broad approach (not just interaction or other separately viewed facets) that demands for the adjustment of the resulting influences factors of the here conducted examination to enable the creation of *Customer Value*. The results show *Communication, Strategy and Common Goals, Culture, Leadership, and Tasks and Responsibilities* as significantly relevant influences factors on *Integration* and that *Integration* has a significant impact on the creation of *Customer Value*.

Secondly, in contrast to most studies *Integration* is not seen as a fixed one-dimensional influencing factor but as the result of the significant influencing factors derived from literature and theory: *Communication, Strategy and Common Goals, Culture, Leadership, and Tasks and Responsibilities*. *Integration* is perceived as preliminary factor that converts the influence factors with regard to the creation of *Customer Value*. Moreover, the result of the study shows that *Customer Value* is a second order construct in accordance with Ulaga and Eggert (2006). This emphasises the complexity of *Customer Value* as it cannot be measured by a single reflexive construct, but requires several formative constructs. This also reinforces the assumption that *Customer Value* is more than just the trade-off between benefits and sacrifices in accordance with Ngo and O'cass (2009). In contrast, however, only two instead of three clearly differentiated constructs (*Relationship* and *Shared Value Added*) were found. This is an important insight for further research and theory formation in the field of *Customer Value*. At present, there is neither a uniform understanding nor an underlying theory in this area. Therefore, this study adds to the clarification of the term *Customer Value* and illustrates the multidimensionality of this concept. This also applies for the term *Integration*. The literature shows a very heterogeneous picture of the concept of *Integration*. Often the terms collaboration, cooperation, and interaction are used synonymously (Kahn, 1996; Ellinger, 2000; Homburg and Jensen, 2007b; Troilo et al., 2009) which is also reflected in the same

operationalisation but which leads to confusion at first. The results of the here conducted research shows that *Integration* is determined by various factors and must not be depicted one-dimensionally. It also shows the importance of causal relationships because an improvement in *Integration* cannot be achieved without an improvement in the influencing factors considered above. Therefore, the originality of this study is that *Customer Value* is operationalised as a second order construct that strongly contributes to the missing understanding und constituency of the empirical investigation of *Customer Value*. Results show that the operationalisation was successful in terms of high reliability. It also drives research on *Customer Value*, which currently is mainly defined by a mere trade-off between cost and benefit, towards an understanding based on the relationship and joint value creation as a possibility of differentiation to gain competitive advantage.

Thirdly, the study challenges these assumptions that Marketing and Sales are treated as one functional unit (Homburg et al., 2008). Thus, in practice they are mostly two separate departments, resulting in a clear interface to be overcome. In addition, as the first study with regard to the *Integration* of Marketing and Sales, Key Account Management is also considered here as a possible additional department that is not naturally subordinate or assigned to one of the departments considered which in turn leads to an increased need for coordination because of additional interfaces.

Therefore, the originality of this study is that it firstly empirically considers that the assumed Marketing and Sales constellation does not hold true for all companies in the business-to-business sector but companies strive for new Marketing and Sales constellations and the need for further investigation as indicated by Homburg et al. (2008). Therefore, Key Account Management was additionally viewed to enable a more comprehensive look at possible interfaces that might additionally inhibit *Integration*. Although, results show that there are no significant differences to expect, this investigation lays the foundation for further research with regard to relevant interfaces to consider with regard to *Integration*.

Fourthly, before examining which factors have an influence on the *Integration*, the study (Part A) examines whether the examined six groups (Marketing, Sales, and Key Account Management – all of them further distinguished whether the Key Account Management is independent or assigned to Sales – resulting in six groups) have different attitudes. Differences, however, were only found to a very small extent. On the one hand, this means for the subsequent study (Part B) that a differentiation of the groups is no longer necessary and a uniform questionnaire may be used, since the few differences (less than 1% of the cases investigated) found may be neglected. This is important because it also allows the

presentation of the results in a single model. On the other hand, this result indicates that the Marketing, Sales, and Key Account Management departments considered, despite their different characteristics and orientations, have a similar assessment of the factors influencing *Integration*. Although this does not overcome the prevailing obstacles, it does show to some extent that issues are assessed equally on all sides, which is a good basis for action to be taken with the purpose of *Integration*.

Therefore, the originality of this study is that not a common mind-set of Marketing, Sales, and Key Account Management is simply assumed as emphasised by Homburg et al. (2008). They state that there is a general lack of empirical insights into Marketing and Sales interface and that mostly Sales had been conceptualised as a subunit of the Marketing department (Homburg et al., 2008, p. 134). This gap was empirically examined by study (Part A) by investigating if there are significant differences occurring with regard to the assessment of the derived influence factors on *Integration*. The results show that there are no significant differences occurring. This indicates that there is no need to view the considered company units separately and that it can be assumed that shortcomings or need for improvement are seen in agreement by Marketing, Sales, and Key Account Management independent of formal or informal interfaces and nature of organisation. Based on this a uniform questionnaire was designed for the study (Part B), whereby it was possible to present the results of the considered six groups with regard to their assessment of the influencing factors summarised in one model.

Fifthly, this study uses the largest empirical database with regard to the Marketing and Sales *Integration*. In this study (Part B) questionnaires of 848 persons are considered. In comparison, recently Le Meunier-Fitzhugh and Massey (2019) include 146 observations, Homburg and Jensen (2007b) survey only slightly more than 300 people and refer to studies with way less investigations as Strahle, Spiro, and Acito (1996) who sampled 25 firms or Workman et al. (1998) who sampled 47 firms. Kahn (1996) viewed 514 responses. The large sample has the advantage that the findings are more robust against single outliers. It increases the accuracy of the study and, thus, also the reliability of the conclusions that are drawn from the sample of the population. Therefore, the originality of this study is the big number of participants and the therefore reliable results obtained.

The following section deals with theories used to support hypotheses and the results of the study conducted here.

Contingency Theory with regard to Communication, Conflict Management, Strategy and Common Goals on Integration

The results of the study carried out is supported by Contingency Theory by Ruckert et al. (1985). The results of the study reveal that the factor *Communication* shows the strongest influence on *Integration*. This is in line with the assumption by Contingency Theory (Ruckert et al., 1985) that implies that an improved *Communication* results in cooperative cooperation which is a facet of *Integration*. This is further encouraged by supposing that a good *Conflict Management* reduces *Communication* barriers and, thus, also contributes to *Integration*. This is also reflected in the results of the study conducted where *Conflict Management* shows a positive influence on *Integration*, though, the result is only weak and not significant. Furthermore, it is stated by Contingency Theory (Ruckert et al., 1985) that an improved cooperative cooperation is additionally supported by *Common Goals* and an interdepartmental *Strategy*. This is referred to as several function groups sharing the same decision domain that allows Marketing and Sales to pull more together resulting in higher *Integration*. This statement is also reflected in the study carried out where the factor *Strategy and Common Goals* has a positive, significant influence on *Integration*.

Relationship Value with regard Integration on Customer Value

The Transaction Cost Theory (Williamson, 1985) refers to the ratio between costs/sacrifices and benefits/awards. Biggemann and Buttle (2012) reject this more utilitarian approach and view business relationships as social constructions that arise from the interaction between two or more companies over time. Value is seen as a social construction formed by the interaction of the two parties (Biggemann and Buttle, 2012, p. 1132). This approach was transferred further and applied in a broader sense to the model researched by the author of this thesis. Interaction is extended to *Integration* with regard to the Marketing and Sales departments in terms of the creation of *Customer Value*. The result of the study shows that *Integration* contributes significantly positively to the creation of *Customer Value* which is supported by Biggemann and Buttle (2012). This insight allows an extension of their statements with regard to the context of the interaction of departments within companies, in particular to the Marketing and Sales departments considered here. Moreover, instead of just interaction, the more comprehensive and considerably more complex construct of *Integration* is introduced which benefits the success of the company as a whole. In addition, the construct value is concretised by the relationship of the supplier to the customer and introduced as *Customer*

Value. *Customer Value* does not arise from interaction alone, but from the tailor-made solutions that can be offered to the customer. However, this presupposes an interdepartmental cooperation of the considered departments in the sense of *Integration* in order to fully exploit the common potential.

Customer Value Hierarchy Model based on the Means-End Theory with regard to Integration on Customer Value

The Means-End Theory by Gutman (1982) links the values of consumers with their behaviour. It is transferred by Woodruff and Gardial (1996) to capture the essence of *Customer Value* in the Customer Value Hierarchy Model and illustrates how people achieve their desired goals or end states in a means-end way. And it emphasises that customer decision-making depends on the individual's perception of whether the product's attributes, performance, and resulting consequences will enable them to achieve their goals. Therefore, it is more a matter of individual judgement and valuation than of general measurability. In this study, this approach is applied to the business-to-business constellation in which the customer, in the sense of a company, requests tailor-made products or services from its supplier that meet its individual requirements and enable it to achieve its desired goals and, thus, create *Customer Value* for it. For this, the study carried out here regards *Integration* as a necessary condition that is supported by the results that show that the *Integration* of Marketing and Sales has a significant positive impact on the creation of *Customer Value*. Even if the result of the rather low R^2 suggests that further explanatory factors have to be taken into account with regard to the creation of *Customer Value*, *Integration* nevertheless represents an important, fundamental component that contributes to the creation of *Customer Value* and certainly represents an obstacle if it is not present. Thus, the model researched by the author of this thesis contributes to transferring the Customer Value hierarchy model (Woodruff and Gardial, 1996) to a concrete company context whereby the implementation of the mentioned "Customer Value delivery" (Woodruff, 1997) refers to the necessity of cross-departmental cooperation and coordination which can be met by the approach of *Integration* chosen here.

Organisation Theory and Contingency Theory with regard to Conflict Management and Organisational Structure on Integration

The Organisation Theory (Miller and Monge, 1986) states that the participation of members from different functional groups in decision making improve the flow of information and also

the development of common cognitive models across these groups. This in turn can be supplemented by Contingency Theory (Ruekert et al., 1985) that states if functional groups engage commonly in decision making, *Communication* increases what can also be referred to as part of “flow of information” as mentioned in Organisation Theory (Miller and Monge, 1986). This in turn leads to a reduction of *Communication* barriers that moreover results in less conflicts which favours *Integration*.

This positive influence can also be seen in the study conducted here with the strongest positive influence of *Communication* on *Integration* what is supported Contingency Theory (Ruekert et al., 1985) and Organisation Theory (Miller and Monge, 1986). Since Contingency Theory (Ruekert et al., 1985) addressed conflicts, *Conflict Management* was also taken into account in the model since conflicts are an inhibiting factor with regard to *Integration*. That conflicts play an important role, especially between the differently aligned Marketing and Sales departments, is reflected in the Social Identity Theory (Tajfel, 1978). However, *Conflict Management* showed no significant influence in the model.

Organisation Theory, Contingency Theory and Organizational Citizenship Behaviour with regard to Culture, Strategy and Common Goals Integration on Customer Value

The fundamental importance of *Integration* for successful business operations can be seen in the model researched by the author of this thesis in the strong, positive, significant influence of *Integration* on the objective of *Customer Value*. That a more collaborative environment can be established by joint decision making is supported and reflected by Organisation Theory (Miller and Monge, 1986) and Contingency Theory (Ruekert et al., 1985). Furthermore, the assumption that *Integration* of Marketing and Sales, which goes beyond a collaborative environment, can create added value for the company as opposed to departments acting alone, is furthermore supported by the game theoretical prisoner dilemma (Tucker, 1983). However, this requires a certain degree of Organizational Citizenship Behaviour (Katz, 1964) which is reflected in the positive, significant influences of *Culture*, shared *Strategy* and *Common Goals* here in the model. Since in order to be able to live a joint *Culture* and pursue a shared *Strategy* and *Common Goals*, it is necessary for the people involved to show a certain degree of altruism. This means that employees voluntarily support each other beyond the boundaries of the Marketing and Sales without expecting any direct return. Therefore, the results are supported by Organizational Citizenship Behaviour (Katz, 1964). Often, however, voluntary support does not only mean that no reward can be expected in return, but also that sacrifices

and cutbacks have to be made which would not be made if the case were handled separately. This in turn relates to the statement of the prisoner dilemma (Tucker, 1983) since the goal to achieve a higher *Integration* is only possible if the two considered parties Marketing and Sales are willing to put their individual needs aside in order to achieve a better overall result, whereby the overall result here is the creation of *Customer Value*. In summary, the results of the study carried out contribute to transferring the relevance and validity of the more general approaches of Organizational Citizenship Behaviour (Katz, 1964) and the game theory approach of the prisoner dilemma (Tucker, 1983) to the practical context of the *Integration* of Marketing and Sales and the creation of *Customer Value* considered in the model researched by the author of this thesis.

Contingency Model of Leadership, Control Theory with regard to Leadership, Structure, Culture, and Tasks and Responsibilities on Integration

The investigation conducted shows that *Leadership* has positive, significant influence on the *Integration* of Marketing and Sales. This is supported by the Contingency Model of Leadership (Fiedler, 1967) that also sees *Leadership* especially with regard to the relationship between *Leadership* and employees as well as the *Leadership*'s power as one of the most important factors with regard to interacting groups, whereas interaction here is understood as a facet of the more comprehensive and complex construct of *Integration*. Moreover, the Contingency Model of Leadership (Fiedler, 1967) also refers to the *Structure* of tasks. Thus, the influence factor *Tasks and Responsibilities* did not show relevant influence on the *Integration* in the investigation conducted here.

The Control Theory (Ouchi, 1979; Jaworski, 1988) addresses how the outcome from companies are influenced by either formal or informal control structures. The influence of *Structure* on *Integration* measured in the model researched by the author of this thesis, however, only shows very weak and not significant influence. This may be due to the fact that in the formal control aspect of Control Theory (Ouchi, 1979; Jaworski, 1988) the focus is on *Leadership* that is responsible for written performance standards that solely implicitly includes *Structure*. That *Leadership*, however, plays an important role, in turn, is consistent with the significant, positive influence of *Leadership* on *Integration* in the study conducted. With regard to informal controls, cultural aspects are taken into account, which are also shown in this study as significant influencing factor *Culture* and, thus, supported, too.

In summary, it can be said that the results of this study contribute to transferring the very general Control Theory (Ouchi, 1979; Jaworski, 1988) and the Contingency Model of Leadership (Fiedler, 1967) to the business context in particular to the *Integration* of Marketing and Sales and to show that the assumptions are also valid there. This can be seen as support for the results of the study.

6.4.2 Contribution to Practice

The first insight that can be derived from this study for practice is that the study (Part A) already shows that the considered departments Marketing and Sales assess the individual factors investigated in the model equally. This implies that in spite of the different orientation and ways of thinking, the perception of the current situation in the company does not vary across the various Marketing, Sales and Key Account Management compositions examined and, therefore, provides a good basis for improving the single factors to increase *Integration*.

In practice, this means that the focus must be less on the differences between the Marketing and Sales departments and more on how the different factors of *Integration* are perceived in order to mediate or support them if necessary in order to facilitate *Integration*.

The second aspect that can be obtained for practice from the outcome of the study (Part B) relates to interdepartmental *Communication*. *Communication* shows the strongest positive influence on *Integration* in the model which illustrates the importance of *Communication* as a basic cornerstone for a common direction such as *Integration*. However, *Communication* does not only refer to verbal conversations but rather to regular, proactive and bi-directional information exchange and feedback. Therefore, it is important in practice to anchor, promote, and enable this type of *Communication* in all areas of the company in order to achieve smooth processes through regular coordination and mutual understanding which is the basic prerequisite for *Integration*. This, in turn, requires a joint *Strategy* and *Common Goals* which is reflected in the second strongest influencing factor of the model. Thus, the third finding that can be drawn for practice is that *Strategy* and *Common Goal* are another important factor that must be taken into account in order to bring the two distinct departments Marketing and Sales closer together and to pull together for achieving *Integration* to pursue the common objective of *Customer Value* creation in the long run. In this context, it is important that the interdepartmental *Strategy* takes both business areas into consideration and identifies joint objectives. Joint key results and remuneration systems can help motivate employees to work together and beyond. Furthermore, the overarching *Common Goal* must be defined. This does not necessarily have to be monetary figures, but can rather be a joint mission which is to be

pursued while the success of the company, of course, has an impact. In the model considered here, this overriding goal is *Customer Value*, whereby it is important to break down the significance of this for the Marketing and Sales departments involved. Rather, the importance of the different contributions of each department should be emphasised and the goal should not be to blur them. The necessity of both contributions must become clear and also the co-dependency must be stressed since only by a common contribution the overriding goal can be achieved. In doing so, it is fundamentally important that the measurement of goal achievement for both departments is transparent and carried out in the same way in order to prevent tensions. In summary, it can be said that only if both departments pursue the same *Strategy* and have the *Common Goal* in mind, this can contribute to the success of the company. In the model researched by the author of this thesis, this is indirectly taken into account through the creation of *Customer Value* with the aim of achieving a competitive advantage.

The fourth insight that can be gained from the findings of the study for practice is that *Strategy* and *Common Goal* require a *Culture* of community. *Culture* also shows a significant positive impact on the *Integration* of Marketing and Sales. Without a joint *Culture* that represents team spirit across functional areas and hierarchical levels it is not possible to achieve *Integration* as the result of study supports. *Culture* is a factor that addresses the interpersonal, emotional component of *Integration*. It is about the employees of the departments involved being genuinely interested in each other's needs and problems, having a strong togetherness and feeling part of a large family. This means for business practice that *Culture* is not a voluntary, additional component that can be considered. Rather, it represents one of the cornerstones of *Integration*.

Building a common *Culture* and promoting, supporting, and expanding it in the long term is largely the responsibility of *Leadership*. This is the fifth finding that can be obtained for practice from the results of the study. *Leadership* also shows a significant positive impact in the *Integration* of Marketing and Sales. Within the departments, the *Leadership* is responsible for anchoring the overall goals as *Customer Value* creation set by the company and making them possible through an interdepartmental *Culture*. This also means that cooperation at these higher hierarchical levels is indispensable and mutual understanding of the *Tasks and Responsibilities* of the other department is necessary. Even if the factor *Tasks and Responsibilities* showed only a negligible, weakly significant influence in the model, nevertheless, it seems important to pay attention to a good coordination of *Tasks and Responsibilities* on the *Leadership* level in order to avoid overlaps, unnecessary additional

work, and resulting conflicts and to support a smooth process. *Leadership*, thus, already includes the responsibility of *Conflict Management* which may explain why this factor lacks a significant result in the model of the study researched by the author of this thesis, but is of great importance especially in the Marketing and Sales departments with regard to *Integration*. Thus, *Leadership* already includes the task of *Conflict Management* which could explain why this factor does not have a significant result in the model of the study conducted here. Nevertheless, *Conflict Management* is particularly important in Marketing and Sales in order to mediate and facilitate *Integration*. Thus, the fifth finding of the study concludes with regard to practice that *Leadership* plays a central role in the *Integration* of Marketing and Sales in order to create *Customer Value*.

6.5 Conclusion

In summary, it can be said that the study conducted here provides added value for the definition of factors influencing the *Integration* of Marketing and Sales. The comprehensive investigation of influencing factors was carried out on a large sample (n=848), which allows a reliable conclusion to be drawn about the population of business-to-business companies located in Germany. It was found that (in descending order of strength of influence) *Communication, Strategy and Common Goals, Leadership, Culture* as well as *Tasks and Responsibilities* contribute significantly to the *Integration* of Marketing and Sales. Furthermore, it shows that *Integration* is a strong, significant factor in the creation of *Customer Value*.

Chapter 7: Conclusion

7.1 Introduction

Initially, this chapter reflects the aims and objectives of the study. Following the key findings are presented. Thereafter, implications for theory, methods, and professional practice are considered. Finally, the insights gained are critically evaluated with regard to their restrictions and further research needs are identified.

7.2 Reflecting on the aim

The aim of the study was to identify theory-based and literature-supported influencing factors that improve the *Integration* of Marketing and Sales in the business-to-business context. The investigation revealed relevant factors for the *Integration* of Marketing and Sales that enable the *Integration* of Marketing and Sales as these factors facilitate the creation of the necessary environment as well as the active support and empowerment of the departments by the company.

The first objective that was addressed was the determination of a clear distinction and definition of *Integration* with regard to Marketing and Sales. It turned out that a large number of inconsistent approaches are represented in the literature, but the actual *Integration* approach goes far beyond a mere cooperation or collaboration between Marketing and Sales. This allows a better and clearer understanding of *Integration*.

The second objective that was dealt with was the derivation of relevant influence factors on the *Integration* of Marketing and Sales. On the basis of the literature, the most important factors were identified and their influence on the *Customer Value* of Marketing and Sales were empirically tested.

The third objective was concerned with the strength, direction, and relevance of the impact of influencing factors on the *Integration* of Marketing and Sales. It showed that the influence factors derived from literature, *Communication, Strategy and Common Goals, Culture, Responsibilities and Tasks* as well as *Leadership*, have direct impact on the *Integration* of Marketing and Sales. However, with *Competences, Structure, and Conflict Management*, factors were found that do not show a significant influence, too.

The fourth objective that was addressed was the definition and distinction of the term *Customer Value*. This revealed two clear trends, one dealing with the trade-off between

benefits and sacrifices and the other representing a broader approach. This broader approach was represented here, as the creation of *Customer Value*, which should enable a competitive advantage, is not only a matter of weighing up benefits and sacrifices, but also of long-term relationships and good cooperation in the creation of value.

The fifth objective that was explored was the examination of the relevance of *Integration* for creating *Customer Value*. It showed that *Integration* contributes significantly to the creation of *Customer Value*.

7.3 Key findings

The results of this study are based on the largest empirical database (n=848) with regard to investigations in literature on the *Integration* of Marketing and Sales. Thus, the significant influencing factors resulting from the study contribute and give strong support to a precise identification of relevant factors on the *Integration* of Marketing and Sales in a practical context and shed light on the multitude of influencing factors currently found in the literature. The greatest positive significant influence on *Integration* was shown by the influencing factor *Communication* closely followed by *Strategy and Common Goals*. The two factors *Culture* and *Leadership* also showed significant but considerably weaker, positive significant results. Moreover *Integration* showed a high significant positive influence on *Customer Value*. Overall, the factors selected were found to make a moderate contribution to explaining *Integration*. For further investigation, it would be desirable to further examine the non-significant variables and to look more closely at their contribution to *Integration*. Nevertheless, the findings contribute to the empirically based definition of relevant influencing factors with regard to the *Integration* of Marketing and Sale whereby additionally the findings are in line with the considered and well-established theory.

Integration made only a weak contribution to explaining *Customer Value*. This is due to the fact that further factors contribute to the formation of *Customer Value*, but there is still no sufficient empirical investigation. Thus, *Integration* with the strong significant influence lays a foundation stone in the empirical identification of influencing factors for the explanation of *Customer Value*, which has to be further expanded after further detailed investigation. Besides, another rather surprising result was revealed in the study (Part A). It became apparent that despite the assumed different orientations in the departments of Marketing, Sales, and Key Account Management considered there were almost no differences (less than 1% of the investigated cases) in the evaluation of the influencing factors examined. This

suggests that, despite their very different orientation and characterisation, the departments examined assess the influencing factors in a similar way. However, this does not constitute a contradiction but rather shows that by overcoming borders through *Integration* a clear benefit can be created for the company, as there is no need for harmonisation of the assessments of the factors.

7.4 Implications for Theory, Methods, and Practice

The results of this study contribute and give strong support to a precise identification of relevant factors on the *Integration* of Marketing and Sales in a practical context and consequently also contribute to the formation of the urgently needed uniform theoretical operationalisation of the construct *Integration*.

Additionally, the new findings in the field of empirical marketing research, the considerable influence of *Integration* on the creation of *Customer Value*, a new approach to competitive advantage is emerging for practice from the results. Moreover, this research contributes to heterogeneous terminology of *Customer Value* with regard to understanding that *Customer Value* is more than the trade-off between benefits and sacrifices and indicates the necessary second order operationalisation that contributes to theory.

The selection of the influencing factors was based on literature underpinned by established theories, which are further supported by the investigation carried out here.

Thus, the Contingency Theory (Ruekert et al., 1985) further strengthened the results obtained since the approach that improved *Communication* leads to cooperative cooperation is also reflected in the results of this study. The influencing factor *Communication* showed the strongest, positive influence on the *Integration* of the Marketing and Sales. Furthermore, the importance of good *Conflict Management* was pointed out in literature and supported by theory. Although this did not show significantly in this study, it is still valid in terms of content. The positive, significant result of *Strategy* and *Common Goals* on *Integration* was also supported by the approach of Contingency Theory.

The already slightly varied statement of the Transaction Theory by Biggemann and Buttle (2012) which states that the value is a social construct formed by the interaction of two parties also supported the result of the here conducted study that shows that the *Integration* makes a significant positive contribution to the creation of *Customer Value*.

Also the Customer Value Hierarchy Model (Gutman, 1982) based on the Means-End Theory (Woodruff and Gardial, 1996) supported the results of this study. The key message is that

customer decision making is based on individual perception of whether the attributes and performance of the chosen product and the resulting consequences will help you achieve the individual goals. In this study, the approach is applied to the business-to-business constellation in which the customer, in the sense of a company, requests tailor-made products or services from its supplier that meet its individual requirements and enable it to achieve its desired goals and, thus, create *Customer Value* for it. For this, the study carried out here regards *Integration* as a necessary condition that is supported by the results that show that the *Integration* of Marketing and Sales has a significant positive impact on the creation of *Customer Value*.

Customer Value Delivery (Woodruff, 1997) refers to the necessity of cross-departmental cooperation and coordination which can be met by the approach of *Integration* chosen here. This was transferred in this study to the business-to-business context in which a company demands tailor-made solutions. If a supplier succeeds in this, it creates *Customer Value* for the customer. The result of this study show that the *Integration* of the Marketing and Sales departments contributes strong, positive and significant to the creation of *Customer Value*. This is supported by Customer Value Delivery (Woodruff, 1997) transferred into the practical context by the study carried out here.

The result of the study that a joint *Culture*, cross-departmental *Strategy and Common Goals* have a significant positive effect on the *Integration* of Marketing and Sales is reflected and supported by the statement of the Organisation Theory (Miller and Monge, 1986) and the Contingency Theory (Ruekert et al., 1985). These state that a more cooperative environment can be created by joint decision-making. The assumption that a company can also profit from the fact that only through the cooperation of departments added value be created, here in the sense of creating *Customer Value* through the *Integration* of Marketing and Sales, was supported by the game theoretical prisoner dilemma (Tucker, 1983). Thus, it was stated that this requires a certain amount of organisational citizenship (Katz, 1964) which is already anchored in the model of this study in the influence variables of joint *Culture*, the interdepartmental *Strategy and Common Goals*.

Also the Contingency Model of Leadership (Fiedler, 1967) supported the results of the here conducted investigation by the significant positive influence of *Leadership* on the *Integration* of Marketing and Sales as *Leadership* and is perceived as most important to interacting groups by the Contingency Model of Leadership. The rather weak influence of *Leadership* was explained not by the minor importance but its cross-cutting influence on all viewed influence factors, which in turn enables the *Integration* of Marketing and Sales and the

creation of *Customer Value*. Its high importance shows recent investigation as the study by Le Meunier-Fitzhugh and Massey (2019) who state that *Leadership* is responsible to provide the opportunity to align goals to support the *Integration* of Marketing and Sales. Madhani (2016) regards *Leadership* in charge of the complex relationship of Marketing and Sales and to promote the willingness to cooperate by promoting and supporting an open-minded *Culture* as well as encouraging formal and informal *Communication* in order to reduce interdepartmental conflict. Therefore, in line with Rouziès et al. (2005) the recruitment of open-minded, team-oriented employees in Marketing and Sales who have the necessary professional knowledge is also the responsibility of *Leadership*. That *Leadership* plays an important role, especially, with regard to reduce interdepartmental conflict, was also already stated by Le Meunier-Fitzhugh et al. (2011b), Le Meunier-Fitzhugh and Piercy (2010), and Le Meunier-Fitzhugh and Piercy (2007a). And a positive influence on the viewed collaboration of Marketing and Sales was found, too.

Concerning the factors influencing *Integration*, the following results were obtained. *Communication* shows the greatest significant positive influence on the *Integration* of Marketing and Sales what is in line with theory and empirical research in literature. The high relevance of *Communication* to improve interdepartmental relationship that highly support the results obtained here was also mentioned by Cometto et al. (2016), Snyder et al. (2016), Le Meunier-Fitzhugh and Piercy (2010), Le Meunier-Fitzhugh and Lane (2009), Le Meunier-Fitzhugh and Piercy (2009), Massey and Dawes (2007), and Le Meunier-Fitzhugh and Piercy (2007b) in their investigations. It becomes clear that here, too, the term goes far beyond simple conversation and that further levels, such as the formal and non-formal, verbal and written as well as the bidirectionality of *Communication* have to be addressed. Thus, *Communication* is a component which should not be underestimated and which contributes considerably to the *Integration* of Marketing and Sales and, therefore, should be strongly facilitated and supported in practice across departments.

Strategy and Common Goals is the factor that showed the second strongest influence on the *Integration* of Marketing and Sales in this study. Supported by theory, it has been shown that *Integration* is enhanced through interdepartmental *Strategy and Common Goals*. This is a clear indicator for practice to work harder on common, overarching Marketing and Sales goals as indicated by the recent research of Le Meunier-Fitzhugh and Massey (2019) who see, too, the alignment of goals important for the *Integration* of Marketing and Sales. Furthermore, the result is supported by the study of Sleep et al. (2018) who refer to common goals, shared strategic direction, and a consistent reward system to favour the closing of the *Integration* gap

considered there. It must be clearly established that *Common Goals* are binding for both departments involved and are anchored in the common *Strategy*. The interdepartmental *Strategy* should place the customer high on the list of priorities, as the customer is decisively responsible for the company's survival.

Culture showed a slightly lower but still significant, positive influence on the *Integration* of Marketing and Sales. This illustrates that companies should not only focus on factors that are supposedly directly related to improved *Integration* such as *Communication*, but also on broader factors such as a company's *Culture*. Especially in the two departments Marketing and Sales, which have very different orientations, predominate very different *Cultures*, that stress the differences between the two departments even more. This is supported by the findings of Madhani (2016) which also refers to the importance of a common language for the *Integration* of Marketing and Sales. Moreover, the investigations of Malshe et al. (2012), Le Meunier-Fitzhugh and Piercy (2010), and Rouziès et al. (2005), too, mention *Culture* as an important aspect with regard to interdepartmental collaboration or *Integration*. Thus, *Culture* represents a further important influencing factor on the *Integration* of the Marketing and Sales departments, which needs to be given more attention in practice.

7.5 Limitations and Directions for Future Research

This study has several limitations. Although all reliability and validity measures were checked carefully, the use of a sample from a single country does limit the generalisation. In line with prior studies on organisations, it showed that the national context plays an important role for certain organisational processes (Homburg and Pflesser, 2000; Troilo et al., 2009) that should receive attention. Moreover, although business-to-business companies were considered, only the research design is still cross-sectional what also might affect the results due to particularities in certain industries. Therefore, in future research the country of origin and industry of companies could be examined more closely with regard to the interface between Marketing and Sales as well as the resulting possible creation of *Customer Value* by means of replications and extensions of research in different cultural and organisational contexts in order to enable further conclusions to be drawn.

Although the questionnaire already included Key Account Management, no clear findings could be derived from it. It was only found that there were no significant differences in the assessment of the selected influencing factors on *Integration* in the sample considered compared to Marketing and Sales. However, this result does not allow any further conclusions

to be drawn. This is an interesting point for further research in this relatively unexplored field. It would be instructive to investigate whether an independent Key Account Management basically has to struggle with less resistance from Marketing and Sales since it already has a special position in the company and, therefore, can achieve better results for the customer or whether further interface problems arise as a result.

Hence, in future survey the structure of the companies could be more precisely recorded in order to draw conclusions about possible barriers to Marketing and Sales *Integration*. Since the processing of key customers still seems to take place very differently in companies.

The here conducted research revealed a number of significant influence factors on the *Integration* of Marketing and Sales and highlights that an improvement in the Marketing and Sales *Integration* requires changes in the *Communication, Strategy, and Common Goals* as well as *Culture* and *Leadership*. Thus, this study provides opportunities for a number of future research directions. For this purpose, confirmatory studies could be carried out with the help of a longitudinal study in the company in order to measure the improvement of the Marketing and Sales relationship with conscious improvement of the confirmed influencing factors since *Integration* as well as *Customer Value* are dynamic phenomena. A further approach for future research is the investigation of factors that prevent the *Integration* of Marketing and Sales. It would be important to examine which upstream factors should also be taken into account (Rouziès and Hulland, 2014). In this study, for example, *Conflict Management* could be an influencing factor prior to *Leadership*. A further focus could also be on other mediating and moderated factors between the key constructs or external factors as suggested by Guenzi and Troilo (2006). The external variables can be subdivided as follows: (a) Environment variables: market dynamics, uncertainty of the environment, technical turbulence. (b) Customer: There is always some uncertainty about demand, but also about the customer structure. (c) Competitors: There may be fluctuations or changes in competitive intensity and industry concentration. But also new innovation strategies of competitors can be of importance. (d) The suppliers themselves: The respective size and strategic positioning of the company as well as individual capabilities and their own product or process innovations can play a role (Guenzi and Troilo, 2006).

Moreover, the measurement scales used here could also be further investigated in future studies, even if they have already been used successfully in earlier research since it is possible that not all aspects were captured completely. Already in the present study, the study (Part B) showed that *Culture* and *Structure*, for example, are better separately operationalised on the

basis of theory. Especially the constructs *Integration* and *Customer Value* could be given even more attention.

One factor that unexpectedly showed no significant positive impact on *Integration* was *Conflict Management*. Especially when examining the two departments Marketing and Sales, conflicts seem to be a day-to-day issue and one of the main obstacles to *Integration*. It is possible that *Conflict Management* is a construct subordinated to *Leadership* as it is responsible for the foundations of conflict resolution. This represents a further interesting consideration for future research.

Another aspect that emerges from the results of this study is that the totality of the influencing factors necessary to create *Customer Value* has not yet been fully clarified what is also reflected in the moderate R^2 , but that *Integration* that goes beyond collaboration and interaction is an essential component. *Integration* could possibly be positioned as an independent influencing factor or as part of a broader construct such as customer orientation. This represented an aspect that could receive more attention in future studies. Basically, *Customer Value* still lacks a uniform theoretical definition and unambiguous operationalisation, which also leaves room for further exploration. In addition, the literature shows further approaches such as value co-creation (Baumann and Le Meunier-Fitzhugh, 2015; Vargo and Lusch, 2004) with the focus more on the joint creation of value. Here it would be important to examine the interface between the company and the customer in detail in order to suffer as few losses as possible.

Furthermore, after intensive and comprehensive literature research it becomes apparent that there is also no uniform theoretical foundation for *Integration*. Thus, a theory development in this area would be desirable and represents a further area for future research.

Another very interesting point to note is that in this study the relationship between the factors influencing *Integration* was implicitly positive or negative but always linear. However, this is not always the case as Maltz and Kohli (1996), for example, proved evidence for a reversed U-form with regard to the relationship between *Communication* and *Integration* (more is not always better). Such non-linear relationships could also be valid for other influencing factors, like the amount of interaction, on the *Integration* of Marketing and Sales and should be investigated further (Guenzi and Troilo, 2006).

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Appendix A

Covering Letter Respondent – Study (Part A & B)

Dear *Mrs/Mr Sample*,

thank you for your willingness to participate in our survey on the cooperation between Marketing, Sales and Key Account Management.

Please note that by completing the questionnaire you agree to participate in this survey.

This survey takes place as part of an empirical project in the Master's programme at FOM University (FOM Hochschule für Oekonomie und Management). All information is collected anonymously and treated confidentially. Filling out the questionnaire takes about 8-10 minutes, is absolutely voluntary and can be cancelled at any time. The data collection and evaluation is carried out exclusively for scientific research purposes. Please answer according to your personal opinion - there are no right or wrong answers.

If you cannot or do not want to answer a question, leave the corresponding fields blank. The majority of questions can be answered on an answer scale from 1 = "disagree at all" to 7 = "fully agree". With the values in between, you can gradate your judgement accordingly. Please note that by completing the questionnaire you agree to participate in this survey.

Enclosed you will find the link to the corresponding online survey:

<https://www.soscisurvey.de/winter2017/...>

We would like to ask you to answer the questionnaire by 7th January 2018

We will be happy to send you the results of the study if you provide your e-mail address at the end of the survey.

Thank you very much for your support.

Yours sincerely

YOUR NAME

Appendix B

Covering Letter Students – Study (Part A)

Dear students in the Market Research and Competition Research module, the questionnaire is ready and we are now going into the field phase. The field phase starts on 11nd December 2015. Each group (two students) should survey at least 10 respondents per group, making a total of 60.

Groups to be surveyed:

1. Participants that assign themselves to the Sales department and reported that the Key Account Management is part of the Sales department.
2. Participants that assign themselves to the Sales department and reported that the Key Account Management is not part of the Sales department.
3. Participants that assign themselves to the Marketing department and reported that the Key Account Management is part of the Sales department.
4. Participants that assign themselves to the Marketing department and reported that the Key Account Management is not part of the Sales department.
5. Participants that assign themselves to the Key Account Management and reported that the Key Account Management is part of the Sales department.
6. Participants that assign themselves to the Key Account Management and reported that the Key Account Management is not part of the Sales department.

You will receive an overview of the returns regularly in the module.

This is important:

No more than one sales employee, marketing employee or key account manager should be surveyed per company. This means a maximum of three different people with the three different functions.

There is a cover letter in the OC if you send the link by e-mail. Please note that each project group has its own link. Here is the link for each project group:

| Projektgruppe | Link |
|---------------|---|
| M1 | https://www.soscisurvey.de/cvm/?q=M1 |
| M2 | https://www.soscisurvey.de/cvm/?q=M2 |
| M3 | https://www.soscisurvey.de/cvm/?q=M3 |
| M4 | https://www.soscisurvey.de/cvm/?q=M4 |
| M5 | https://www.soscisurvey.de/cvm/?q=M5 |
| M6 | https://www.soscisurvey.de/cvm/?q=M6 |
| M7 | https://www.soscisurvey.de/cvm/?q=M7 |
| M8 | https://www.soscisurvey.de/cvm/?q=M8 |

Mrs. Reich (research assistant at ifes) is significantly involved in the project and also programmed the questionnaire. If you have any questions about the process of the field phase, please do not hesitate to contact her (mail: christina.reich@fom.de).

Yours sincerely,
Christina Reich

Module Management:
Prof. Dr. Oliver Gansser

Appendix C

Covering Letter Students – Study (Part B)

Dear students in the Market Research and Competition Research module, the questionnaire is ready and we are now going into the field phase.

The field phase starts on 2nd December 2017.

Each of you should survey at least

two Sales Representatives,
two Marketing Representatives,
and **two** Key Account Managers

from **six different** companies in the business-to-business environment.

Ideally, these are companies where there is a clear separation between Marketing and Sales.

If a company does not have an explicit Key Account Managers, the person responsible for the key/major customers can be questioned on their behalf.

Please make sure by asking that the person has **not** already participated in the preliminary study.

Enclosed you will receive a covering letter for sending the link by mail.

If you have any questions about the field phase process, please do not hesitate to contact the module management (see below).

Yours sincerely,
Christina Reich

Module Management:
Prof. Dr. Oliver Gansser

Appendix D

Participation Information Sheet and Consent Form

Beginning of questionnaire

Study on cooperation between Marketing, Sales and Key Account Management

This survey takes place as part of an empirical project in the Master's programme at FOM University. All information is collected anonymously and treated confidentially. Filling out the questionnaire takes about 8-10 minutes, is absolutely voluntary and can be cancelled at any time. The data collection and evaluation is carried out exclusively for scientific research purposes. Please answer according to your personal opinion - there are no right or wrong answers.

If you cannot or do not want to answer a question, leave the corresponding fields blank. The majority of questions can be answered on an answer scale from 1 = "disagree at all" to 7 = "fully agree". With the values in between, you can gradate your judgement accordingly. Please note that by completing the questionnaire you agree to participate in this survey.

For better readability, the generic masculine is used in this questionnaire. These formulations include both female and male persons.

Addition for study (Part B) only

Did you already take part in a survey on this topic from FOM Hochschule für Oekonomie und Management last year? Yes/No

If yes → Thank you very much for your willingness to participate in this study. Since you have already taken part in the preliminary study, unfortunately you can no longer take part in this survey - I hope for your understanding.

Many thanks and kind regards Christina Reich

End of questionnaire

Thank you very much for your participation!

Please note that by completing the questionnaire you agree to participate in this survey.

We would like to thank you very much for your support.

Your answers have been saved, you can now close the browser window.

Appendix E

Measures of Sampling Adequacy

| Variables (sorted from low to high) | MSAs |
|-------------------------------------|---------------|
| KM02_02 | 0.374* |
| KM05_01 | 0.450* |
| AU01_02 | 0.522 |
| VE01_02 | 0.534 |
| PR01_03 | 0.566 |
| PR02_01 | 0.573 |
| AU01_01 | 0.576 |
| VE01_01 | 0.589 |
| PR03_01 | 0.667 |
| PR03_03 | 0.722 |
| KN02_05 | 0.749 |
| KN02_01 | 0.763 |
| KO02_02 | 0.768 |
| PR03_02 | 0.771 |
| PR02_02 | 0.783 |
| KN02_02 | 0.783 |
| KN01_02 | 0.785 |
| PR01_02 | 0.796 |
| PR02_03 | 0.797 |
| KN01_04 | 0.798 |
| KM02_03 | 0.803 |
| SZ02_03 | 0.810 |
| PR01_01 | 0.812 |
| KO02_04 | 0.813 |
| SZ02_04 | 0.815 |
| GZ04_05 | 0.833 |
| FE01_01 | 0.834 |
| KN03_04 | 0.839 |
| KO02_06 | 0.841 |
| GZ04_01 | 0.846 |

Measures of Sampling Adequacy (continued)

| Variables (sorted from low to high) | MSAs |
|-------------------------------------|-------|
| KN02_03 | 0.850 |
| SK04_02 | 0.853 |
| KO02_05 | 0.854 |
| KO02_07 | 0.856 |
| SZ02_01 | 0.857 |
| KN01_03 | 0.857 |
| SZ01_02 | 0.862 |
| KN03_01 | 0.863 |
| KO02_03 | 0.864 |
| KN03_02 | 0.864 |
| KN02_04 | 0.865 |
| GZ04_04 | 0.866 |
| FE01_02 | 0.868 |
| SK04_04 | 0.870 |
| SK04_03 | 0.873 |
| KO02_08 | 0.874 |
| KN03_06 | 0.881 |
| GZ04_02 | 0.883 |
| KN03_05 | 0.884 |
| KN01_05 | 0.890 |
| SK04_01 | 0.893 |
| KN03_03 | 0.893 |
| SZ02_02 | 0.897 |
| KM02_01 | 0.898 |
| KO02_01 | 0.905 |
| KN01_01 | 0.905 |
| GZ04_03 | 0.911 |
| FE01_04 | 0.914 |
| FE01_05 | 0.917 |
| FE01_03 | 0.925 |
| SZ01_01 | 0.938 |

*Note. Below 0.5; AU: Tasks; FE: Leadership; GZ: Integration; KM: Conflict Management; KN: Customer Value; KI: Communication; KO: Competences; KU: Culture; PR: Processes; SK: Structure and Culture; VE: Responsibilities; SZ: Strategy and Common Goals.

Appendix F

Crossloadings

| | KI | KO | KM | KU | FK | SZ | ST |
|---------|-------|-------|-------|-------|-------|-------|--------|
| FK01_01 | 0.362 | 0.442 | 0.358 | 0.384 | 0.795 | 0.451 | -0.265 |
| FK01_02 | 0.474 | 0.550 | 0.484 | 0.483 | 0.890 | 0.487 | -0.366 |
| FK01_03 | 0.465 | 0.515 | 0.435 | 0.474 | 0.885 | 0.501 | -0.298 |
| FK01_04 | 0.463 | 0.498 | 0.404 | 0.450 | 0.894 | 0.473 | -0.376 |
| FK01_05 | 0.430 | 0.457 | 0.371 | 0.466 | 0.848 | 0.522 | -0.295 |
| IG01_01 | 0.497 | 0.297 | 0.389 | 0.353 | 0.323 | 0.421 | -0.178 |
| IG01_02 | 0.609 | 0.407 | 0.478 | 0.461 | 0.449 | 0.545 | -0.216 |
| IG01_03 | 0.596 | 0.431 | 0.491 | 0.519 | 0.427 | 0.580 | -0.200 |
| IG01_04 | 0.528 | 0.375 | 0.433 | 0.432 | 0.407 | 0.582 | -0.155 |
| IG01_05 | 0.538 | 0.343 | 0.400 | 0.447 | 0.464 | 0.600 | -0.190 |
| KI01_02 | 0.720 | 0.444 | 0.475 | 0.407 | 0.401 | 0.402 | -0.272 |
| KI01_03 | 0.880 | 0.544 | 0.623 | 0.558 | 0.495 | 0.608 | -0.326 |
| KI01_04 | 0.832 | 0.365 | 0.417 | 0.373 | 0.365 | 0.470 | -0.217 |
| KI01_05 | 0.858 | 0.427 | 0.483 | 0.510 | 0.454 | 0.577 | -0.222 |
| KI01_06 | 0.839 | 0.387 | 0.469 | 0.428 | 0.395 | 0.560 | -0.197 |
| KM01_01 | 0.516 | 0.610 | 0.846 | 0.559 | 0.435 | 0.487 | -0.264 |
| KM01_03 | 0.446 | 0.428 | 0.721 | 0.413 | 0.323 | 0.365 | -0.327 |
| KM01_04 | 0.489 | 0.476 | 0.802 | 0.514 | 0.388 | 0.550 | -0.196 |
| KM01_07 | 0.374 | 0.389 | 0.725 | 0.406 | 0.315 | 0.381 | -0.174 |
| KO01_01 | 0.348 | 0.755 | 0.450 | 0.355 | 0.424 | 0.364 | -0.181 |
| KO01_02 | 0.485 | 0.840 | 0.586 | 0.555 | 0.486 | 0.441 | -0.259 |
| KO01_03 | 0.446 | 0.829 | 0.502 | 0.431 | 0.457 | 0.434 | -0.265 |
| KO01_04 | 0.351 | 0.776 | 0.406 | 0.357 | 0.431 | 0.378 | -0.216 |
| KO01_05 | 0.323 | 0.775 | 0.383 | 0.354 | 0.407 | 0.359 | -0.220 |
| KO01_06 | 0.439 | 0.823 | 0.555 | 0.469 | 0.470 | 0.443 | -0.259 |
| KO01_07 | 0.435 | 0.735 | 0.503 | 0.512 | 0.469 | 0.424 | -0.247 |

Crossloadings (continued)

| | KI | KO | KM | KU | FK | SZ | ST |
|---------|--------|--------|--------|--------|--------|--------|--------|
| KU01_01 | 0.484 | 0.484 | 0.539 | 0.799 | 0.424 | 0.516 | -0.229 |
| KU01_02 | 0.499 | 0.537 | 0.590 | 0.883 | 0.455 | 0.517 | -0.284 |
| KU01_03 | 0.496 | 0.522 | 0.547 | 0.891 | 0.517 | 0.514 | -0.267 |
| KU01_04 | 0.444 | 0.424 | 0.475 | 0.878 | 0.415 | 0.468 | -0.199 |
| KU01_05 | 0.489 | 0.483 | 0.544 | 0.913 | 0.473 | 0.496 | -0.254 |
| ST01_01 | -0.217 | -0.184 | -0.201 | -0.207 | -0.260 | -0.183 | 0.848 |
| ST01_02 | -0.329 | -0.317 | -0.340 | -0.336 | -0.387 | -0.307 | 0.871 |
| ST01_03 | -0.226 | -0.248 | -0.243 | -0.208 | -0.304 | -0.214 | 0.888 |
| ST01_04 | -0.226 | -0.273 | -0.264 | -0.200 | -0.317 | -0.232 | 0.891 |
| SZ01_01 | 0.543 | 0.439 | 0.498 | 0.480 | 0.477 | 0.881 | -0.226 |
| SZ01_02 | 0.596 | 0.518 | 0.590 | 0.561 | 0.524 | 0.888 | -0.290 |
| SZ01_03 | 0.510 | 0.399 | 0.464 | 0.463 | 0.470 | 0.882 | -0.224 |
| SZ01_04 | 0.472 | 0.352 | 0.375 | 0.388 | 0.443 | 0.808 | -0.170 |
| SZ01_06 | 0.591 | 0.487 | 0.534 | 0.543 | 0.480 | 0.783 | -0.257 |

Note. KI: Communication; KO: Competences; KM: Conflict Management; KU: Culture; FK: Leadership; SZ: Strategy and Common Goals; ST: Structure.