

An Exploratory Study into the Importance of Key Account Management and the Value it Brings to the Buyer-Seller Relationship

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Declaration

I hereby certify that this material, which I now submit for assessment on the programme of study leading to the award of

M.Sc. in Marketing

is entirely my own work and has not been submitted for assessment for any academic purpose other than in partial fulfillment for that stated above.

Signed.....

Date.....

Abstract

This study explores the importance of Key Account Management and the value it brings to the buyer-seller relationship.

The study examines past and current literature in the areas of Key Account Management and Relationship Marketing.

The nature of this study is exploratory. The research consisted of a combination of primary and secondary research. Primary data was collected from 125 questionnaires and ten in-depth interviews with key account managers and buyers. The secondary data was attained from business libraries academic journals, textbooks within the relevant area and library electronic databases of the internet.

The primary research uncovered a number of key findings. Findings confirm the importance and value opportunities of Key Account Management to buyers and sellers. Findings also confirmed the significant role the KAM plays in building and maintaining the buyer-seller relationship primarily through the provision of high quality customer service and support to their key accounts. The value of organisational support, trust and commitment and regular communication in developing and maintaining a successful long- term buyer-seller relationship was also identified.

The study concludes by arriving at conclusions to the overall research objective and five supporting research objectives.

Recommendations are then presented for further research in the area of KAM. Suggestions include increasing the amount of customers research the selling company carry's out to improve understanding of the buyer, their needs and value requirements, improving the value delivered to the customer.

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LIST OF ABBREVIATIONS

KAM- Key Account Management/ Key account manager

RM- Relationship Marketing

B2B- Business-to-Business

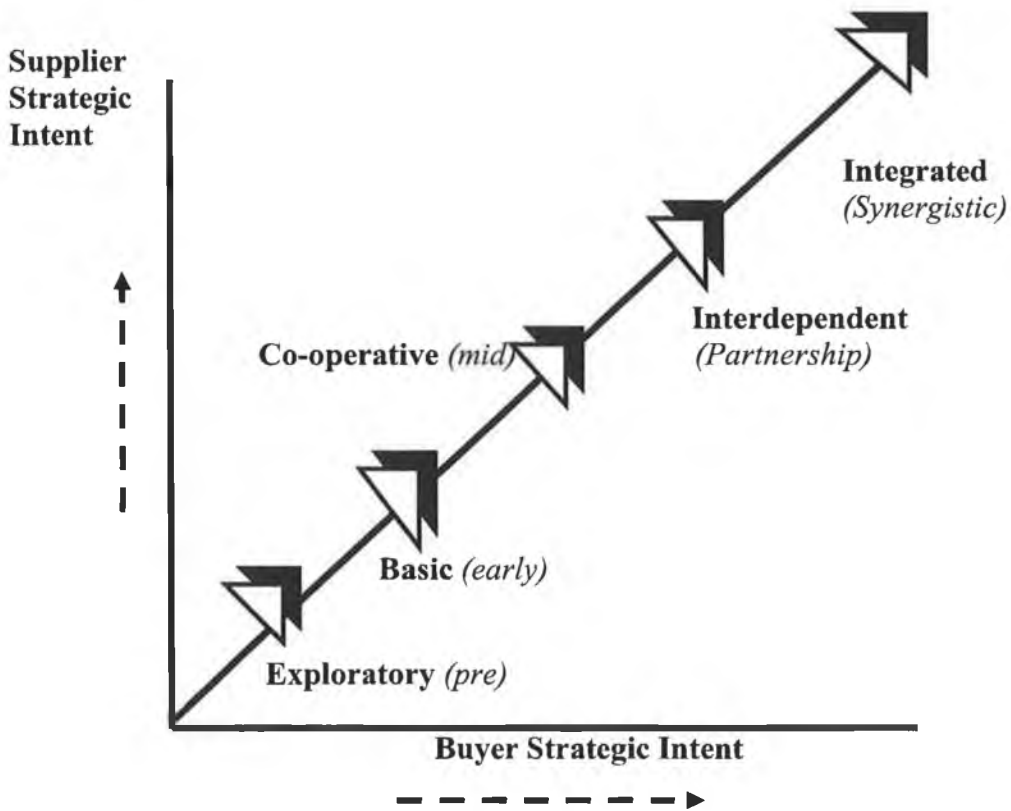
B2C- Business to Consumer

DMU- Decision Making Unit

SPSS- Statistical Package for Social Sciences

NPD-New Product Development

Figure 2.1: KAM Relationship Labels (developed from Millman & Wilson, 1994, with their original labels in italics).



Source: developed by Millman and Wilson, 1994, with their original labels in italics as cited in McDonald, M. (2000:23) Key Account Management- A Domain Review, The Marketing Review.

CHAPTER ONE

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CHAPTER ONE: INTRODUCTION

1.1 Introduction

The concept of Key Account Management (KAM) has grown significantly within marketing theory and practice since its initial emergence in the 1980's. According to Piercy and Lane, (2006, p.19), "Growth in attention given to KAM as a way of developing and nurturing relationships with major customers is surely close to unprecedented".

Diller, (1992, p.200), defined KAM as "A management concept, including both organisational and selling strategies to achieve long-lasting customer relations".

KAM is one of the four components of Customer Relationship Management along with customer lifetime value, customer portfolio analysis and the relationship lifecycle (Pomoni, 2008).

In the opening chapter the researcher begins by discussing the rationale behind the research. The research problem is then introduced along with the objectives which aided in its resolution.

1.2 Research Rationale

"The term key account management has been used in several contexts; however the nature of this approach is very unclear and requires further conceptualization" (Ojasalo, 2001, p.199).

Recent research suggests that most business-to-business (B2B) firms use KAM in some form, verified by a significant increase in the number of practicing KAMs between 1992 and 1996 (Sharma. 2006). Thus further research is required as the strategy continues to expand. The researcher proposes that the solving of the research

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problem is required and has the potential to be both beneficial and valuable to academics, researchers and organisations wishing to gain insight into the growing concept of KAM.

Figures in a publication by the Organisation for Economic Co-operation and Development indicated that the Irish economy transitioned from a manufacturing to service base, verified by a 6 per cent decline in manufacturing employment from 1997 to 2005 in contrast with an increase of 5 per cent in service employment throughout the same period (OECD Main Economic Indicators, 2006).

In conjunction with today's increasingly challenging and competitive business environment, a more complex buyer-seller relationship has emerged. It is essential that these relationships are managed with extreme care to ensure organisational survival by improving customer retention, contributing to overall improved financial performance (Hallikas, Puumalainen, Vesterine and Virolainen, 2005).

In recent times supply companies have come to the realisation that the cost of gaining new customers is five times greater than the maintenance of existing ones (Walton and Xu, 2005). Thus the traditional approach of transactional selling, introduced to marketing literature in the 1960's, was unsuitable for industrial and service markets. This was due to the higher customer involvement on which the service experience is dependent upon in addition with its intangible and more complex nature (Berry, 1995). Therefore the more modern approach of RM, which emerged in the 1980's, was required to help companies meet customer needs better.

Through this new approach long standing profitable relationships began to develop between suppliers and their customers. Authors Hougaard and Bjerre (2002, p.28) identified "a distinct correlation between the long-term profitability of a company and its customer relationships", verification of the potential strategic advantages of RM.

Furthermore selling and sales management has transformed in recent years. The sales force's role has transitioned from selling to advising to counselling, from talking to listening and from pushing to helping (Donaldson, 1998). One of the primary reasons for this transition is that the relationship between the salesperson and the customer has

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evolved. The customer is constantly expecting more from the sales deal. Hence developing, managing and maintaining buyer-seller relationships is key to building loyal, long-term, sustained relationships (Zineldin, 2002).

Moreover sales sizes have increased dramatically and become a lot more complex in recent years. "Many companies receive a big percentage from relatively few customers" (Wong, 1998, p.215). It is the development, management and maintenance of a small number of large accounts which is essential to many selling organisations overall success (McCarthy and McGinnis, 1998).

It has also been suggested that a major determinant of the organisational environment is the cost associated with switching from one supplier to another (Bowersox and Cooper, 1992 as cited in Fill, 2005, p.169). Therefore an increasing number of buying organisations are choosing to enter alliances with a limited number or even a single source of suppliers. The objective is to build a long-term relationship, to work together to maximise opportunities and help each other achieve their goals (Fill, 2005).

"Key Account Management is an approach adopted by selling companies aimed at building a portfolio of loyal key accounts by offering them, on a continuing basis, a product/service package tailored to their individual needs." (McDonald et al. 1997, p.737)

KAM is extremely important in today's turbulent, competitive business environment for the creation of a sustainable competitive advantage. (Naude et al, 2007). The concept was first introduced to business literature in an article by Stevenson in 1981 when he referred to a major customer as a 'National account'. It is utilized increasingly more today in the recognition of the importance of large accounts. These key accounts need to be managed with the utmost of care so they are designed by KAMs. The KAM's job is to oversee operations with key accounts and to ensure the relationship is developed, managed and maintained effectively (Lane and Piercy, 2006).

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“Key Account Management is seen as a natural development of customer focus and relationship marketing. It offers critical benefits and opportunities for profit enhancement to both sides of the seller/ buyer dyad” (Malcolm, McDonald, Millman & Rogers, 1997, p.737).

Pareto’s law argues that eighty per cent of revenues come from twenty per cent of customers. Thus it pays, economically and strategically, for organisations to focus upon its key customers. KAM is one of the best ways to ensure repeat purchases, additional purchases and referral to prospective customers. It offers significant benefits and opportunities for both parties if managed and maintained effectively (www.prioritymanagement.com).

Although the concept has been in existence since the 1980’s research into the area has been relatively limited. It has been stated by experts that KAM, “while clearly important ... [has] received little research attention” (Reid and Plank, 2000, p. 108 as cited in Pardo et al, 2006, p.2).

To- date researchers have examined the concept from various different perspectives which are outlined in table 1.1:

Table 1.1- Current KAM studies

Research topic	Authors
The evolution of key account relationships	McDonald et al (1997)
Customers’ perceptions of successful key account programs.	Abrat and Kelly (2002)
Key Account Management in B2B relationships.	Ivens and Pardo (2008)
The implementation of a KAM program.	Kempeners and Van de Hart (1999)
Developing key account management competences	Millman and Wilson (1996)
The differences between strategic alliances and key accounts.	Lambe and Spekman (1997)

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Despite the broad scope gaps still remain in existing literature which requires addressing.

The concept of value and the importance of providing it for customers has become an increasingly significant aspect of business and marketing strategy (Hill, 2005 as cited in Cravens, D. and Piercy, N, 2000, p.31).

Theorists Morgan and Hunt highlighted the importance for a good understanding of value when he stated that; “An understanding of value by the seller can increase the value delivered to the customer and make the difference between success and failure of the buyer-seller relationship” (Bendapudi & Berry, 1997, p.21). Its importance was further emphasized by author Konhauser when he stated that the more value expectations are shared between the relationship partners in a dyadic B2B buyer-seller relationship, the stronger the relationship strength (Konhauser, 2007, p.36).

Despite its worth, value to the buyer- seller relationship has not yet been addressed in full by theorists. Pardo (2006) stated that selling organisations frequently use KAM to create added value in important B2B relationships, yet the significance of value within KAM has not been adequately investigated (Naude, Pardo, Henneberg and Mouzas 2006).

In agreement experts (Pardo et al, 2006, p.1360) also concluded that “Except the work from Georges and Eggert (2006, p.2), the very specific context of KAM has not been investigated from the value point of view”.

While value is often sighted in the literature, as being important however there is little knowledge as to how buyers and sellers perceive this value and how it is created (Naude et al, 2005).

“Key account programmes are often formed between companies in order to achieve mutual gains; the current view of value, (from either the customer’s or the supplier’s viewpoint), is insufficient to consider this mutual perspective and the resulting complexities” (Naude et al, p.1361).

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This is problematic because KAM is a multi-faceted subject in which success depends upon the value creation by both parties. “The raison d’être of a business relationship is the value creation for both” (Anderson, 1995, p.35). Further research is therefore required to meet the need for a multi-faceted approach toward value in KAM.

Research, to-date, has focused upon value creation from the suppliers perspective i.e. the exchange, proprietary and relational value which KAM creates for the supplier (Naude, 2007) neglecting the value of KAM from the buyer’s perspective. Theorists Ulaga, (2003, p.250 as cited in Naude, 2007, p.1360), also note that “the predominant tendency in the literature is to regard value from the perspective of the supplier”. Ligin (2004) proposed that the reason for such limited research in the area might be attributed to the complex and intangible nature of customer relationships.

The importance of KAM has also received little research attention. Limited research has been undertaken into the importance of KAM to both the buyer and seller. Most research documented in this area has examined the subject from mainly from the seller’s point of view (Pardo et al, 2006). The value the KAM adds to the relationship process and the way their changing roles are being facilitated by top management within the organisation also appear infrequently in the literature.

The researchers aim is to address these gaps in literature by exploring the importance of KAM from both the buyers and sellers perspective and the value it brings to the buyer-seller relationship. Particular emphasis is on the buyer perspective which has been under addressed in business literature to date.

From a managerial point of view, the research informs KAM’s of the potential activities that could improve their overall value proposition and buyers of the value opportunities of a KAM strategy. This knowledge will aid organisations in creating and maintaining successful key account programs, optimising the buyer-seller relationship strength. From a theoretical perspective, the study deepens an understanding of KAM and value creation in collaborative relationships.

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It is hoped that the results of this study will contribute to the growing body of literature on value in dyadic B2B buyer-seller relationships and offer strong directions for further research in this area.

1.3 Research Problem

Malhotra, (1999, p.35) suggests that the correct definition of the research problem is imperative to the proposed research study. ‘...Inadequate problem definition is a leading cause of failure of marketing research projects.’

Proctor (2003, p.44) states that “incorporating a systematic approach in the definition of the research problem will aid the researcher to obtain relevant data that is required for the study”.

The researcher arrived at the research problem through examination of the relevant literature on the subjects of Relationship Marketing (RM) and KAM. Drawing on this literature and through discussions with industry experts the research question was formed.

This research hopes to gain insights into the importance of KAM to both parties and the value it brings to the relationship.

The research problem was defined as follows:

“To gain an improved understanding of the concept of Key account management, its importance and the value it brings to the buyer-seller relationship”.

The overall objective of this research is to explore the importance of KAM and how it can add value to the buyer-seller relationship.

The definition of the research problem allowed the researcher to propose research objectives in order to solve the research problem. The objectives are outlined in the following section.

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1.3.1 Research objectives

Research objectives, although related to and determined by the problem definition, are set so that, when achieved, they provide the necessary information to solve the problem (Burns and Bush, 2000).

The following objectives are designed to direct the methodology of this dissertation to solve the research problem:

1. To evaluate the roles, skills and qualities of a competent Key Account Manager and the value they bring to the buyer-seller relationship.
2. To uncover the level of organisational support required in the maintenance of the buyer- seller relationship.
3. To identify how relationships are developed, managed and maintained and the participants opinion on the KAM stratagem.
4. To examine the value opportunities of a KAM strategy.
5. To determine the importance of trust and commitment in developing the buyer-seller relationship.

1.4 Study Structure

This study comprises of five chapters displayed in diagram 1.1 overleaf:

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Figure 1.1 Study Structure



Chapter one introduces the research problem and objectives along with the rationale for the investigation. The study explores the concept of KAM and the value it brings to the buyer-seller relationship.

Chapter two describes the methodology process used as part of the research. The nature of this study is exploratory, consisting of a combination of primary and secondary research.

Chapter three introduces the research topics of RM and KAM to the reader.

Chapter four discusses the results of the primary research. The findings are evaluated and analyzed by assessing and reviewing the findings under the five research objectives.

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In the final chapter the researcher outlines the conclusions gained from the research conducted for this study and makes recommendations regarding future studies.

1.5 Conclusion

The first chapter introduced the research problem and objectives along with the rationale for the investigation. The subsequent chapter will discuss the research methodology utilised in solving the research problem along with the justification for its selection.

CHAPTER TWO

CHAPTER TWO: RESEARCH METHODOLOGY

2.1 Introduction

In this chapter the methodology used as part of the research are described. Firstly the research methods are identified and justified. In the concluding part of the chapter the data collection, analysis procedures and limitations are discussed.

2.2 Research Methodology

Methodology usually refers to the “tools and techniques used to obtain and analyse data (Saunders, Lewis and Thornbill, 2003, p.52).

Almost every research project is different. Still, there are enough commonalities among research projects to enable them to be categorised by the research methods and procedures used to collect and analyse data (Burns and Bush, 2000). An analysis of past methodologies used within KAM research enabled the researcher to identify the most effective research tools to use for the study.

In general there are three research approaches recognised, these are exploratory, causal and descriptive research. The nature of this study is exploratory. As implied by the name, the objective of exploratory research is to explore or search through a problem or situation to provide insights and understanding (Malhotra, and Birks, 2000). It is a way of collecting data in an unstructured and informal manner and it can be useful in a situation where the researcher does not have enough understanding to proceed with the research project. It is usually conducted when the researcher needs to acquire additional information about the research problem or when new or more recent information is required (Malhotra and Birks, 2000).

Exploratory research is systematic, but it is very flexible in it allows to investigate whatever sources he or she desires and to the extent that he or she feels is necessary in order to gain a good feel for the problem at hand (Burns & Bush, 2000).

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Malhotra, (2007, p.80) suggests a number of purposes for which exploratory research can be employed.

1. To formulate a problem or define a problem more precisely.
2. To identify alternative courses of action.
3. To develop hypotheses
4. To isolate key variables and relationships for further examination.
5. To gain insights for developing an approach to the problem.
6. To establish priorities for further research.

The researcher in this case will be using exploratory research for these and various other purposes.

The aim of this dissertation is to explore the importance of KAM and the value it brings to the buyer-seller relationship. The exploratory research consists of a combination of quantitative and qualitative research approaches in the form of primary research consisting of questionnaires and in-depth interviews. The secondary research involved an extensive review of existing literature in the areas of KAM and RM. The information gathered is presented in the form of a literature review in to the research topics.

2.2.1 Secondary Research

The first stage in the research methodology process involved an extensive review of current and past literature to gain an insight into the subjects of KAM and RM. The researcher conducted a comprehensive search of business libraries academic journals, textbooks within the relevant areas, newspapers and library electronic databases of the internet. This enabled the researcher to gain an understanding of the research topic, identify gaps in the research, uncover the research problem and establish the most suitable research objectives to solve the problem.

The literature also uncovered the methodology authors utilised in recent KAM studies. Table 2.1 outlines the research methodology authors are currently using to investigate the concept of KAM.

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Table 2.1: Methodology used in current KAM studies.

Authors	Study Conducted	Research Methodology
Ojasalo.J (2001)	“Success factors in key account management”	1. Literature Review 2. Questionnaires
Pardo.C (1999)	“Key account management in the business-to-business field: a French overview”.	1. Literature Review 2. Interviews
Sanford and Maddox (1999)	“Key Account Management: Advertising agency management of domestic and international accounts”	1. Literature Review 2. Questionnaires
Ivens and Pardo (2008)	“Key-account-management in business markets: An empirical test of common assumptions”.	1. Literature Review 2. Questionnaires
Zupancic.D (2008)	“Towards an integrated framework of Key Account Management”.	1. Literature Review 2. Interviews 3. Workshops

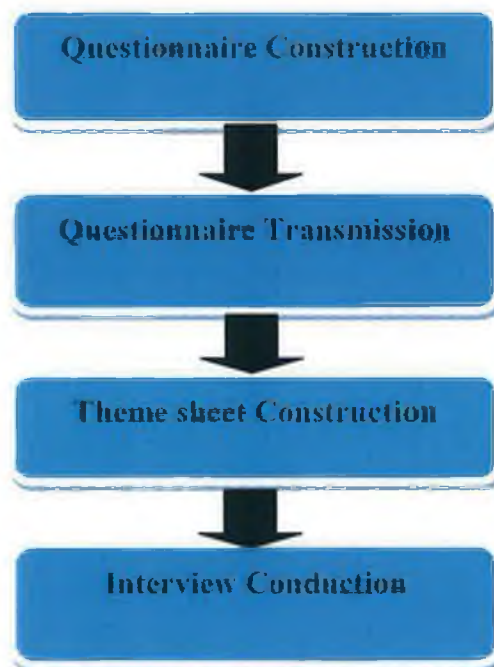
These studies assisted the researcher in deciding upon the most effective methodology to use in this study.

2.2.2 Primary Research

It was felt that due to the nature of the research and the research objectives that surveys and semi- structured in-depth interviews would be the best and most appropriate techniques to use and that the most valuable insight would be gained through conducting them.

The primary research process is outlined in figure 2.1 below.

Figure 2.1: Primary Research Process



The primary research process consisted of the construction and transmission of two surveys to 125 buyers and sellers and 10 in-depth interviews with 5 KAM's and 5 of their key customers within randomly selected industries throughout Ireland.

2.3 Research Approach

As detailed earlier, the exploratory research utilized both qualitative and quantitative methods incorporating questionnaires and in-depth interviews.

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2.3.1 Quantitative and Qualitative research approaches

Due to the nature of the study the researcher choose a combination of quantitative and qualitative research to gain the most valuable insight from the analysis.

“A multi-method approach, consisting of the combination of qualitative and quantitative research, can increase the reliability and validity of the outcomes” (Horn, 2009, p.7).

There is so much value in mixing qualitative research with quantitative. Quantitative research excels at summarizing large amounts of data and reaching generalisations based on statistical projections. Qualitative research excels at "telling the story" from the participant's viewpoint, providing the rich descriptive detail that sets quantitative results into their human context (www.socialresearchmethods.net).

It is believed that the use of more than one research approach increases the reliability and validity of the research (Barbour, 2007). For this reason this study employ's a multi method approach of both qualitative and quantitative research methods.

The questionnaire research gathered both qualitative and quantitative data which was then utilised to devise the theme sheet for the in-depth interviews, which was also used to collate qualitative and quantitative data.

2.3.1.1 Quantitative Research

Quantitative research is defined as “The systematic scientific investigation of quantitative properties and phenomena and their relationships” (Caputi and Balnaves, 2001).

The main objective of quantitative research is to develop and employ mathematical models, theories and/or hypotheses pertaining to natural phenomena.

Quantitative research collects predominately numerical data and opinion. It often report's findings in terms of the relationship between one variable and another. The

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most commonly used method of quantitative research is questionnaire

(<http://www.marketresearch.mottmac.com/>).

Quantitative research has various strengths. Mainly that the information collected can be easily summarised and analysed, and is more valid and reliable. However with quantitative research, the researcher is restricted in the amount of information he/ she can obtain. Thus the researcher chose a combination of both quantitative and qualitative research.

In this study quantitative data is collected from the two questionnaires completed from buyers and sellers in 125 random organisations throughout Ireland and ten in-depth interviews with KAM's and buyers. The quantitative data is presented in numerous diagrams and tables throughout the study.

2.3.1.2 Qualitative Research

“Qualitative research provides a deeper understanding of the research problem than would be obtained from purely quantitative research” (Siverman, 2008, p.8 as cited in Gelo, Braackmann and Benetka, 2008, p.270).

Qualitative research is a widely used method of research usually involving small samples that does not subject research findings to quantification or quantitative analysis. “Qualitative research examines the attitudes, feelings and motivations of the respondents on the topic of interest to the researcher” (Proctor, 2005, p.557).

This approach was chosen as it can be used as an exploratory tool “Where there is uncertainty about a subject, and the researcher does not know what detailed questions to ask, a few depth interviews or groups may be sufficient to provide an understanding and explanations which answer the problem” (Hague and Jackson, 1999, p.71).

Domegan and Fleming (1999, p.127) define qualitative research “as a collection of data which is open to interpretation, for instance on attitudes and opinions, and which might not be validated statistically” (www.qsrinternational.com)

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It encompasses a variety of methods the main one being interviews that can be applied in a flexible manner, to enable participants to reflect upon and express their views or to observe their behaviour. It seeks to encapsulate the behaviour, experiences and feelings of participants in their own terms and context (Proctor, 2005).

Questionnaires, focus groups and in-depth interviews are the most commonly used qualitative research approaches utilised in KAM studies today. Qualitative research has grown in popularity, for three reasons. First, it is usually much cheaper than quantitative research. Second, it produces a good mechanism for coming to an understanding of customer attitudes and motivations. Third, it can improve the efficiency of quantitative research (Procto, 2005).

In this study qualitative data is collected from the primary research conducted which consists of two questionnaires submitted to buyers and sellers in 125 organisations throughout Ireland and ten in-depth interviews with KAM's and buyers. Qualitative data was collected from the buyers and KAM's experiences, attitudes and opinions on the research area.

2.4 Research Instruments

On careful consideration and analysis the author decided to utilise questionnaires and semi-structured interviews to collect quantitative and qualitative data as the most effective methods to gather the data needed to achieve the research objectives and solve the research problem.

2.4.1 Questionnaires

Questionnaires were administered through email and post, to KAM's and buyers in randomly selected buying and selling small, medium and large corporations throughout Ireland to uncover trends and aid in solving the research problem.

Questionnaires are defined as "An inexpensive way to gather data from a potentially large number of respondents. Often they are the only feasible way to reach a number

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of reviewers large enough to allow statistically analysis of the results” (www.emerald-research.com).

It serves four basic purposes, to (1) collect the appropriate data, (2) to make data comparable and amenable to analysis, (3) minimize bias in formulating and asking question, and (4) to make questions engaging and varied (www.cc.gatech.edu).

According to Horn (2009, p.116), “Questionnaires are effective when the research is well defined in theory and the research questions or hypothesis is clear and specific”. As highlighted in table 2.1, questionnaires have been used as an effective method of research in many current and previous KAM studies Ivens and Pardo (2008), Ojasalo.J (2002).

The researcher used questionnaire research for the above purposes aswell as to identify trends in the research area for the construction of questions for the in-depth interview. The information gathered from the questionnaire research gave the researcher an improved insight into the research area which enhanced the interview process.

2.4.1.1 Questionnaire Design

Two questionnaires were devised one for buyers and one for KAMs which were constructed online on a website called ‘free online surveys’. Following completion they were saved in Microsoft Word document format.

A cover letter detailing the research was handed, posted and emailed to 202 organisations throughout Ireland. 125 organisations responded and volunteered to participate in the study attaining a response rate of 62.5% which can be seen as a limitation to the research. The surveys were then transmitted via post and email, to the 125 volunteers.

The two questionnaires contained sixteen and seventeen questions consisting of various different question types. These included open-ended questions, closed

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questions, multiple choice questions and dichotomous question. The questions and question types were decided with careful consideration of the research problem and the information needed to answer the research objectives. Open-ended questions allow respondents to obtain more information, including feelings, attitudes and understanding of the subject (Brace, 2004). Closed questions take a variety of forms including rating scales (Hunt, 2009). These questions effectively make the questionnaire easier for the respondent to complete. Dichotomous are fixed-alternative question in which respondents are asked to indicate which of two alternative responses (i.e. yes/no) most closely corresponds to their position on a subject. Multiple choice questions (Ward et al, 1997) are questions with two or more possible responses and like closed questions they make the questionnaire easier to complete which can lead to an increased rate of response.

2.4.2 In-Depth Interviews

Following the construction and transmission of questionnaires, the researcher conducted ten semi-structured interviews with five KAM's and their five buyers to corroborate or contest the earlier findings of the questionnaires while gaining further insight. The interviews took place within the month of July in the North-West, North-East and South-East of the country in the respondent's place of work.

Also outlined in table 2.1, in-depth interviews have been used as a valuable method of research in many recent KAM studies, e.g. Zupancic (2008) and Pardo (1999). In this study the author decided to conduct in-depth interviews to corroborate or contest previous questionnaire findings and to further improve the reliability and validity of the information gathered.

Also known as individual extended interviews, in-depth interviews are a way of obtaining qualitative data. Like focus groups they are also an unstructured and direct way of obtaining information. However unlike focus groups, in-depth interviews are conducted on a one-to-one basis here the participant is probed by an interviewer to uncover underlying motivations, beliefs, attitudes and feelings on a topic (Malhotra, 2007).

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It is a qualitative interview and as such is based upon conversation, with the emphasis on researchers asking questions and listening, and participants answering. The purpose of most qualitative interviews is to derive meaning through interpretations, not necessarily 'facts' from participant talk. The emphasis should be on a full interaction to understand the meaning of the participant's experiences and life worlds. As the name implies, in-depth interviewing seeks 'deep' information and understanding (Proctor, 2005).

The interviewer must gain the confidence of the person being interviewed so that an honest, open discussion will take place. The success of the interview depends very much on the interviewee, without passing judgment on what the respondent says. The interviewer must avoid the appearance of superiority and remain objective. Above all the interviewer must probe into attitudes, beliefs and feelings and not accept brief 'Yes' and 'No' answers. In-depth interviews may last for half an hour, an hour or up to two hours.

Normally the interviewer will take brief notes during the session, and it is advisable (with the permission of the interviewer) to tape record the discussion. This allows the interviewer greater flexibility when conducting the interview and also ensures that all important issues recorded (Domegan and Fleming, 2003).

In-depth interviews have a many advantages which include:

1. A greater depth of insights than focus groups.
2. Attribute the responses directly to the participant, unlike focus groups where it is often difficult to determine which participant made a particular response.
3. Result in a free exchange of information that may not be possible in focus groups because there is no social pressure to conform to group response. This makes them ideally suited to sensitive issues, especially commercially sensitive issues.
4. Be easier to arrange than the focus group as there are not so many individuals to coordinate and the interviewer can travel to the participant.

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The following are challenges that researchers face when using this very valuable technique:

1. The lack of structure makes the results susceptible to the interviewer's influence, and the quality and completeness of the results depend heavily on the interviewer's skills.
2. The length of the interview, combined with high costs, means that the number of in-depth interviews in a project tends to be few.
3. The data obtained can be difficult to analyse and interpret. Many responses may not be taken at face value; there can be many hidden messages and interpretations in how participants express themselves (Birks and Malhotra, (2007, p.211).

An interview can take three different forms of structured, semi-structured and unstructured. The researcher in this study chose a semi-structured format.

A semi-structured interview is a research technique used to collect qualitative data by setting up a situation (the interview) that allows a respondent the time and scope to talk about their opinions on a particular subject. It uses open-ended questions, some suggested by the researcher and some that arise naturally during the interview

(www.sociology.org.uk)

Semi-structured interviews are conducted with a fairly open framework which allows for focused, conversational, two-way communication.

The researcher in this study decided to use a semi-structured interview format for the following purposes:

- To guide the questioning and probe for additional information.
- To confirm previous gathered information.
- To gather qualitative information from a sample of the population.
- To obtain general information relevant to the research problem (i.e.: to probe for what is not known).
- To gain further insights on specific issues (www.fao.org).

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These research instruments successfully uncovered the respondent's experience, and opinion on various important aspects of KAM.

2.5 Data Recording Procedures

The researcher utilised many data recording tools on the conduction of the questionnaires and in-depth interviews to improve the analysis and evaluation of the research findings. These comprise of tape recording, note taking and the use of a theme sheet.

2.5.1 Location of Interviews

The interviews in this study were conducted face-to-face and took place in the workplace of each of the interviewees at a time that was most convenient for them.

2.5.2 Recording of Interviews

It is a valuable to record what is said in an interview so as to be able to use the information in the analysis stage of the research process. Dunne (1995) notes that there are several methods by which interviews can be recorded including memory, taking notes and taping the interview. As each of the interviews in this study were approximately one hour in duration, the researcher decided that each interview would be recorded using a tape recorder.

Carson et al (2001) point out that tape recording interviews can be very beneficial. By recording the interviews transcription becomes much easier. Listening back to the first interview will reveal how the interview was conducted and can improve the note taking and the interviewer's probes and contributions in later interviews. Dunne (1995) also notes that by using a tape recorder everything is captured word for word, allowing all information to be captured which might not be the case with note taking. Also a tape recorder captures the tone of voice of the respondent, something which is not captured if note taking is used (Dunne, 1995).

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On conduction of the interviews, this study used tape recording to diminish the distraction note taking may cause, allowing the interviewer to listen more efficiently during the interview process. It also reduced the chance of mislaid information and allowed for continuous and more valuable analysis and evaluation of the information obtained.

2.5.3 Use of a Theme Sheet

The researcher chose to use a theme sheet for conducting the interviews in an effort to ensure that each research objective was addressed correctly and that no line of questioning was overlooked throughout the course of each interview. The theme sheet, while acting as a guideline also serves to ensure that there is consistency between each interview (McCracken, 1998). McCracken (1998) also reports that the theme sheet is useful in establishing the direction and scope of the interview.

2.6 Analytical Procedures

After the interviews took place the data collected from the questionnaires and interviews was analysed to derive information related to the components of the marketing research problem (Malhotra, 2007).

The research findings from the questionnaire was calculated and analysed using the database system SPSS. The responses from open-ended questions aswell as any additional commends were typed out on a Microsoft Word document and given further analysis.

After the interviews were conducted, the researcher also transcribed, in Microsoft word, each of the interviews undertaken with each of the respondents. The transcription of the interviews were analysed and evaluated, making linkage to the research problem and objectives.

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2.7 Research Limitations

The exploratory research has followed a 'multi-method research approach' of a combination of both quantitative and qualitative research which was deemed the most suitable approach given the nature of the topic being examined. While the researcher supports the rationale for each of these research approaches, they are not without their limitations in regard to the scale of information they can generate.

With quantitative research, the researcher is restricted in the amount of information he/ she can obtain while qualitative research is characterised by small samples which has always been the focus of criticism. Executives are reluctant to base important strategy decisions on small-sample research because it relies so much on the subjectivity and interpretation of the researcher (Proctor, 2005).

The findings from the research are not representative of the entire business population. A larger sample size was not possible for many due to time and cost constraints. However the main restriction to obtaining a larger sample size was the low response rate. Many of buyers and sellers asked were unwilling or unable to participate in the research. For example the questionnaire research only achieved a response rate of 62.5% and 28% non- response error. The remaining 9.5% responded but were unable to partake due to time restrictions.

In the interview research time limitations, difficulties in negotiating access to respondents and confidentiality requirements of the chosen industry mean that the number of interviews undertaken cannot be considered to give a universal picture rather they give an insight into the thinking of a small but significant group of individuals within different industries.

The success of semi-structured interviews ultimately depends on the interviewer, his/ her interviewing skills and subjectivity relating to the analysis of the topic (Domegan and Fleming (1999). In this case the interviews were undertaken by one interviewer, which went some way to ensure continuity of results. However, the inexperience of the interviewer is acknowledged and may have limited the information given on the depth of interviewee probing to gain deeper insights into the subject area (Marshall and Bossman, 1999).

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Interviewer bias is outlined by Saunders et al., (2003) as causing a limitation, which may occur during the exploratory research process and will impact negatively on the quality of the data retrieved. When conducting the interviews the researcher was vigilant to ensure that personal beliefs and ideas were not being imposed upon the respondent.

2.8 Conclusion

In this chapter the researcher outlined the research methodology adapted to secure both primary and secondary data to ensure that the dissertation is valid and reliable. The subsequent chapter will introduce the research topics of Relationship Marketing and Key Account Management.

CHAPTER THREE

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CHAPTER THREE: LITERATURE REVIEW

3.1 Introduction

In this chapter the research topics of Key Account Management and Relationship Marketing are explored. Relationship Marketing is firstly introduced and its evolution. The advancement of marketing from a transactional to a relational approach is discussed along with the transition from transactional to a relationship selling approach. The concept of Key Account Management is then introduced, with focus upon its evolution and the stages in the development of buyer/seller relationships. Various important aspects of the Key Account Management concept are also investigated.

3.2 Relationship Marketing (RM)

In 1966 theorist Thomas defined relationships in business as “The organisations asset that releases inherent values to create wealth” (Thomas, 1966, p.35).

“Relationship Marketing is an emergent disciplinary framework for creating, developing and sustaining exchanges of value between the parties involved” (Ballyantyne, 1997 and Mattsson, 1997, as cited in Harker, 1999, p. 18).

The concept of RM first originated in industrial and service marketing in the 1970’s, evolving from the more traditional transactional marketing approach of the 1960’s. This approach is seen by many as a “marriage” between the buyer and seller, although this analogy may not capture the full complexity of a lot of business relationships. Nonetheless it is through such collaborative arrangements according to Ballantyne et al. (2000), that improved financial and market performance is achieved (Reicheld and Sasser, 1990, as cited in Harwood and Garry, 2006, p. 107).

According to Gordon (1998): “Relationship Marketing is the ongoing process of identifying and creating new value with individual customers and then sharing the benefits from this over a lifetime of association. It involves the understanding,

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focusing and management of ongoing collaboration between buyers and selected customers for mutual value creation and sharing through interdependent and organisational alignment” (Gordon as cited in Hollensen, 2003, p. 10).

Parvatiyar and Sheth (2000) define RM as: “The ongoing process of engaging in cooperative and collaborative activities and programs with immediate and end-user customers to create or enhance mutual economic value, at reduced cost.” (Parvatiyar and Sheth as cited in Bruhn, (2003, p.10).

From the above definitions it can be seen that mutual value creation through the collaboration of activities, usually over a long period of time is the main focus of RM.

“In essence the theory of RM revolves around adding value throughout the process of exchange of goods or services, rather than merely as a result of a core product” (Harewood and Gerry, 2006, p.108).

3.3 The Marketing Mix

Relationships, networks and interaction play a certain but subdued role in the traditional marketing management, popularly referred to as the marketing mix or the 4 P’s (Product, Price, Place, Promotion).

The marketing mix is defined by Kotler (2003, p.15) as “A set of marketing tools that a firm uses to pursue its marketing objectives in the target market”.

McCartney first introduced the four P’s concept to marketing literature in 1964 emanating from the “traditional” transactional marketing approaches (Gronroos, 1994). The number of P’s that the model contained grew with the work of such authors as Kotler in 1986 with his concept of “mega marketing”, adding public relations and politics to the list (Kotler, 2000). However, academics from the ‘Scandinavian School of Thought’, namely Gronroos and Gummesson found that the marketing mix concept was still lacking. In fact, by offering the Nordic perspective, these academics have led the argument that the marketing mix theory is inadequate in today’s business environment (Gronroos, 1994 and Gummesson, 1994).

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According to Gronroos, (1994), “For a firm applying a relationship strategy the marketing mix often becomes too restrictive”. Gronroos’s argues that the traditional marketing mix approach is inadequate for operating in line with the marketing concept (i.e. satisfying customer needs and wants) which appears to be based on the four P’s approach constituting a production-oriented definition of marketing and a reliance, at best, on mass marketing (Gronroos, 1997). While Gummesson contends that the marketing mix approach is supplier orientated as opposed to customer orientated. Hence, it excludes or treats occasionally matters like complaints handling, invoicing, design and production (Gummesson, 1994).

Additionally, Gummesson advocates that the four P’s approach is narrowly limited to functions and is not an integral part of the total management process (Gummesson (1994) and Gronroos (1997), as cited in Jobber and Lancaster, 2006).

Therefore the millennium brought with it a reduced level of attention to the marketing mix approach by marketing practitioners and scholars alike, as it did not justify the complex interaction and information exchange processes between organisational buyers and sellers (Kotler, 2003). The marketing mix approach prescribes a standardised approach towards customers, based on average response curve considerations without taking into account the heterogeneity of customer needs (Hakansson et al., (1976), as cited in Anderson, (200, p. 167).

3.4 The Evolution of Relationship Marketing

“Relationship Marketing was first investigated in the 1970’s, even though it has been a central part of what people have done for millennia” (Ridley 1996 as cited in Rao and Perry, (2002, p. 600).

RM has its origins in industrial and service marketing and for many years industrial markets were considered no different to consumer markets (Ford, (1990), as cited in Turnbull, Ford and Cunningham, 1996). During the industrial era, mass manufacturing of standardised goods gave birth to mass marketing and mass distribution.

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Over the past four decades, during which time the marketing mix perspective was dominant in almost every aspect of marketing literature, the RM approach has gradually established itself as an alternative view of, mainly, industrial marketing (Blois, 1996, as cited in Anderson, 2001).

Probably one of the most significant developments in the practice of marketing is the shift in emphasis to customer relationship management from a transaction orientation (Rich, 2000). Christopher, Payne and Ballantyne absorbed the Total Quality Management ideas of bringing together quality, marketing and customer service, and labeled the resulting mixture RM (Jobber and Lancaster, 2006).

Four antecedents were responsible for the increased popularity of RM in the late 1980's and early 1990's. Firstly, the energy crisis of the 1970's and the consequent economic stagflation resulted in excess capacity and high raw material costs. As competition intensified on a global basis, it became necessary for organisations to defensively focus on retaining customers. Customer retention became the focus and this resulted in the emergence of ongoing relational exchange in contrast with the one-time transactional exchange (Sheth et al., 1988 as cited in Sheth, 2002).

At the same time, services' marketing was emerging as a popular new domain of research and understanding. Leonard Berry was the first person in services marketing to coin the phrase "Relationship Marketing" as early as 1983 (Berry, 1983). It made sense because services are generally direct offerings to the end users and companies have a direct record of transactions over time with each individual customer, enabling researchers to analyze and theorize about customer loyalty and one-to-one marketing (Peppers and Rogers, (1993) as cited in Sheth, 2002).

Globalisation, mature markets and technological advancements increased competition in business, leading to a transition from mass markets to highly fragmented markets (Gosselin & Bauwen 2006). These factors resulted in a shift in the balance of power in business-to-business (B2B) and business-to-consumer (B2C) relationships from the seller to buyer. This increase in buying power created a scenario where it was

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“financially more lucrative to retain existing clients than to attract new business” (Kasabov, 2007, p.171).

Thus, in B2B marketing, companies began to institute key account, national account and global account management processes and programs to increase their rate of customer retention and consolidate and increase share of each accounts business to fewer suppliers. This was further simulated by the quality drive in the 1980's (Total Quality Management Philosophy) and a desire to reduce the number of suppliers in order to improve quality at a lower cost. This collaborative as opposed to combative attitude toward suppliers further resulted in treating business exchanges as relational and interactive (Sheth, 2002).

The emergence of International Marketing and Purchasing Group (IMP) in the late 1970's (Hakansson, 1982) in Europe which examined marketing relationships from a business perspective. With a focus on interaction as opposed to transactions this provided another impetus toward B2B Relationship Marketing. According to their model relationships were deemed to represent both a valuable resource and an investment: to increase economic and technological efficiency, to serve as an information channel, and to reduce uncertainty (Cheverton.P, 2007). Consequently, RM exploded as a field of marketing inquiry in the late 1980's (Sheth and Parvatiyar, 2000, as cited in Sheth, 2002).

“In part the world has shifted towards a view of the benefit of collaborative as opposed to competitive buyer-seller relationships” (Ford,1990, p. 542, as cited in Anderson, (2001, p.167)).

It can be noted from the above that companies were forced to reconsider their strategy towards a more relationship focused orientation. As competition increased they had to come up with new ideas for retaining their customers rather than merely supplying a core product. Indeed it can be seen that from a relatively modest start, buyer-supplier collaboration and RM have become very important on the industrial marketing agenda in business schools as well as in business practice.

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3.5 The Transactional to Relationship Continuum

According to the traditional (transactional) marketing concept the major focus of marketing programs has been to make customers buy, regardless of whether they are existing or new customers. Often only a small part of the marketing budget was explicitly allocated directly towards existing customers (Hollensen, 2003).

Conventional marketing theory is concerned with winning customers and developing market share without any significant attempt to develop strategies for customer retention (Payne et al., 1995). The sale is the most important issue rather than concern for what the customer wants and needs to secure repeat purchases. Another characteristic of transactional marketing was the belief that independence of choice among marketing players created a more efficient system for creating and distributing marketing value (Hollensen, 2003).

The management of account relationships has grown more varied and strategic in today's B2B environment, defining how a company competes in the marketplace.

Table 3.1 contrasts traditional marketing views with those of RM:

Table 3.1: Transactional to Relationship View

Traditional (Transactional) View	vs.	Relationship View
The ultimate purpose of marketing to make a sale	vs.	The ultimate purpose of marketing is to create a customer
The objective is to make the sale and find the next customer	vs.	The objective is to satisfy the customers you have by delivering superior value
Growth comes primarily from finding customers	vs.	Growth comes primarily from enhanced product offerings for existing customers
Supplier is valued for its products and services	vs.	Supplier is valued for its present and future problem solving capabilities

Source: Dalrymple D. and Cron W. (1998, p.162)

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In order to stay competitive, maintain cost-effectiveness and achieve reasonable profitability, in today's business environment companies have implemented and applied business philosophies which take into consideration relationship dependencies between business operations in buyer-seller relationships e.g. supply chain management, just-in-time systems and efficient customer response systems (Svensson, 2004). Moving from a transaction to a relationship approach changes the way organisations interact and therefore managing these interactions becomes a key task, (Sharma, 2006) often undertaken by the KAM.

Relationship exchange is seen to develop over time and therefore each one must be examined individually and a portfolio of relationships managed (Bensaou, 1999, Cannon & Perrault, 1999 as cited in Voss and Voss, 1997). For RM to be successful and effective it must be understood and have the support of people in all business departments and functions. The relationship approach sees the closing of a sale as the beginning of a relationship, which must be nurtured and developed, rather than the end of the process (Levitt, (1983) as cited in Cann, 1998).

RM is changing the dynamics of the market place by unveiling new forms of competitive advantage. Firms should take cognisance of these changes and their ensuing challenges for their sales force.

3.6 Relationship Selling

For many years the dominant sales approach was *transactional selling* – a series of transactions, each one involving separate organisations entering into an independent transaction involving the delivery of a product or service in return for compensation. In today's highly competitive environment, however customers realize there are benefits in building relationships between themselves and their suppliers so have turned to *relationship selling* approaches (Johnston and Marshall, 2006, p.4). In table 3.2 authors Dalrymple, Cron and DeCarlo, (2004, p.7), highlight the main differences between relationship selling approaches and traditional selling approaches.

Table 3.2: Contrasting Transactional and Relationship Selling Models

Transactional Selling Model	Relationship Selling Model
◆ Emphasis on sales skills	➤ Emphasis on general management skills
◆ Responsiveness to customer needs	➤ Proactive innovation/opportunity identification and offers
◆ Good products, price and service	➤ Value-based offers/organisational enablers
◆ Narrow customer focus	➤ Broadened to customers' customer
◆ Differentiation through products	➤ Differentiation through people
◆ Sales/revenue focus	➤ Profit management focus/share of customers
◆ Traditional customer relationship	➤ Trusted business advisor and partner

Source: Dalrymple, Cron and DeCarlo, (2004, p.7)

Relationship selling has shifted attention from 'closing' the singular sale to creating the necessary conditions for a long-term relationship between the firm and its customers that in the long run breeds successful sale's encounters. Also in practice, there is a tendency to change the sales lexicon from sales force to sales counsellors', professional representatives or sales consultants (Manning and Reece, 1992; DeCormier and Jobber, 1993). Perhaps the change in the title is designed to facilitate the transition of the sales force's tasks from selling to advising and counseling, from talking to listening and from pushing to helping. This transition is not only a matter of title but the new reality of relationship building directs sales people and sales managers to develop long lasting relationships with their customers based on mutual *trust* and *commitment*. This is an opportunity for salespeople and sales managers to develop and enhance the status of the profession (Donaldson, 1998)

Customer retention constitutes a prime objective of relationship selling. This can only be achieved in an organisational selling situation by having full regard to customers' needs and by working to form long and trustworthy relationships. In such situations it

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can be seen that the length of time the individual salespersons stay in particular posts may well increase since buyers generally stay in their positions about twice as long as field salespeople (Jobber and Lancaster, 2006).

3.7 The Buying Centre

“Various names and descriptions have been conferred upon the collection of individuals involved in business buying decisions but the most commonly used term in marketing is the buying center/decision making unit” (Robinson et al., (1967); and Webster, (1984) as cited in Ghingold and Wilson, 1998, p.97).

Following on from the marketing mix it became apparent that the key to success in B2B markets is an understanding of customer buying behavior. From the 1970's a number of authors began analyzing the relationships between buyer and seller companies, realizing the importance of the buying centre or decision making unit (DMU). This way of thinking was considered a major breakthrough for the advancement of industrial marketing (Gronross, 1994, McDonald et al., 1997, McDonald & Rogers, 1998).

“The concept of the buying centre provides rich insights into the role of group forces in organisational buying behavior. The buying centre consists of those individuals who participate in the purchasing decision and who share the benefits and risks arising from the decision” (Hollensen, 2003, p.144).

Roles of members of the buying center have been classified as;

- ◆ Initiators: The person who initiates the request for a product.
- ◆ Users: The individuals who will use the product.
- ◆ Influencers: Those who have an influence over the standards, make of the product etc.
- ◆ Buyers: Those who provide the authority to execute the contractual arrangements.
- ◆ Gatekeepers: Those who control the flow of information e.g. Secretaries, purchasing agent.

Source: Honeycutt, Ford and Simintiras (2003, p.76)

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The buying centre is not a formal department in the organisation and it changes over time. Also the number of people included can vary depending on the value and technical sophistication of the product and also on how many people are going to be using the product (Dalrymple and Cron, 1998). It is very important that the salesperson is familiar with the make-up of their customer's decision making unit (DMU) as if they are not aware of whom to target the chance of a sale or repeat sale is decreased.

In summation, in today's business environment, customer relationships are a decisive factor for corporate success (Bauer, 2002). "Relationship marketing involves not only the initiation of relationships, but also its subsequent stabilisation, intensification and reactivation in case of a termination of the relationship by the customer" (Bruhn, (2003, p12). It is becoming more and more important in today's business environment for companies to build strong and lasting relationships with their customers especially their bigger customers in order to remain competitive in business (Rogers and Galbreath, 1999).

The concept of KAM will now be extensively reviewed. Focusing upon the meaning of KAM, the evolution of KAM, the stages in the development of buyer/seller relationships, the criteria used in selecting key accounts, the roles and skills of KAMs, the training of KAM's and the rewards they receive through good work practices, the importance of trust and commitment the relationship and the overall value derived from KAM when it is managed to the best of its capabilities.

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3.8 Introduction to Key Account Management

Recent interest in RM and customer retention has refocused the attention of marketing academics and managers towards KAM as a means of building and maintaining long-term buyer/seller relationships (Millman and Wilson, 1995).

“Key Account Management is a management concept, including both organizational and selling strategies, to achieve long-lasting customer relations” (Hollensen, 2003, p.629).

The purpose of KAM is to retain customers and achieve profit through mutual cost reduction. It is the discipline of enhancing value through better people, products, processes and communications (McDonald’s and Rogers. 2001).

A lot of marketing and sales management textbooks and articles invariably refer to KAM activities under the guise of national account management; but this is often fleeting coverage considering its importance to company performance, and the approach has tended to be largely descriptive (e.g. Dalrymple and Cron, 1998; McDonald and Rogers, 1998).

“Key Account Management is seen as a natural development of customer focus and RM. It offers critical benefits and opportunities for profit enhancement to both sides of the seller/buyer dyad” (Malcolm, McDonald, Millman & Rogers, 1997, p.737).

3.9 The evolution of Key Account Management

The concept of KAM was first introduced to business literature in an article by Stevenson in 1981 when he referred to a major/important customer as a ‘national account’. Shapiro and Moriarty further developed the idea in 1982 when they introduced National Account Management, Corporate Account Management and International Account Management.

It was not until 1997 that the term and concept “Key Account” and “Key Account Management” began replacing “National Account” and “National Account

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Management” by authors such as Sengupta et al. (1997), Pardo (1997), Sharma (1997) and Tice (1997). A number of market paradigms contributed to the growth of KAM into marketing theory and practice. Such include internationalisation, market maturity, (Cheverton.P, 2007), increased competition, increasing consumer knowledge, increasing size of accounts and advancements in technology (Royds.T, 2007).

3.10 What is a Key Account and Criteria used for Selecting Key Accounts?

“As the B2B sales environment of today is becoming increasingly complex (e.g. Boles et al., 1997, p.264), KAM is becoming increasingly important since it is perhaps the most frequently used approach to building close inter-firm relationships”. According to Cheverton.P, (2007), “Success of KAM is largely determined by the recipients of the approach”. Thus successful KAM is determined by whether or not a key account continues to be a key account (Sharma. A, 2006).

3.10.1 What is a Key Account?

McDonald and Rogers (1998, p.1) state that “key accounts are those customers in business-to-business markets identified by selling companies as of strategic importance” e.g. those accounts that help increase profits of the selling company.

Blythe (2005, p.96) is of the opinion that a key account is one which possesses some or all of the following characteristics:

- It accounts for a significant proportion of the firm’s overall sales.
- There is co-operation between distribution channel members rather than conflict.
- The supplier works interdependently with the customer to lower costs and increase efficiency.
- Supply involves servicing aspects such as technical support as well as delivery of physical goods.

3.10.2 Criteria used by companies to select Key Accounts

”Since scarce and valuable resources are allocated to key accounts, it’s very important to use considerable care in selecting customers for key account status” (Wengler, 2005, p.36).

Traditionally, the key criterion for designating particular customers as ‘key accounts’ was increases in account value/volume. As experience with key accounts has developed, the range of criteria used to select key accounts has grown based on the strategic or long term importance of specific customers to the supplier (Jobber and Lancaster, 2006).

“To identify key accounts, it is essential that the selling company considers what it primarily wants from accounts. It is equally important to identify which accounts can meet the objectives at present or have the potential to do in the future” (Ojasalo, 2001, p.209).

Jobber and Lancaster (2006, p.282) believe that the criterion used to select key accounts include accounts with significant growth prospects (i.e. high market share and sales potential), customers that are willing to be partners in innovation by allowing joint new product development and highly prestigious accounts that improve the image and reputation of the supplier and can be used in reference selling by the sales force.

Boles, Johnston and Gardner (1999, p.268) acknowledge that there are a number of factors that the supplying firm should consider at when determining whether or not to establish a key account. These factors comprise of profit margins, delivery and service requirements and volume commitments.

This criterion clearly indicates that high sales potential and the prospect of further growth are the main criteria used by companies when selecting key accounts. In a highly competitive environment buyers who provide the bigger financial incentives

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will be the companies who gain the greater attention of the supplying firm and gain key account status.

It costs the supplying firm money to keep key accounts satisfied and committed to doing business with them, so if the financial gains received from the account by the supplying firm are not seen as being sufficient it is not financially advisable to instate them as a key account.

3.11 What is Key Account Management?

“Key account management is a strategy used by suppliers to target and serve high potential customers with complex needs by providing them with special treatment in the areas of marketing, administration and service. In order to receive key account status, a customer must have high sales potential” (Jobber and Lancaster, 2006, p.278).

This definition is further explained by McDonald and Rogers (1998), who contend that

“Key account management is an approach adopted by selling companies aimed at building a portfolio of loyal key accounts by offering them, on a continuing basis, a product/service package tailored to their individual needs.” (McDonald and Rogers, 1998, p.1).

The above definitions are very thorough in describing KAM; it is the management of customers with high sales potential by suppliers. It offers benefits and opportunities for both parties if managed and maintained effectively.

Nowadays in order for companies to bring stability to their operations, to respond quickly to accelerating changes in technology, competition and customer preferences, companies have tried to create new forms of organisations (Hamburg et al., 2000). These new organisational forms focus on relationship building through repetitive, rather than single sales transactions. There is also more of an emphasis on the

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formation of partnerships and strategic alliances between suppliers and their customers (Gosselin and Bauwen, 2006).

“Key account management, being the management of dedicated sales and or marketing processes, (e.g. customer selection, customer satisfaction, channel management, relationship management, etc.), directed towards important customers in business and industrial markets, can be seen as a practical implementation of long-term buyer/seller relationships” (Gosselin and Heene, (2005), as cited in Gosselin and Bauwen, 2006, p.376).

3.12 The progression of key Account Relationships

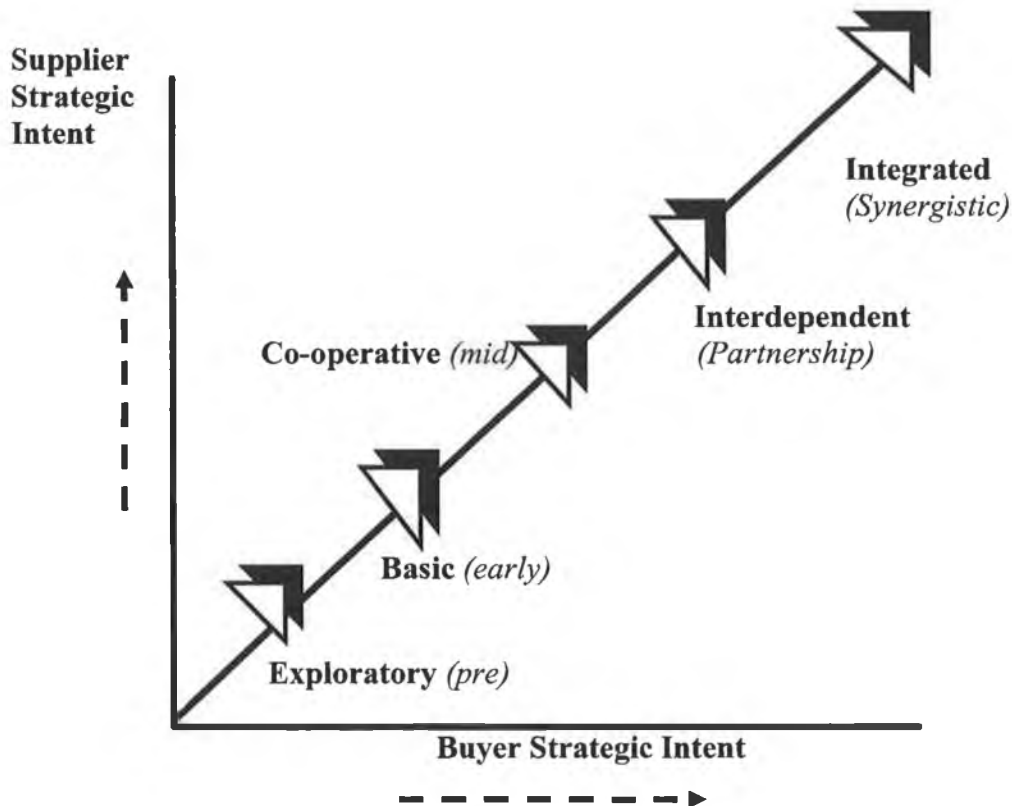
Ford (1980) as cited in Millman and Wilson (1995) suggests that supplier-customer relationships in B2B markets evolve over time, and considering the process of relationship development, careful management can obtain the best possible value from these relationships. There is potential for all stages of KAM to be represented in buyer/seller relationships.

3.12.1 Stages in the Development of Buyer/Seller relationships

Many companies are preaching to their sales force the importance of understanding how to build and enhance professional relationships at all levels of the organisation. It is helpful in this regard to understand how relationships are likely to evolve over time (Dalrymple, Cron and DeCarlo, 2004).

Lamming (1993) provides an historical model of relational development in the motor industry which suggests that the nature of relationships in whole industries may evolve over time, from arms length traditional relations to the partnership and lean supply models (Lamming, (1993), as cited in Millman and Wilson, 1995, p.11). In these models, a variety of relationship stages and of triggering factors moving the relationship from one stage to the next has been proposed. Due to this very fact and building on previous models Millman and Wilson (1996), offer a 6-stage model of key account relational development as outlined in the table below:

Figure 3.1: KAM Relationship Labels (developed from Millman & Wilson, 1994, with their original labels in italics).



Source: developed by Millman and Wilson, 1994

The above model demonstrates the typical progression of a relationship. In addition to the transactional-collaborative continuum, the progression of the level of involvement with customers from simple interactions to complex interactions is also taken into account. The Millman-Wilson stages of relational development describe the stages firms go through as the relationship achieves key-account status (Millman and Wilson, 1995). Each of these stages is further discussed in detail below.

The strategic issues raised at different stages of the relationship connect with the firm's communication strategies, and particularly with the stated strategies of firms. In the early stages, communication may be dominated by outbound messages from the selling company, but in the later stages a true dialogue is likely to be the prevailing paradigm.

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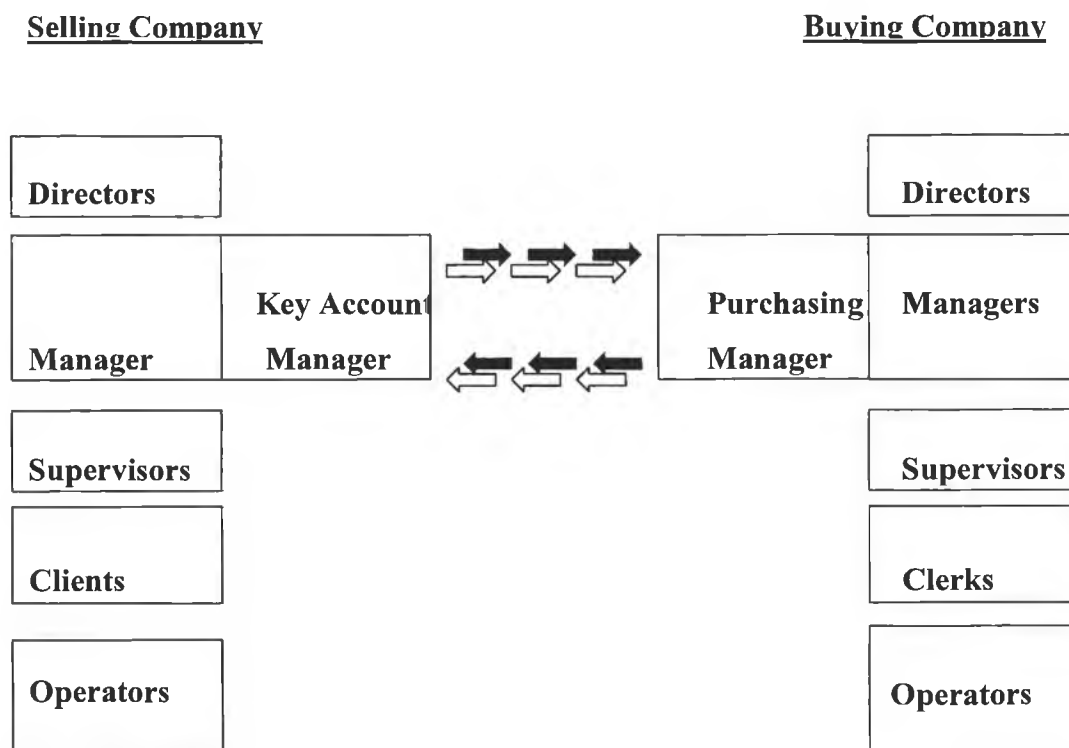
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3.12.2 Exploratory (Pre-KAM) Stage

This stage describes the preparation and identification of potential key accounts now and in the future (Donaldson, 1998). “Pre-KAM describes preparation for Key Account Management or prospecting” (Jobber and Lancaster, 2006, p.285).

The beginning of a business relationship is usually transactional in nature and the level of initial commitment is rather limited and short-term in nature (Honeycutt, Ford and Simintiras, 2003). At this stage the selling company will be courting the buying company and exploring its needs, which of them they are required to fulfill, the size of the opportunity, and generally getting the feel for the organisation, the people who are influential in the buying decision, their personalities and role. At the same time, the buying company with a need will be exploring the suppliers offer, capabilities and credentials, quite possibly more than one supplier simultaneously (McDonald, 2000). The task facing the sales and marketing function in the pre-KAM stage is to identify those with the potential for moving towards key account status (Millman and Wilson, 1995).

Figure 3.2.Exploratory KAM Relationship



Source: McDonald, M. (2000, p.26)

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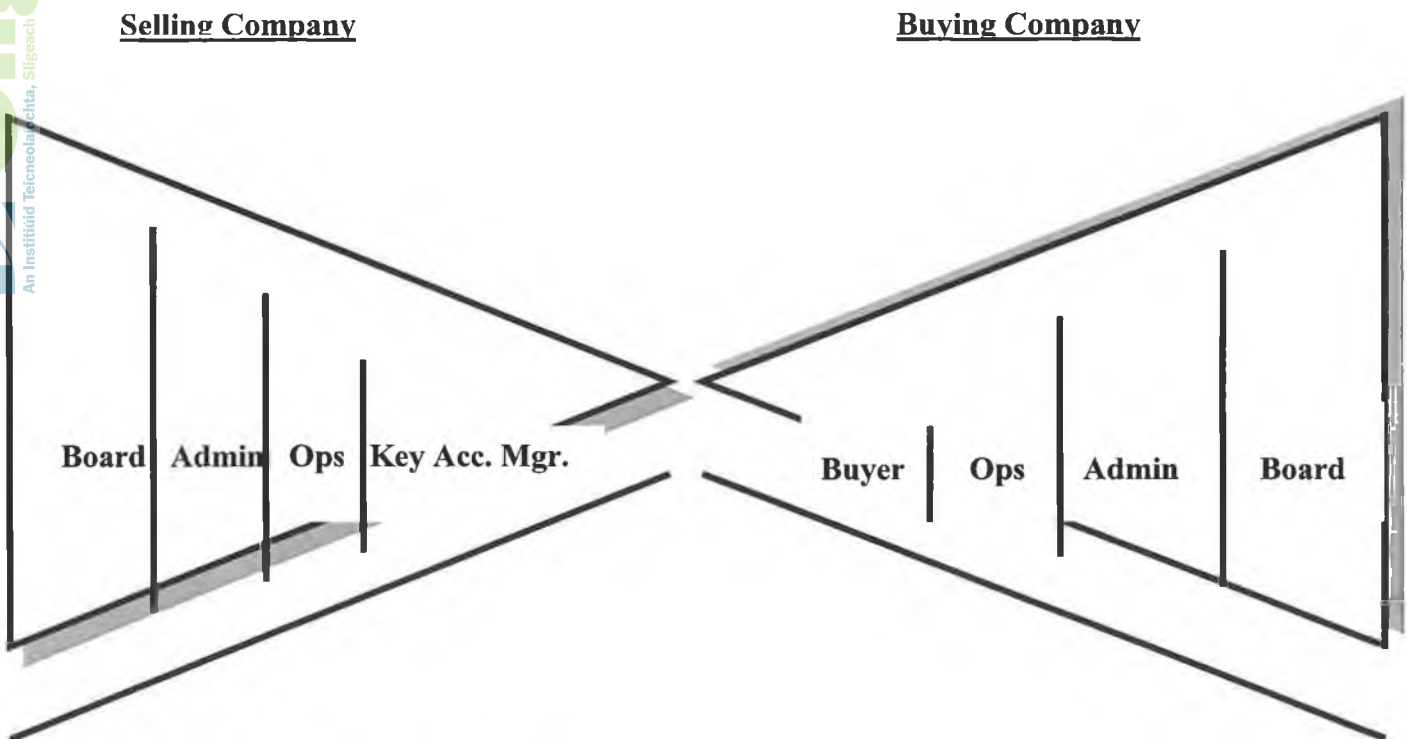
3.12.3 Basic (Early-KAM) Stage

At this stage, a certain amount of experience is accumulated between the two parties but still a great degree of uncertainty and distance remain (Honeycutt, Ford and Simintiras, 2003).

Early-KAM is concerned with exploring opportunities for closer collaboration by identifying the motives, culture and concerns of the account; with/by targeting competitor strengths and weaknesses; and with persuading customers of the potential benefits they might enjoy as “preferred customers” (Millman and Wilson, 1995).

At this stage the supplier will seek to understand the customer’s DMU and processes, and the problems and opportunities that relate to the value adding processes. Product and service adaptations may be made to fit customer needs better (Jobber and Lancaster, 2006).

Figure 3.3 Basic KAM Stage



Source: McDonald, M. (2000, p.26).

3.12.4 Co-operative (Mid-KAM) Stage

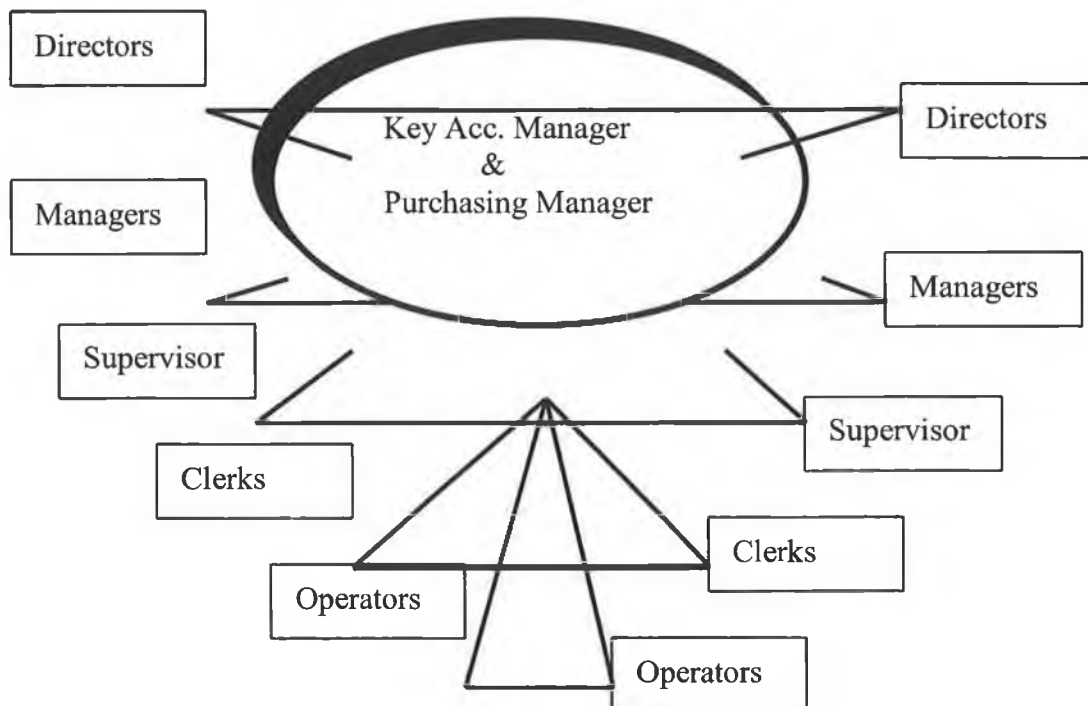
The Co-operative stage is where increased levels of transactions lead to a higher degree of commitment and social distance is reduced (Honeycutt, Ford and Simintiras, 2003).

At this stage the seller has established credibility with the buyer. Contracts between the two organisations increase and assume greater importance (Hollensen, 2003). As the relationship develops, so do levels of trust and the range of problems that the relationship addresses. The number of cross-boundary contacts will also increase with the salesperson perhaps taking a central role (Millman and Wilson, 1995).

Figure 3.4 Co-operative KAM Relationship

Selling Company

Buying Company



Source: McDonald, M. (2000, p.27)

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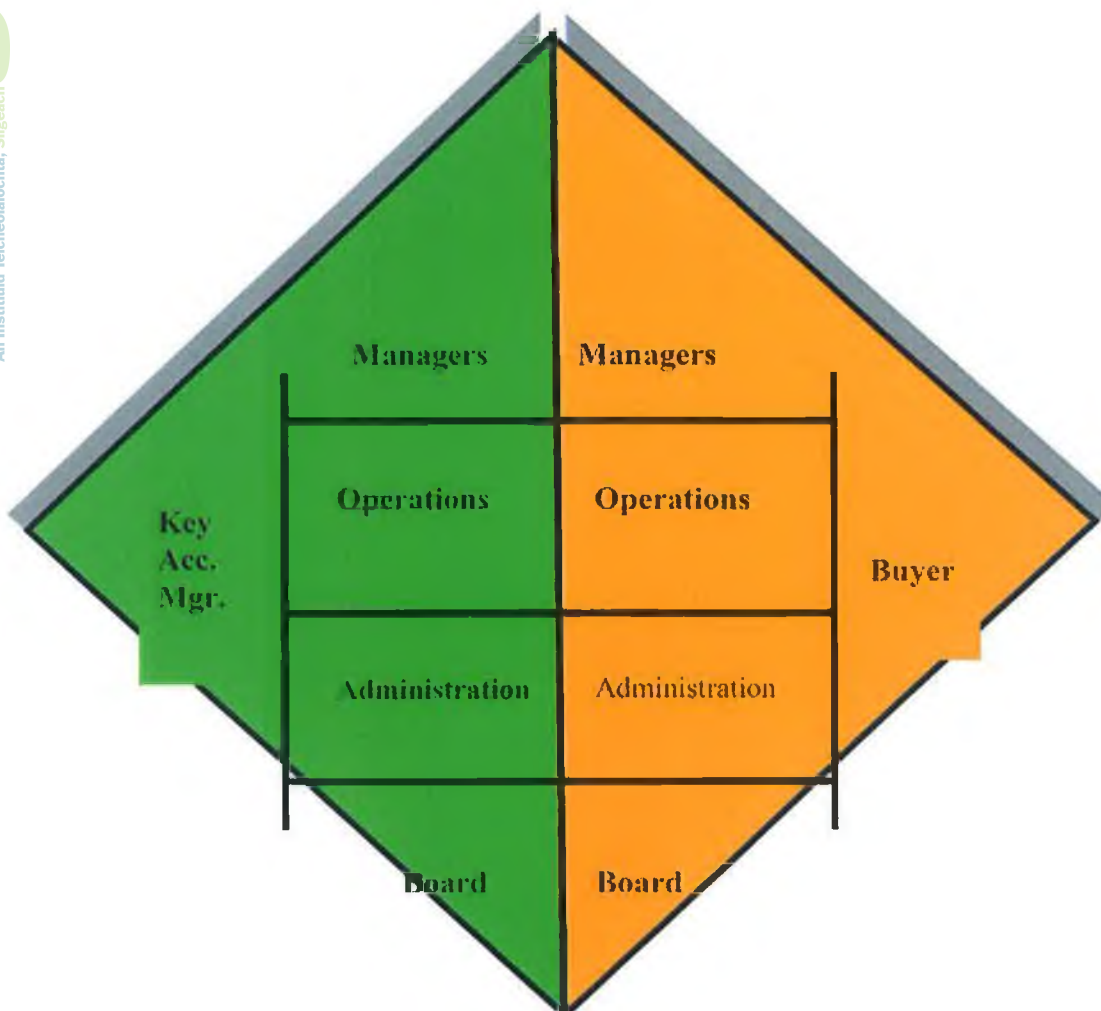
3.12.5 Interdependent (Partnership-KAM) Stage

At this stage, the buying and selling companies acknowledge the importance of each to the other (McDonald, 2000).

This is the stage where mutual benefits should start to flow. When partnership KAM is reached, the seller is seen by the buyer as a strategic external resource (S. Hollensen, 2003). This stage represents a mature stage of key account development and the sharing of sensitive commercial information becomes commonplace as the focus for activity is increasingly on joint problem resolution (Millman and Wilson, 1995).

A range of functions in both organisations work closely together, orchestrated by rather than administered by through the KAM and purchasing manager (McDonald, 2000).

Figure 3.5. Interdependent KAM Relationship



Source: McDonald, M. (2000, p.28)

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3.12.6 Integrated (Synergistic-KAM) Stage

At this advanced stage, firms develop strategic congruence (J. Blythe, 2005). Here KAM goes “beyond partnership” when there is a fundamental shift in attitude on the part of both the buyer and seller and they come to see one another, not as two separate organisations, but as parts of a larger entity, creating joint value (synergy) in the marketplace (Millman and Wilson, 1995).

This type of relationship involves the two companies working together so that they build up an affinity with each other (McDonald, 2000). The buyer is confident that the relationship with the seller is delivering improved quality and reduced cost (Hollensen, 2003). At this stage the seller understands that they still don't have an automatic right to the customer's business but that relationships have been built up and if maintained business should continue.

Figure 3.6. Integrated KAM Relationship

Selling Company

Buying Company



Source: McDonald, M. (2000, p.29).

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3.12.7 Disintegrating (Uncoupling-KAM) Stage

At any stage, the relationship can fall apart for one or more of a large number of reasons, such as a take-over of either company, change of key personnel, switching to a new supplier offering better products, performance or price, or the introduction of new technology. Disintegration may be sudden and exit complete or it may be a return to a lower level of relationship at which the companies can continue to do business together, but on different terms (McDonald, 2000).

3.13 Summary

KAM is growing in popularity due to the increasingly competitive business environment businesses operate within today. This makes it even more important for suppliers to address demands from large customers and to dedicate more of their time and company resources to incorporate special value-adding activities into their offering to the customer (Piercy and Lane, 2006).

There are many significant advantages for a company pursuing a KAM initiative. They consist of higher sales, lower costs through joint agreement, more in-depth penetration of the Decision Making Unit (DMU), a closer working relationship with the customer, co-operation on research and development for new products and improved communication and co-ordination (Jobber and Lancaster, (2006), Donaldson, (1998) and Dalrymple and Cron, 1998)

The proper installation of a key account management initiative is seen as being very important in achieving profitable and sustainable competitive positions in today's uncertain business world (Sharma et al., 1999; Ritter and Germunden, 2004 as cited in Pardo and Naude, 2006).

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3.14 The Tasks and Skills/Competencies of Key Account Managers

“ Skill level refers to the individual's learned proficiency at performing the necessary tasks and include such learned abilities as interpersonal skills, communication, technical knowledge and presentation skills” (Johnston and Marshall,2006, p. 200).

The KAM needs all the skills of the salesperson in professional selling and negotiation and a lot more besides (Noonan, 1998, p.159). According to Rogers and McDonalds, (1998), in order to be the ideal KAM and fulfill the buyers needs and expectations he/she needs a combination of personal qualities, subject knowledge, thinking and managerial skills.

Tzokas and Donaldson (2000) propose that the transition of the sales force's tasks from selling to advising and counseling, from talking to listening and from pushing to helping is not just a matter of title change. Their new role directs the sales-force to develop long lasting relationships with their customers based on mutual trust and commitment.

Since the earliest days of modern sales activity, sales managers and business owners have sought to identify specific characteristics that predict the successful salesperson. No one characteristic has been identified that predicts success. What is difficult to know is; if and how specific traits contribute to sales success (Honeycutt, Ford and Simintiras, 2003). The Jobber and Lancaster (2006) table 3.3 illustrates some of the tasks performed and skills required by the KAM:

Table 3.3 Tasks performed and skills required by key account management

Tasks	Skills
1)Develop long-term relationships	Relationship building
2)Engage in direct contact with key customers	Co-ordination
3)Maintain key account records and background information	Negotiation
4)Identify selling opportunities and sales potential of existing key accounts	Human relations
5)Monitor competitive developments affecting key accounts	Focus on specific objectives
6)Report results to upper management	Diagnosing customer problems
7)Monitor and/or control key account contracts	Presentation skills
8)Make high level presentations to key accounts	Generating visibility, reputation
9)Co-ordinate and expedite service to key accounts	Communication
10)Co-ordinate communications among company units servicing key accounts	Working in a team

Source: Jobber, J., and Lancaster, G., (2006, p.283).

McDonald and Rogers (1998, p.119) state that “there is much diversity of opinion on the desirable skills and qualities of a KAM”. Buying companies rate value integrity and knowledge of their business, followed by product technical knowledge; while selling, negotiating and communication skills are important to KAMs themselves (Donaldson, 1998). The commentators also conclude that the skills needed in a KAM evolve as the relationship between the selling company and buying company evolve.

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Table 3.4- The key skills and qualities of KAM's

Rank	Buying company view	Key account manager's view
1 st	Integrity	Selling/negotiating
2 nd	Understanding our business	Communications
3 rd	Product knowledge technical	Understanding customer's business
4 th	Product knowledge applications	Strategic Thinking
5 th	Communications	Technical/financial/ markets/credibility

Source: Donaldson, B., (1998, p.129).

It is important that KAM's possess most of the skills illustrated in the Lancaster and Jobber table above if they are to carry out their job successfully. Skill variables can be influenced by management through effective training programs and supervision (Johnston and Marshall, 2006).

3.15 Training

In today's challenging environment customers expect salespeople to be more knowledgeable, respond faster and provide value-added, customised solutions to their problems (Cron, Marshall, Singh et al., 2005, p.123). These demands have required companies to make a much higher investment in sales training (Kotler and Keller, 2006, p.620).

"There is no question that sales training is an important function" (Johnston, M., and Marshall, 2006. p.308). Continuous training provides delegates with practical and effective strategies to ensure key account relationships are nurtured into highly valued partnerships (Iverson, 2009). Supply companies are coming to the realisation that one

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of the key factors behind KAM success includes effective and continuous training for KAM's (Blythe, 2005).

Firms understand the importance of training their sales force because training provides numerous benefits for the sales force, the sales manager and the customer, and managers that include (Blythe, 2005). KAM training is designed to help KAMs develop the knowledge and skills required to maximize their performance and productivity as a KAM. Effective training builds skills and is specific to clients needs. It is difficult to achieve customer goals without relying on the skills of the team/KAM that support them.

The choice of subjects to be covered in a sales training program depends on the products to be sold, the purpose of the training, and the background of those being trained. However most sales training will cover the topics of product knowledge, selling skills, improving teamwork, sales administration and company knowledge and customer and market information.

(Dalrymple, Cron and DeCarlo, 2004, p. 362-363).

Effective field intelligence and training provides senior sales management with important information on how to carry out their job more effectively (McCarty and McGinnis, 1998). In today's business environment KAM's are under increasingly more pressure to be proficient in more areas. More and more companies are becoming aware of this and realising that it is important to have competent training courses available to their KAM's so that they can be continuously refreshing, renewing and expanding their skill set.

3.16 Rewards

“Intense pressure is being placed on organisations to identify and implement programs that will prove truly effective in improving employee productivity (Broderick, 1995). Social science literature, especially in organisational behavior and sales management, has long recognized the critical importance of rewards as a means motivating

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employees” (Hale, (1998) and Lawlor, (1987) as cited in Mehta, Anderson and Dubinsky, 2000, p.507).

It is important to remember that the receiving of financial incentives and bonuses are not the only way KAM’s feel rewarded, selling and effort are rewarding in and of themselves. KAM’s can derive considerable rewards in the form of feeling good about themselves and their work and opportunities for personal growth (Dalrymple, Cron and DeCarlo, 2004).

There are two broad types of rewards:

1. *Intrinsic rewards*: rewards inherent to satisfaction derived from elements of the job or role itself e.g. feelings of accomplishment, personal growth and self-worth.
2. *Extrinsic rewards*: rewards bestowed on the salesperson by the company e.g. pay, financial incentives, bonuses, security, recognition and promotion.

(Johnston and Marshall, 2006, p.39).

“Walker et al. (1997) as cited in Blythe 2005, found that increased financial rewards are more valuable by older salespeople, and, not surprisingly those who are married with large families, while higher order rewards such as career advancement, promotion or simply a sense of achievement are more valued by younger salespeople and those with higher levels of education” (Blythe, J., 2005, p.167).

It is evident to see that rewards are an important factor in the motivation of sales people, but it is very important to realise that rewards take different forms i.e. the reward of accomplishment of doing a good job to one person might out way the reward of a financial bonus and vice versa. The need to get an appropriate reward package that is relevant to the individual sales person is very challenging for an organisation.

Whatever the reward mechanism, recent research is evidence that selling companies with a KAM philosophy need to move KAM’s away from counting their commission to concentrating on the customer’s long-term interests and adding value to the buyer-seller relationship (Rogers and McDonald, 1998).

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3.17 Trust and Commitment

”Corporations should operate in a spirit of honesty and fairness” (Whitehead.C.J. 2006).

Trust and Commitment, sometimes defined as relationship values, are vital components of relationships (Zabkar and Brencic, 2004, p.203).

Trust and commitment have a significant impact on value creation. These constructs can be supported by relationship management tasks, i.e. timely communication, smooth exchange of correct information, good expectation management, and coordination of activities between the two firms. Firms need to develop systems of trust and commitment, (Walter and Ritter 2003, p.361).

“Research suggests that the key to relationship success is the presence of trust and commitment between parties” (Peters and Fletcher, 1995; Pruitt and Carnevale, 1993, as cited in Harwood and Garry, 2006, p.109). Additionally trust has a positive influence on relationship commitment (Morgan and Hunt, 1994).

In examining the components of trust and commitment, researchers postulate this comprises “Reliability”, “Competence”, “Customer Orientation”, “Honesty” and “Likeability”, which may be process-, character-, or organized-based (Dalrymple, Cron and DeCarlo, 2004).

In marketing literature special attention is paid to the role of trust in the relationship. “Because bonds and investments in a relationship expose parties to dependence and make them vulnerable to the actions of the other party , trust is needed for a relationship to develop” (Venetis and Ghauri, 2004, p.1582). In most cases it is only if the partner is considered trustworthy will a party be willing to invest in and become committed to the relationship.

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Trust is a fundamental relationship model building block and is included in most relationship models (Lancaster and Jobber, 2006). Trust has been defined in various ways in the RM literature with the below definition capturing the views of a few authors:

“as a willingness to rely on the exchange partner in whom one has confidence and that a partners word is reliable and a party will fulfill his/her obligations in the relationship” (Moorman et al., (1992) and Schurr and Ozanne, (1985), as cited in Wong and Sohal, 2002, p.36).

From the above definition it is clear to see that both parties to the relationship have to be able to rely on and have confidence in each other for a true relationship to be able to exist. Trust can lead to the commitment to a relationship (Morgan and Hunt, 1994) that results from an exchange partner exerting all his/her efforts to preserve an important relationship (Morgan and Hunt, 1994).

Relationship commitment is defined by Morgan and Hunt (1994, p.23) “As exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it; that is, the commitment party believes the relationship is worth working on to ensure that it endures indefinitely”.

Both affective commitment (which is based on a sense of liking and emotional attachment to the relationship) and calculative commitment (which is based on a cognitive evaluation of the worth of the relationship) (Morgan and Hunt, 1994) are constructive for developing mutually beneficial relationships, with affective commitment being more effective (Kumar et. al., 1994, as cited in Wong and Sohal, 2002)

Along with trust, commitment appears to be one of the most important variables for understanding the strength of a marketing relationship, and it is a very useful construct for measuring the likelihood of customer loyalty as well as for predicting future purchase frequency (Thilenius and Hadjikhani, 2005).

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As can be seen, trust is an important construct in relational exchange because trustworthy business relationships are so highly valued; parties are more likely to commit themselves to such relationships.

3.18 B2B Communication

“It is important to regularly remind and show customers what they are getting so that occasional failures fade in relative imperative importance” (Berry, 1983, p.100).

Previous research has uncovered the importance of regular communication to the successful development, management and maintenance of the buyer-seller relationship. Regular communication and frequent collaboration leads to reduced uncertainty, improved trust and commitment and an overall enhanced buyer-seller relationship.

Williams.C.K (1985) concluded that successful selling is dependent upon regular communication between buying and selling companies. According to Berry.L, (1983, p.11), “Frequent two way communication is critical to the sustained success of the buyer-seller relationship”.

Research uncovered a correlation between regular contact and repeat purchases. Communication intensity also can encourage customer perceptions of “special status” (Czepiel, 1990) and “closeness” (Barnes, 1994), that are indicative of true relationships and allow the KAM the opportunity to continually “resell” (Levitt, 1981).

Recent research in the area uncovered that 80% of customers surveyed believe it is important for a company to keep in contact with its customers (Illingworth, 1991). However despite its importance, “Few studies have used communication perspective to examine customer-salesperson interactions” (Pitt et al; 2000, p.70). This study will address this gap within existing literature.

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3.19 Value

According to the theorist Anderson only organisations that leverage their value through relationships can generate wealth (Philips, 2003).

“Value refers to the perception that rewards exceed the costs associated with establishing and/or expanding a relationship” (Dalrymple, Cron and DeCarlo, 2004, p.175).

Marketing deals with exchanges and the management of relationships (Achrol, 1997). Of pivotal importance for interactions and relationships is the notion of value, i.e. the perceived net benefit that ultimately serves as the rationale for exchanges. Without all the exchange partners perceiving value to be existent (and therefore certain needs being satisfied), no exchange will happen (Palmer, Lindgreen and Vanhamme, 2005).

Conceptually value in KAM interactions can be disaggregated into several facets. These comprise of the essence of value, (incorporating benefits and sacrifices), the value processes, (the creation and appropriation of value) and the parties of value, (the relationship between the buyer and seller), (Pardo. C, Mouzas. S, Henneberg. C.S and Naude.P, 2005).

Value perceptions differ between firms and therefore each individual customer's value perception must be analyzed and a specific value delivery system designed for each one (Payne et al., 1998). Value can be created by both parties on many different three levels including exchange value, proprietary value and relational value (Pardo. C et al, 2005).

The theory behind implementing a KAM system is that the KAM can get closer to each customer to develop internal and external value and value delivery systems.

“By adding more value to the core product (the product quality is improved, supporting services are included into the offering, etc.) companies try to improve customer satisfaction so that the bonds are strengthened and customer loyalty thereby achieved” (Ravald and Gronroos, 1996:19). In essence the theory of RM revolves around adding value throughout the process of exchange (goods and services for

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money or other goods and services) rather than merely as a result of delivery of a core product (Harewood and Garry, 2006).

3.20 Conclusion

An extensive review of existing literature identified the value and importance of KAM. A recent internet publication revealed that KAM and the development of key accounts to be critical to the selling organisations success or failure

(<http://www.hendersonbarker.co.uk/pdf/key-account-management.pdf>).

Theoretically, the benefits to the selling company are business growth, risk reduction and possible cost reduction and for the buying side, the impetus towards further development of supplier relationships is mainly driven by cost reduction and risk reduction, leading to enhanced customer satisfaction and contributing to overall competitive strategy (McDonald, 2000).

Trust and commitment are very important constructs in the relationship and without them a relationship cannot truly exist. Long-lasting relationships can lead to value creation for both the buying and the selling companies.

According to Sharma (2006) success in KAM is dependent upon various factors namely “Investment in key accounts, satisfaction, and social/personal bonds are critical for successful key accounts, and that changes in environment are detrimental to successful key accounts”.

It is very important especially in today’s competitive world that KAM’s are updated and trained regularly so that they are constantly updating their skill set so they are keeping up with the times.

Existing research has identified the importance of regular two way communication between the buyer and seller however in spite of its value customer and salesperson interaction has been under addressed with existing empirical research.

To conclude, through the implementation of KAM organisations can advance their customer value proposition and ultimately improve customer relations.

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In chapter four the primary research findings are discussed. These findings are evaluated and analyzed by assessing and reviewing the findings under the four research objectives.

CHAPTER FOUR

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CHAPTER FOUR: FINDINGS AND ANALYSIS

4.1 Introduction

The aim of this chapter is to analyse the results of the primary research by reviewing the findings under the five research objectives. The primary research comprised of two methods of exploratory research.

Firstly the researcher devised two questionnaires which were transmitted to KAM's and buyers in 125 organisations throughout Ireland. Trends were identified, analysed and considered. This aided in the completion of theme sheets for the subsequent in-depth interviews with five KAM's and their buyers in ten randomly selected companies throughout Ireland.

Analysis of the primary research findings allowed the researcher to identify the relevant pieces of information which assisted in answering the research objectives and in drawing up conclusions and recommendations in chapter five.

4.2 Profile of respondents

As detailed earlier the researcher transmitted two surveys to 125 companies in which participant KAM's and buyers completed and interviewed respondents who work in randomly selected companies within industries throughout Ireland. All interviews were face-to-face, conducted in the respondent's place of work. The researcher assumed anonymity for the participants by assuring that their names and their company names would not be disclosed.

4.3 Questionnaire Findings

The questionnaire findings identified numerous themes which aided the researcher in solving the overall research problem. These findings will now be discussed and analysed. In conclusion the main themes will be summarised.

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4.3.1 Objective One

To evaluate the role, responsibilities, skills and qualities of a competent Key Account Manager and the value they bring to the buyer-seller relationship.

The rationale behind the first objective was to identify KAM's role in within the value creation process of collaborative relationships.

It's aim was to identify and evaluate the necessary responsibilities, skills and qualities of KAM's today and the value these competences add to the buyer-seller relationship.

4.3.1.1 KAM's Roles and responsibilities

All survey respondents were in conformity with previous research (e.g. Jobber, J, 2006) that any KAM task should be done with the overall aim of developing and maintaining a successful long- term buyer-seller relationship with one KAM stating that "building and maintaining a good customer relationship" was his key responsibility.

When the participants were questioned, on a KAM's role, they disclosed numerous tasks which they consider valuable. To uncover the key KAM roles the researcher asked each respondent their opinion of the most important. Their responses uncovered four responsibilities, outlined in table 4.1, to hold the most importance and value to the buyer-seller relationship. These roles are ranked, from one to four, in order of considered importance to those surveyed.

Table 4.1 KAM's Roles and Responsibilities

KAM perspective	Buyer perspective
1. Ensuring key accounts receive a high quality product, and delivering flexible and proactive customer service and support.	1. Ensuring key accounts receive a high quality product, and delivering flexible and proactive customer service and support.
2. Dealing with clients issues in a timely manner and meeting requirements.	2. Ensuring key accounts are receiving a value for money offering.
3. Building and maintaining high levels of trust and commitment.	3. Dealing with clients issues in a timely manner and meeting requirements.
4. Ensuring key accounts are receiving a value for money offering.	4. Building and maintaining high levels of trust and commitment.

85% of buyers surveyed place high importance and value on their KAM's providing a high quality product and service and support which corroborates previous research (e.g. Lancaster, 2006). This is delivered most effectively through regular contact which enables the sharing of important information as well as the maximisation of opportunities for their respective companies.

86% of KAM's recognise the importance of providing high quality service and support to their key accounts and are committed to delivering upon this valuable role in an efficient and effective manner. 76% of KAM's indicated that dealing with issues and meeting requirements is also highly valued by buyers. Consistent with previous research by Zabkar and Brencic (2004) 63% of KAM's acknowledge the important role they play in building and maintaining high levels of trust and commitment with their clients.

57% of buyers surveyed place high importance on value for money i.e. their KAM's delivering a high quality product/ service at a competitive price. One buyer disclosed;

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“I place a considerably high value on my Key Account Manager providing excellent customer service and support by ensuring on time delivery, an excellent quality product and after sale support, all delivered at competitive rates”.

25% of KAM's acknowledge the importance buyers place on value for money. These KAM's are of the opinion that value for money has become increasingly important to buyers due to the difficult economic climate their companies face today which has put additional pressure on them to reduce costs.

The KAM's surveyed acknowledge the importance of these roles and are committed to delivering upon them in the most efficient and effective manner. This study suggests it is these roles that competent KAM's spend the majority of their time today with all KAM's making reference to at least two when outlining their key tasks as a KAM.

4.3.1.2 KAM's Skills and qualities

As part of objective one the researcher uncovered the different perspectives, the buyers view and the KAM's view, of the skills and qualities required by a KAM to operate successfully in an ever changing environment.

This study uncovered integrity, knowledge of their business and product knowledge to be the most important KAM skills and qualities to the buyer in terms of the value they bring to the buyer-seller relationship. 63% of buyers agree with this view which is consistent with previous research by Donaldson (1998).

However 71% of KAM's surveyed contradict previous research findings. These respondents rate integrity, understanding the buyers business and communication skills as the most important while previous research value selling, negotiation and communication skills the most.

By rating integrity, product knowledge, business acumen and communication skills as key KAM skills and qualities, the respondents confirmed previous research (e.g.

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Rogers and McDonalds, 1998) that a KAM should possess a combination of personal qualities, subject knowledge and managerial skills.

The survey findings also corroborates previous research findings into the importance of trust and commitment to the buyer-seller relationship, (e.g. Morgan and Hunt, 1994), by rating 'integrity' as the most important KAM quality today.

A number of additional skills and qualities were recommended by KAM's which they felt could improve their position as KAM. One KAM revealed; "I acquired many other skills during training which I find be useful in building and maintaining successful relations with my key accounts. These include relationship building skills, strategic thinking, technical, financial and market knowledge, problem solving capabilities, flexibility and technical, financial and market knowledge".

The respondents implied that, while considerably important, these do not hold the same level of importance or value to the buyer-seller relationship as those outlined in table 4.2.

4.3.2 Objective two

To uncover the level of support required in the maintenance of the buyer- seller relationship.

The rationale behind this objective was to discover how much the supplying companies value their relationship with their customers, which have been developed by their KAM's. The aim of this objective was to uncover the level of support being offered to KAM's by their respective organisations in trying to develop and maintain good customer relations.

The researcher looked at two commonly used support mechanisms given to KAM's in supplying organisations today i.e. training and rewards. The respondents indicated that effective use of these provisions has the potential to improve a KAM's overall productivity.

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4.3.2.1 Level of training

“Continuous training is designed to help Key Account Managers develop the knowledge and skills required to maximize their performance and productivity as a key account manager” (Abratt and Kelly, 2002, p.29).

Firstly in order to determine the level of organisational support the KAM receives, the researcher uncovered the level of training each KAM previously received to become a competent KAM manager and if this training was ongoing through their tenure as a KAM.

Findings confirmed previous findings (Blythe, 2005) which found that firms are beginning to acknowledge the link between the success of the KAM strategy and continuous investment in KAM training. The high level of organisational support in the area of KAM training highlights such recognition.

According to authors McDonald, Rogers and Woodburn (2000, p.235) in regard to KAM training and development a variety of training methods are needed in order to equip KAM's with the necessary skills and experience.

In becoming a KAM all respondents surveyed indicated that their training program followed the following pattern, similar to the one outlined below, by their respective organisations:

1. Telesales role to familiarize with the product and the sales process.
2. Shadowing existing KAM's in the company.
3. Gradually allocated to key accounts to allow for familiarisation with the KAM role.
4. Sent on internal and external training and courses, including sales training and KAM courses.

75% of KAM's felt that such an intensive process was necessary as it positioned them with the skills, knowledge and experience needed to fulfill their role competently.

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66% of the total KAM's surveyed are presently receiving internal and external training in the areas of sales and KAM to improve their skills and knowledge base. One KAM outlined the areas she is currently training in the area of sales and KAM, "I receive in-house and external training once or twice annually. At the moment I am receiving Interpersonal & Leadership Training, Green Belt Training, Team Building and Customer Problem Solving". This gives an indication of the broad and diverse areas KAM's are receiving training in today.

75% of KAM's surveyed corroborate with earlier research by McCarty and McGinnis (1998) who found a link between continuous training and better KAM performance and productivity. Participants believe the level of training they previously and currently receive as a KAM enables them to fulfill their role competently. One KAM emphasized this when he disclosed; "I feel the training I have received has significantly improved my overall performance as a KAM". Another KAM discussed how she is better able to meet her clients needs and deal with their issues as a result of the skills set she has built up from her ongoing training.

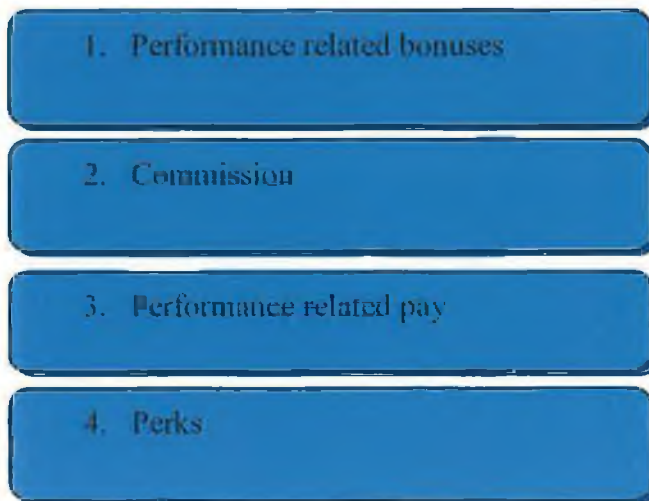
Findings suggest insufficient level of training could have a negative affect a KAM's performance with one KAM stating, "The regular and continuous training I receive, once or twice annually, has enabled me to build a valuable skills set to perform my role efficiently". This confirms previous research (e.g. Ahearne, Jenelik and Rapp, 2005) which found a link between adequate training and support and a salespersons efficiency and effectiveness

4.3.2.2 Rewards

Performance problems were mentioned by 42.8% of buyers surveyed as a key issue effecting successful relations with their KAM recommending improvements to their KAM's performance. According to expert Maister.H.D (2005), motivations and incentives can aid in improving the KAM's performance and productivity.

The KAM's surveyed uncovered a number of incentives provided by their employer which they feel improve their performance as KAM. These include the following, listed in table 4.2, (in order of perceived importance to the KAM):

Figure 4.1: KAM's rewards



The findings in figure 4.1 highlight the high level of reward provisions KAM's are currently receiving from their respective organisations. All KAM's surveyed are currently receiving some form of reward as an incentive for improved productivity. When questioned on the incentives she receives, one KAM replied, "We receive financial rewards depending on the profitability and maintenance of the accounts we look after".

These were outlined by the participants as including performance related bonuses, commission, performance related pay and perks. 66% of buyers receive commission based rewards and bonuses by their employers as an incentive for improved performance.

It is evident to see that rewards are an important factor in the motivation of sales people, but it is very important to realise that rewards take different forms.

Findings corroborated with research by theorists Dalrymple, Cron and DeCarlo, (2004) that KAM's can also derive considerable motivation from intrinsic rewards, in the form of feeling good about themselves and their work and opportunities for personal growth.

A total of 79% of KAM's surveyed rate the "feeling of accomplishment" from doing a good job as being the greatest motivation for improved performance. While only 21% outlined extrinsic rewards i.e. "financial rewards", (including bonuses, commission and perks), as being the greatest incentive.

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The feeling of accomplishment comes from the challenge and commitment of keeping clients satisfied, exceeding their expectations in providing a high quality, reliable and consistent service.

One participant revealed that her; “Main motivation as a KAM is to meet and exceed consumer needs on every buying occasion in every account”.

The above findings show that KAM’s are receiving a sufficient level of organisational support by supplying firms in the maintenance of their key accounts. This is evidence of the high value selling companies place on customer relations and the KAM strategy.

Additional means of organisational support were recommended by the KAM’s surveyed which include additional assistance in the areas of internal/external training, promotional support i.e. increasing investment in sales and marketing strategies, technical support e.g. a pre-sales department and technological support e.g. an IT specialist.

This study’s findings indicate that without sufficient organisational support provisions, KAM’s will have difficulty performing their role as KAM competently. It is suggested by the KAM’s surveyed that this could have a negative affect on customer relations. One KAM’s statement verifies this; “The company itself gives me the support I need to remain professional. It is their continued support that helps me build and maintain strong relationships with my customers”.

4.3.3 Objective three

To identify how relationships are developed, managed and maintained and participants opinion on the key account management stratagem.

The rationale behind this objective was to discover the process of developing, managing and maintaining a successful buyer-supplier relationship and the general opinion by buyers and KAM’s on the key account management stratagem.

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4.3.3.1 KAM perspective

Firstly the researcher asked each KAM how they develop, manage and maintain relations with their key accounts.

All KAM's surveyed corroborated with previous research (e.g. Berry, 1983 as cite in) findings by referring to frequent communication as the most effective means of developing, managing and maintaining relations with their clients.

In their responses KAM's surveyed portray acknowledgement of the importance (e.g. McDonalds, 1998) of regular contact by communicating with their key account on a daily to weekly basis. All KAM's disclosed that they communicate with their key accounts on a daily to monthly bases. One KAM disclosed that "A month does not pass without some form of contact". 38% of respondents contact their customers on a daily basis. One KAM highlighted the benefits of regular communication by stating that it allows him to "Collate information over time which can help improve the relationship". Another KAM stated that constant and effective collaboration between herself and her key account enables her to "Identify any queries, issues or problems and deal with them in a timely fashion".

Phone, face-to-face, e-mail, text, mail and fax were listed as communication tools utilised today by KAM's to collaborate with their key accounts. 97% of respondents surveyed outlined phone, e-mail and face-to-face as being the most frequently used communication tools, as an; "Enquiry tool aswell as a means of updating clients on new developments".

Only 9% of KAM's surveyed utilise mail, fax and text on a regular basis as a means of interaction with their key accounts which suggests that respondents place a higher value upon personal interaction. One buyer confirmed the importance of face-to-face interaction when he recommended that for KAM's and suppliers to improve relations with their buyers they should make "more frequent on site visits to discuss any client issues and requirements".

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4.3.3.2 Buyer perspective

Communication intensity can also encourage customers perceptions of “special status” (Czepiel, 1990) and “closeness” (Barnes, 1994), that are indicative of true relationships.

From the buyer’s perspective, 93% of those surveyed were also in agreement with previous research outlining regular communication as being crucial to the success of the buyer-seller relationship (e.g. Rogers. 1998)

One buyer acknowledged the role regular and consistent communication plays in building relationship trust and commitment; “To improve the relationship I think my key account manager should contact me more. Personally I would be more committed to the relationship and trust them more as a result as it shows they value the relationship” (Buyer one).

Consistent with the KAM’s surveyed, 96% of buyer’s surveyed rank face-to-face, email and phone as the most effective communication tools with regard to the successful development, management and maintenance of the buyer-seller relationship. Mail, fax and text are considered to be less effective. 86% of respondents rate the level of collaboration between the two parties positively as being either “good” or “very good”.

With regard to the KAM stratagem, it was felt by the majority of buyers and sellers that the strategy enables the seller to move closer to the customer. It helps to gather additional information about the buyer, increasing their knowledge on their customer’s requirements and expectations, maximising opportunities for both parties. It is evident from the above findings that regular, personal (face-to-face) communication between both parties is a key influencing factor behind the success of the KAM strategy.

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4.3.4 Objective Four

To examine the value opportunities of a KAM strategy.

The rationale behind objective four was to identify the potential value opportunities of a KAM strategy can offer the buyer and seller.

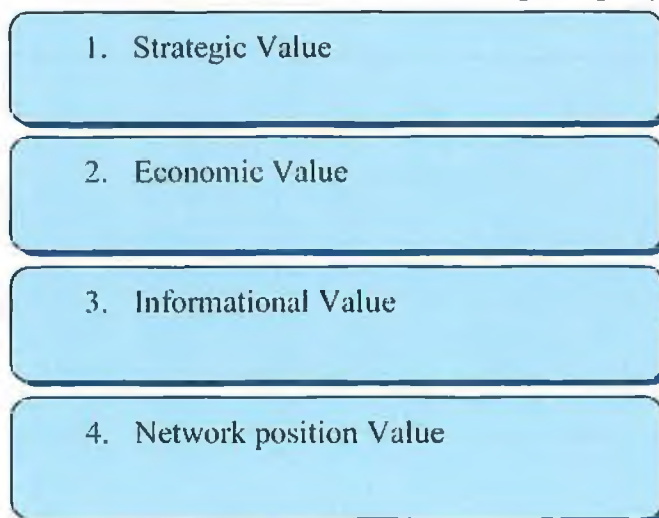
“One of the key objectives of a KAM program is to create value for both the customer and the supplier” (Walter et al., 2001; Walter and Ritter, 2003).

Primarily the researcher wanted to identify the value the KAM strategy brings to the selling company to uncover how it differed from the value it brings to the buying company. The findings uncovered the potential value and benefits KAM can create for the selling and buying company if utilised effectively.

4.3.4.1 Value opportunities

The survey research findings conclude that KAM offers considerable value opportunities to the selling company, outlined by the KAM’s surveyed as followed:

Figure 4.2- The value of KAM to the selling company



Value from a KAM stratagem can be gained for both the buyer and seller through the sharing and exchange of resources including organisational, relational and

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informational resources (Kanhauer. 2008). These resources are a potential source of sustainable relationship based competitive advantage for both parties (Morgan and Hunt, 1999).

40% of KAM's surveyed stated that the implementation of a KAM strategy has brought strategic value to their respective corporations in terms of the long-term opportunities and strategic advantages it has created. When questioned on the importance of KAM to their respective companies, one participant stated that "Our company began utilising KAM over ten years ago and will continue to do so into the future. We have benefited substantially from the strategy. Financially our key accounts generate over eighty percent of our organisations total business". This portrays the importance and value opportunities of a KAM strategy and the role it plays in the supplying companies' long-term success.

This is consistent with previous KAM research (e.g. Naude, 2005), which found that KAM and the development of key accounts are critical to an organisations success or failure. The strategy was deemed by the majority of respondents as a major determining factor behind the long-term success of the selling company.

Theorist Kanhauer (2008) found that through the implementation of an effective KAM strategy the selling organisation can increase the value it gets back from the buyer through gaining bigger orders and more frequent sales. 40% of KAM's surveyed are in agreement with such findings. They believe KAM has created the most value to the selling organisation in terms of increased revenues and profits it has generated in the form of economic value with one buyer disclosing that their key accounts generate over 70% of its total sales.

13% surveyed suggested that KAM has generated the most opportunities through the information value it has created, generated from the exchange of important information between the two parties creating benefits and opportunities for both the selling and buying company.

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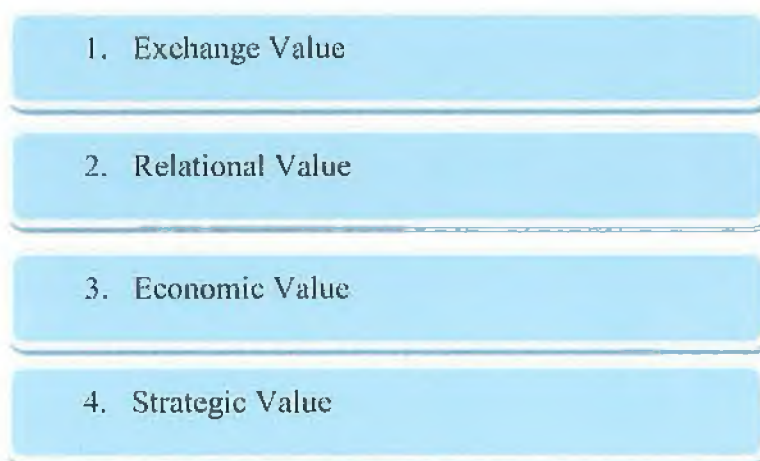
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Network-position value is achieved through the development of important contacts allowing for further opportunities for the selling company. The remaining 7% stated that KAM has enabled them to develop a strong network base.

These findings strongly indicate the potential value opportunities KAM can generate for the supplying company.

The findings show that KAM also offers considerable value opportunities to the buying company. Figure 4.3 highlights these findings:

Figure 4.3 The value of KAM to the buying company



In conformity with the KAM's surveyed all buyers were in agreement that KAM offers considerable value opportunities to their respective companies. However there were differing opinions on the value opportunities it delivers.

Exchange value comprising of value elements such as simplified and coordinated communication, integration of exchange activities, customised core offering, individualised interaction approaches and services, improved responsiveness and reliability etc (Sharma, 1997; Weilbaker and Weeks, 1997; Abratt and Kelly, 2002; Georges and Eggert, 2003).

56% of buyer's are in agreement that KAM has delivered exchange value to their respective organisations mainly through the opportunities created through the continuous interaction of the buying and selling company. These buyers discussed how continuous interaction between the two parties has enabled issues to be identified and opportunities to be maximised.

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21% of buyers corroborated with previous research which found “significant relationship opportunities and substantial benefits available to both parties from KAM” (www.prioritymanagement.com). They believe value from KAM is co-produced, emanating from the relationship between the buyer and seller. This is embedded in collaborative and co-operative activities which takes place between the two parties. Such has been labelled by theorists as “relational value”.

15% are of the opinion that value has come to the buying company economically in the form of increased profits and revenues with one buyer stating that their “KAM has enabled us to get better deals, bulk buying discounts and benefit from economies of scale. These benefits have improved the profitability of the company”.

Only a small 8% observe a link between KAM and the long-term success of the buying company. One buyer stated that “While our company is benefiting significantly from KAM, in my opinion, it is not the key factor behind our continued success”.

4.3.4.2 Value elements

The researcher wished to discover the value the KAM brings to the buyer-seller relationship and to find out if what KAM's felt that their buyers valued from the relationship was consistent with what they actually valued from the relationship.

Table 4.2 highlights the value elements uncovered from the studies survey findings.

Table 4.2 The Value to the buyer-seller relationship

Buyer's view	KAM's view
1. Quality	1. Quality
2. Expertise	2. Value for money
3. Value for money	3. Fast delivery service
4. Problem resolution	4. Regular communication
5. Speedy response	5. Expertise
6. Post-sales service	6. Post-sales service
7. Regular communication	7. Speedy response
8. Fast delivery service	8. Problem resolution
9. Customised products	9. Customised products
10. Closeness	10. Closeness

KAM's and their key accounts were similar in their perceptions of what elements constitute as value. Today 'quality' is considered the most important while 'closeness' is rated as the least valuable, by both buyers and sellers

'Quality' was rated as the most important value element by both buyers and KAM's, however only 12% of KAM's surveyed recognise the importance buyers place in the 'expertise', mainly the professionalism of the KAM. 25% KAMs were in agreement with recent research which found that value for money has become significantly more important to buyers in recent years

www.pondtrademag.com).

It was suggested by buyers that the increasingly difficult economic climate has contributed to this with 57% of buyers highlighting quality and expertise provided at competitive rates has become increasingly more important due to the economic recession. 88% of buyers surveyed believe their KAM effectively delivers upon the values they seek. The remaining 14% feel improvements are needed in the area of

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more regular and consistent communication, consistent post sales service and a speedier rate of response to buyer's issues and complaints.

It was indicated that by effectively addressing these issues KAMs could potentially improve the value they provide their key accounts. Findings show quality service and support are very important to buyers today. Respondent suggested for KAM's to enhance the value delivered to their key accounts and improve the buyer-seller relationship they must improve upon their delivery of these value elements.

4.3.4.3 Added values

“Assigning dedicated resources to a customer is the consistent realisation of the current emphasis being placed on knowing your customers needs and providing value added services to supplement your product service offering” (Boles et al. 1999, p.265).

The researcher wished to identify the added values KAM offers over other traditional selling strategies. The research findings uncovered that KAM brings the following added values to the buyer-seller relationship. These are ranked in figure 4.4 in order of perceived importance the buyer.

Figure 4.4: The added values KAM brings to the buyer-seller relationship

1. The professionalism of the Key account manager including technical competence, process understanding, personal support etc
2. More regular and consistent communication which facilitates the maximisation of opportunities for both parties.
3. Dealing with issues and complaints in a more effective and timely manner.
4. A close, personal relationship based on trust and confidence.
5. An improved understanding of the customers industry, business and products.
6. Conducting market research to uncover market trends and requirements and providing feedback to buyers.

67% of respondents discussed how the KAM's expertise enabled them to deliver a more professional level of service and support.

Such findings highlight the value opportunities and benefits KAM offers over traditional selling strategies.

4.3.4.4 Superior value

As a final part of this objective the researcher identified the superior value KAM provides to the buyer which enables them to stand out from competitors.

According to the KAMs surveyed such superior value comes by delivering the key account a better customer experience through the provision of any of distinctive offerings. Such an offering incorporates providing high quality, flexible, reliable,

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consistent customer service, advice and support, delivering added services which the competition does not offer, a more cost effective offering with enhanced benefits and being innovative and creative, generating opportunities for the buyer.

Respondents indicated that the delivery of the above offerings allows KAM to create competitive advantage for both the buying and selling company. The provision of a more cost effective service and support allows opportunities to be maximized for both companies enabling the achievement of a sustainable competitive advantage.

4.3.5 Objective five

To determine the importance of trust and commitment in developing the buyer-seller relationship.

The rationale for this objective was to determine how important trust and commitment are to the successful development of the relationship between the KAM and their customer.

85% of buyer's and KAM's surveyed corroborate with previous research by Peters et al (1995) who rate trust and commitment as the key factors to the success and maintenance of the buyer- seller relationship.

Highlighted in table 4.8 are the attributes the buyers and KAM's in this study consider as the most important in the development of trust and commitment.

Table 4.3- Trust and commitment components

Buyer's perspective	Seller's perspective
1. Reliability	1.Honesty
2. Honesty	2.Reliability
3. Confidentiality	3. Mutual goals
4. Consistency	4.Consistency
5. Mutual goals	5. Confidentiality

Survey findings highlighted differing opinions on the most important and valuable trust and commitment components to the buyer-seller relationship. Rated as the two

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most important attributes by the majority KAMs and buyers were the attributes of 'reliability' and 'honesty'. From the buyer perspective 'reliability' is the most highly valued while the majority KAM's surveyed perceive 'honest' behavior and advice as being the most effective at building trust and commitment with their key accounts.

Findings highlighted a high level of buyer commitment to the relationship, with 75% of buyers stating that they are fully committed to the relationship with their KAM's. These respondents suggest that trust is a key determining factor to the building and maintenance of buyer commitment.

4.3.6 Main survey findings

Various themes were identified from the survey findings.

Findings uncovered that any duty performed by a KAM should be done with the aim of developing and maintaining a successful buyer-seller relationship. Respondents rated the most important and valuable KAM task to be delivering high quality customer service through regular and consistent communication with their key accounts. The importance of regular communication was further highlighted when all respondents referred to it as a key determining factor behind the success of the buyer-seller relationship.

Out of five KAM skills and qualities, the quality of integrity was positioned, by buyers and KAM's, as the most important in adding value to KAM indicating the importance of trust to the buyer-seller relationship. Its value was further emphasised when 85% of the buyer's and KAM's surveyed rated trust and commitment as key determining factors to the success of the buyer-seller relationship.

Findings indicate KAM's are receiving a high level of organisational support in the maintenance of their key accounts. The provision of regular training and effective reward systems can potentially improve KAM's overall performance and ultimately add value to the buyer-seller relationship.

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Findings indicate that KAM offers considerable value opportunities to both the buying and selling company mainly in the forms of strategic and exchange value and can create a sustainable competitive advantage for both parties if utilised effectively.

The KAM delivers value to the buyer in many forms, mainly 'quality', 'value for money' and 'expertise'. The research findings uncovered that KAM also offers added value to the buyer over traditional selling strategies. The buyer can receive superior value by their KAM's providing an overall improved customer experience through the delivery of a distinctive offering.

The findings from the in-depth interviews will now be discussed and will conclude with a summary of the findings.

4.4 In-depth interview Findings

The interviews were conducted with ten buyers and KAM's in randomly selected organisations throughout Ireland. The findings that were identified are discussed now.

4.4.1 Objective One

To identify and evaluate the role, skills and qualities of the Key Account Manager and the value they bring to the buyer-seller relationship.

4.4.1.1 KAM's Roles and responsibilities

While additional roles and responsibilities were uncovered, the majority of the interview findings in this area were similar to and consistent with the survey findings. Table 4.4 outlines these four roles, which are consistent with the survey findings.

Table 4.4 KAM's Roles and Responsibilities

KAM perspective	Buyer perspective
1. Ensuring key accounts receive a high quality product, and delivering flexible and proactive customer service and support.	1. Ensuring key accounts receive a high quality product, and delivering flexible and proactive customer service and support.
2. Dealing with clients issues in a timely manner and meeting requirements,	2. Ensuring key accounts are receiving a value for money offering.
3. Building and maintaining high levels of trust and commitment.	3. Dealing with clients issues in a timely manner. and meeting requirements
4. Ensuring key accounts are receiving a value for money offering.	4. Building and maintaining high levels of trust and commitment.

Interviewees were also in conformity with previous research, (e.g. Jobber.J et al, 2006), that a competent KAM's task should be done with the overall aim of developing and maintaining a successful long- term buyer-seller relationship.

KAM's Perspective

When the KAM's interviewed were questioned on the make-up of their job they referred to the four roles and responsibilities that the KAM's surveyed outlined.

Firstly they gave a brief summation of their main responsibility.

KAM's look after the big accounts in their respective companies and over see the operations of a number of field sales representatives; "We provide product, service and support to larger accounts and are responsible for overseeing field sales representatives in the same territories" (KAM two).

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KAM's then outlined their key responsibilities, those which they perceive to be of most importance and valuable to the buyer-seller relationship. Consistent with previous survey findings 75% of KAM's interviewed stated that delivering high quality customer service and support to their key accounts through regular contact i.e. calling into their clients, is the key task of a competent KAM today.

The findings highlight the importance regular and consistent communication plays in adding value to the buyer seller relationship.

The first KAM interviewed specified that regular communication ensures important information is shared consistently between the two parties which facilitates the maximisation of opportunities for both parties;

"I have regular meetings with key customers which ensure that necessary information is shared, specific needs and opportunities are identified and customize any suggestions for additional work. I am also involved in the issuing of minutes of same meetings, managing quotations, agreeing terms and conditions, ensuring we are paid on time, delivery of annual budget, inventory management, forecast management, annual price negotiations" (KAM One).

Through regular communication with their key accounts KAM's can make customers aware of new products or services, manage stock levels and answer any queries;

"Regular contact allows me to create product awareness, make the buyer aware of all of the products that the company offers as opposed to the ones they are just currently buying. While ensuring that if they have a specified stock level that this is looked after in the office, that any queries that they have they can contact me and that I am there to answer any of them" (KAM Two).

KAM Five proposed that regular collaboration may aid in ensuring the delivery of an offering which exceeds customer's expectations. "Daily interaction with our customers to understand their needs and proactively work with them to ensure we exceed their expectations as a supplier" (KAM Five).

KAM Four also acknowledged the importance of delivery of high quality customer service and support in his description of his main tasks;

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“I deal with payments on accounts, all customer queries and liaising with relevant parties to ensure follow-through which is line with company policy. I also deal with logistics to ensure that our customer receives our product in a timely fashion and the necessary back up service is provided to them” (KAM Four).

KAM Three brought attention to the important role the KAM plays in the selling companies overall success, through the provision of economic value to the company. The same respondent then outlined another important KAM responsibility, that of dealing with customer’s issues and complaints, “The role of a Key Account Manager has a dual function. The first is to maximize the revenues for my company. The second is to try and sell the solutions and services which address the business issues of my customer base” (KAM three). 50% of respondents outline this task as their key responsibility. 30% of KAM’s rate building and maintaining trust and commitment as a very important role while 20% acknowledge the importance value for money is to buyers today.

The researcher wished to uncover how the KAM’s role differs to that of a field sales representative’s role to assess the value a KAM strategy has over traditional selling strategies. Findings show that the KAM role differs from that of the field sales representative’s role. The general consensus was that the field sales representative’s role was to increase sales whereas the KAM’s role was to build and maintain relations with their key accounts.

Finally the KAM’s interviewed were of the consensus that the long-lasting relationship they have build and maintained with their key accounts has caused them to feel more valued by them than by sales representatives and more important as a result.

Buyer's Perspective

The buyer’s interviewed perception of the KAM roles and responsibilities were consistent with that of the KAM’s.

According to the buyers interviewed a KAM’s overall role should involve the building and maintenance of relations with key accounts to maximize opportunities, market share and profit for both the selling and buying company.

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The four key roles highlighted by the buyers surveyed were also discussed by buyers interviewed, highlighted in table 4.4 above.

These respondents also highlighted the importance of their KAM's being in regular contact with their key accounts.

When asked what they perceived the job of a KAM to involve, the five buyers interviewed were in consensus that their KAMs job should involve flexible and proactive customer service and support through regular contact to ensure important information is exchanged consistently between both parties, "Calling in and looking after their key customers on a regular basis and informing them of any new changes or developments e.g. new product development" (Buyer One).

Buyer Three also highlighted the important role KAM's play in delivering high quality service and support as well as ensuring they receive a value for money offering; "My KAM provides excellent customer service by ensuring on time delivery, excellent quality, competitive rates & after sale support" (Buyer Three).

In buyer four's opinion the KAM role should involve consistent support and a fast delivery service; "Ensuring the goods/services being delivered are those contracted for and that they are being delivered in a timely manner. The KAM is the first point of contact with the contracted/selling company" (Buyer Four).

Buyer One and Two discussed another important KAM role of dealing with client's issues and complaints.

"The KAM's job also involves the dealing with any problems or queries and the ensuring that any product requirements and delivery times were met". This respondent also mentioned that negotiating and ensuring that enough product was left in stock were also part of the KAM's job.

Buyer Five highlighted other KAM tasks which she perceives to be important and of value to the buyer-seller relationship. These included getting in products on request, portraying a very good knowledge of the business they are in, ability to answer any queries on request and getting their buyer the best deal possible.

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60% of buyers interviewed place high importance in their KAM delivering a value for money offering.

Buyer One stated that having good product knowledge was very important along with the provision of a good post sales service at a competitive price;

“Their main responsibilities are that they provide the end-users with product knowledge, that they have a very good understanding of the business that we are in, that they give us the best deal possible and that they ensure that any queries that we have are dealt with effectively” (Buyer One).

40% of respondents corroborated previous findings by Brock and Barcklay (1999) which highlighted the important role KAM’s play in building and maintaining trust and commitment. These respondents indicated that KAM’s play an important role in building and maintaining high levels of trust and commitment, which can be achieved through delivering high quality customer service and support.

When the buyers were asked how they felt the job of their KAM differed from that of a field salesperson both were of the general opinion that sales representatives had more accounts to look after than the KAM which enabled a KAM to provide more proactive and flexible service and support to their account as it was their top priority.

KAM One said “I would see a field salesperson as someone that has a huge amount of accounts and therefore our account is not there priority. Whereas with a KAM I feel that our account is one of their main priorities and therefore I feel we are getting a better all around service from the KAM” (KAM One).

KAM Four provided reasoning for KAM’s providing improved service and support to their clients, “Our KAMs give us a lot more attention, better service and support because we are such an important source of revenue for them”. This further highlights the importance of KAM to the selling company (KAM Four).

4.4.1.2 KAM’s Skills and qualities

Findings corroborated previous research findings into the skills and qualities required to being a successful KAM (Donaldson, 1998).

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KAM's perspective

The KAM's skill's and qualities outlined by the KAM's interviewed were consistent with that of the KAM's surveyed.

Two of the KAM's stressed the importance of communication and negotiation skills; "Communication is very important, you need to be able to communicate effectively. If you can't communicate effectively your customer will have no faith in you and therefore will have no faith in your company" (KAM One).

While relationship building was also mentioned as being an important skill, with the second KAM stating that she felt it was the most important skill to possess; "I suppose we touched a lot on relationship building in previous training we received, so I would have to put it down as most important skill to acquire" (KAM Two).

Having good product knowledge, acting with integrity, possessing problem solving capabilities and business acumen/insight were also mentioned as being important by the three other KAM's interviewed.

The researcher asked each KAM which skills and competencies did they believe their customers considered most valuable to the relationship and opinions differed. KAM three and four felt that product knowledge was the most important while KAM one, two and five felt that reliability and a good personality were very important stating that if they are not reliable trust could be lost.

"I think customers like to see someone who has a good personality. They like to get on with the person they are dealing with and they also want to deal with someone who is reliable. Being reliable is extremely important to the customer, that is if they ring up they know that their queries are going to be answered. If you in any way show that you have been unreliable in the past it takes a lot of time and effort to build up the trust that a customer has in you and the company again" (KAM Five).

Findings confirm the importance of integrity to the building and maintenance of trust and commitment between the buyer and seller;

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Buyer's perspective

The buyers interviewed held similar views on the skills and qualities of a successful KAM.

Buyer One outlined various skills and competencies that they feel their KAMs should possess to include; “Integrity, an understanding of their customers business, product knowledge, communication skills, selling and negotiation skills, relationship building skills, administration skills, problem-solving capabilities” (Buyer one).

The second buyer that the researcher interviewed was of the opinion that KAMs should possess competent negotiation skills, that they should follow through on promises, be consistent in their work practices and have a good knowledge of the products that they are selling, as evidenced in the following quotation: “They need to be very business savvy so they need to be good at negotiating. They should know what their bottom line is before they enter the negotiation process so that they don't have to keep referring back to their company for clearance on the offer, or if I tell them that I received a better deal that they can quickly match or better that offer. They need to follow through on things that they have promised, they need to respond quickly to our requests, they need to be consistent in what they do and they need to be very knowledgeable about the products that they are selling so that they are able to answer any questions we might ask” (Buyer Two).

When asked which of the skills they rated as being most important each buyer mentioned integrity, understanding the customers business and product knowledge, (including technical and applications). Buyer One also acknowledged the importance of reliability and human relations skills. As well as integrity buyer two also felt that good negotiation skills were very important for a KAM to possess. These findings are consistent with survey findings.

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4.4.2 Objective two

To uncover the level of support required in the maintenance of the buyer- seller relationship.

According to authors McDonald et al (2006) organisational support is the key determining factor behind the success of KAM and the buyer-seller relationship.

The interview findings confirmed that suppliers acknowledge the importance of organisational support to KAM's success by providing a high level of organisational support to their KAM's in the form of training and reward mechanisms.

Each KAM interviewed was questioned on the level of support their companies provide them with in trying to build and maintain customer relations. All five were in concurrence that their respective companies were very supportive in helping them maintain and build customer relations.

4.4.2.1 Level of training

Consistent with previous research (e.g. Rogers.B, 2000), KAM two confirmed the benefits of continuous training to a KAM;

“Continuous training has given me the necessary skills and knowledge to become a competent KAM” (KAM Two).

With regard to training previously received the five KAM's had similar stories about how they started at lower levels in the organisation and worked their way up to become a KAM, as evidenced in the following statement: “The training that I had was that I spent two years in customer service, so in that respect I spent two years on the phone getting to know customers. I then spent two years as a field salesperson and now I have been a key account manager and also business unit manager for the last two years” (KAM One).

When questioned on the current level of training they receive, KAM One indicated a low level of training support, when she stated that it was mainly her who carried out all the training involved but that she was thinking of doing a Masters in business to future her knowledge. This indicates the lack of importance her employer places on providing continuous training to their KAM's.

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However KAM Two, Three and Four highlighted a high level of training support stating that they was sent on training courses; “Once or twice annually, for sales training and updating on new products” (KAM Two). This suggests that these employers recognise the value of providing their KAM’s with regular training.

4.4.2.2 Rewards

Interviewees also revealed that there are reward systems in place in their respective companies in the form of performance related pay, bonuses, commission and perks:

“We are rewarded financially, we are given bonuses depending on the profitability and maintenance of the accounts we look after” (KAM One).

However the KAMs were also of the opinion that the feeling of accomplishment from doing a good job was more important to them than financial incentives although obviously financial incentives were a driver also.

“I think the feeling of accomplishment from doing a good job. Obviously as a sales person financial rewards are important but if I feel that you have done a good job, the sense of achievement does more for me than financial reward” (KAM Two).

KAM Three agreed stating that her main motivation for performing effectively as a KAM is; “Meeting and exceeding customer needs on every buying occasion on every account” (KAM Three).

Additional organisational supports were also discussed: “There is a lot of backup support in the office and we have got a very strong internal sales team who can chase things up for me when I am on the road. We also have a very strong engineering team so if equipment breaks down within one of my key accounts I know that I have the backup of a service engineer very quickly, so yes there is a lot of support” (KAM One).

The second KAM interviewed also mentioned that she and her colleague are supplied with a secretary to help them with paper work and phone calls: “We were designated

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one secretary and in that she would take care of a lot of the paper work, she also would be at the end of the phone for the key accounts” (KAM two).

Such high level of organisational support, gives an indication of the high value supplying companies place on KAM and the building and maintenance of their key accounts.

4.4.3 Objective three

To identify how relationships are developed, managed and maintained and key account managers and buyers opinion on the key account management stratagem.

“Building and maintaining a good customer relationship is the main responsibility of a key account manager today” (KAM One).

4.4.3.1 KAM’s Perspective

The researcher asked each KAM how they developed relationships with their customers. Consistent with the survey findings each respondent stated that they developed relationships with their key accounts by being in regular contact with their buyers, whether it face to face, on the phone or by email. They feel that this way they are becoming familiar with their buyers needs and wants and build and maintain a high level of trust with them.

KAM Two also discussed the importance of regular two- way communication between the buyer and seller; “Regular communication between myself and the buyer allows for the sharing of necessary information which improves the overall relationship” (KAM Two).

This corroborates previous research findings (e.g. Englehardt and Nastanski, 2002) which also uncovered that information collected over time can help provide direction to continually improve the effectiveness of the evolving relationship.

KAM Two stated that through calling in on a regular basis, anticipating problems and solving them and by being loyal her key accounts were managed and maintained effectively.

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KAM Three agreed that while regular contact is a crucial aspect in the development, management and maintenance of the buyer- seller relationship, dealing with issues and complaints in a timely manner and ensuring trust and confidence is continuously improved upon are also very important parts; “It is extremely important that we understand the voice of our customer. It is imperative to have daily / weekly contact with the customer. It is important to be pro-active rather than reactive – we should highlight an issue with the customer before the customer comes to us – this helps reduce uncertainty and build trust & confidence with the customer” (KAM Three).

KAM One stated that through the support of her company, through her personally getting along with her customers and by responding quickly to problems she was able to manage and maintain relations with key accounts effectively.

The researcher asked each KAM what a KAM strategy meant to them. KAM Five was of the opinion that KAM is very important and valuable to their respective organisations. For this reason key accounts should be treated as separate identities to regular accounts so that they are given the attention that merit, ensuring their needs are addressed in an effective manner. KAM Four was of the opinion that a key account strategy involves the building and maintaining of a strong relationship with key accounts which facilitates the identification of needs, the addressing of any issues and the maximisation of opportunities for both the buyer and seller.

4.4.3.2 Buyers Perspective

The buyers interviewed further highlighted the importance of regular communication to the success of the buyer-seller relationship.

When the researcher asked each buyer how their respective KAM's has developed relationships with them, buyer one felt that their KAM developed relationships with them by calling in on a regular basis, by being very quick and efficient in answering any queries and by obliging them if they need products delivered quicker.

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Buyer Two was of the opinion that their KAM successfully developed relationships with them by: “Matching any competing offers from other companies, by getting products in on demand for no extra charge and a great delivery service” (Buyer Two).

When asked how they felt this relationship was managed and maintained by their KAM, both agreed that it was managed and maintained effectively through regular contact and priority assistance as evidenced by the following statement: “They are managed and maintained in a very good way, for example I can just call our key account manager and if we have any queries or if we are looking to expand the number of products we are buying in she will get back to me very quickly and assist”, (Buyer Two).

The researcher also asked each buyer how relationships were managed by the actual supplier and both buyers were also in agreement that their respective suppliers also managed relationships with them in a very competent manner through regular contact e.g., “I think our suppliers are very competent when it comes to managing relations with us for example the director of the company rings up on a regular basis to make sure that we are happy with the service we are getting. To me this shows that they value the relationship” (Buyer One).

When asked if they felt their supplier could do more to improve relations 14% buyers were of the general opinion that there always things that can be done to improve relations and if they felt that their supplier was not doing their utmost to improve relations then they would be of the tendency to find a supplier that would.

Areas of improvement suggested by the buyer’s interviewed of which included more regular and consistent communication with one buyer stating;

“They don’t do anything to make us feel that our business is important to them. We are taken completely for granted. They never call up to inquire how our business is doing. We only see them when they want to sell something” (Buyer Two).

Better problem-solving capabilities were also identified as an area which could be improved upon; “They are only interested in selling their product/ service, not in solving our problems” (Buyer Three).

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Finally a more customised offering was deemed to be beneficial;

“There are few signs that they’re really listening to us. They bring us generic issues faced by all companies in our business sector. We want to hear about the specific opportunities for, and challenges facing, our company” (Buyer Four).

The buyers interviewed agreed that their respective suppliers and KAM’s effectively utilise the KAM strategy;

“Yes I think that they have because they have a key account manager in place who delivers upon our needs and has successfully developed and maintained a close, professional relationship with us” (Buyer One).

4.4.4 Objective Four

To examine the value opportunities of a KAM strategy.

4.4.4.1 Value opportunities

Interview findings were consistent with survey findings with regard to the potential value opportunities a KAM strategy can offer the selling and buying company. From a KAM perspective it was felt KAM has brought the most opportunities to the seller in terms of the strategic and economic value opportunities it has generate.

60% of KAM’s have observed a link between KAM and the success of their respective companies corroborating previous research (e.g. Naude, 2005). This was verified when one KAM stated; “If you get in with fewer customers for a long-time, you get a greater share of wallet from the fewer customers which can lead to higher profits and continuously stable cash flows for the selling company” (KAM Three).

60% of buyers feel the KAM stratagem offers their respective organisations the most opportunities by their KAM and supplier being in regular and consistent contact which creates exchange value opportunities. Buyer Four confirmed such when she described how “Opportunities have been created through the regular interaction between myself and my KAM” (Buyer Four), which confirms further the importance of regular communication between the buyer and seller.

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4.4.4.2 Value elements

To identify the value the KAM brings to the buyer-seller relationship the author asked each KAM to identify the value they provide to their customers. Findings were relatively consistent with survey findings. KAM One felt that she provided 'expertise' through a knowledge base i.e. an excellent knowledge of the products she was selling and of the industry she was working in. She also said that she tried to ensure that all her customer's needs were met and exceeded.

KAM Two discussed how she brought value to the relationship through 'reliability', 'closeness' and 'post-sales service'.

The researcher wished to uncover if what KAM's felt that their buyers valued from the relationship was consistent with what they actually valued from the relationship.

The buyer's interviewed highlighted various different value elements: "Well I think that she is very knowledgeable about their products therefore being able to impart that knowledge on to us and she is very quick at coming up with a solution when we have a problem", (Buyer One), this is similar to what their KAM said (KAM One). Buyer Two and KAM Two also coincided in their opinions.

Unlike the KAM's surveyed those interviewed recognised the importance and value buyers place in 'expertise'. When asked what values they thought their buyers sought from the relationship and all were in agreement that quality, expertise, reliability and value for money were what they felt their buyers sought from the relationship, "reliability and expertise at the right price is what they value" (KAM Two). Consistent with survey findings what each buyer actually seek are, (in order of importance to the buyer), expertise, quality, value for money, speedy response, problem solving capabilities, fast- delivery service evidenced by the following responses:

"We look for a speedy response when looking to purchase products, inquiring about new products and when a problem arises after the purchase of one of their products and also I would seek expertise that our key account manager has a good knowledge of the products they are selling. High quality and value for money are also extremely important" (Buyer One).

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“The benefits that I seek are that I am not getting second rate products. I want to know that I am getting top quality products for a reasonable price, delivered quickly and that if there are any problems that they are resolved quickly” (Buyer Two).

The researcher asked the KAM's how they delivered core values to their customers they stated that they felt they delivered upon their clients wants and needs successful. Finally the five buyers interviewed were in agreement that their respective KAM's delivered effectively on the values they seek.

4.4.4.3 Added value

The five KAM's interviewed highlighted the added value they feel they bring to the buyer-seller relationship.

KAM Three discussed the added value she feels her position as KAM brings to the relationship, “I am basically a link between departments in the company, (who would not be used to dealing with customers), and our customers to ensure that we have the necessary level of follow through service and support in order to achieve a high level of customer satisfaction”.

Such requires the KAM to possess of a high level of team building and communication skills to ensure follow-up service is provided regularly and consistently to the client.

Other added values were highlighted by the KAM's, which confirmed the survey findings. These comprise of two-way communication, KAM professionalism and responsiveness, clear product specification, improved quality, continuous improvement, reduced time to market, continuity of supply, lower cost, strong interpersonal connections, improved information system, cooperation, trust and commitment. Such findings confirm the value adding opportunities KAM offers over other selling strategies.

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4.4.4.4 Superior value

The researcher asked each key account manager what value they provided that made them stand out from the competition. They outlined further offerings they provide to their key accounts which enable them to stand out from the competition.

KAM One stated that it was the back-up service her company provided for their customers, her professionalism in knowing the customer and being able to meet their needs made her and her company stand out from the competition. She also indicated that providing regular communication, expertise and delivering on promises made enables her to stand out from the competition as: “Some of the competition do not call into their customers enough, they are not as knowledgeable about the industry and they do not follow up on promises they have made” (KAM One).

KAM Two stated that she differentiates herself from the competition by offering a more professional, personal and informal service with relationship building being the key focus.

KAM Three believes that superior value differs from product to product, company to company and industry to industry, “It varies from product to product.....market to market. Different customers look for different things. Downtime while doing an upgrade may not be that important to an accounts department, but it may be vital to a hospital” (KAM Three).

4.4.5 Objective five

To determine the importance of trust and commitment in developing the buyer-seller relationship.

All ten respondents, (five KAM's and five buyers), were in agreement with previous research (e.g. Hill, 2005) that trust is very important in developing committed relationships, for example;

“Yes it's extremely important, it is very important that they feel they can trust you because if they don't they will not be committed to the relationship and it will be only a matter of time until they go looking for an alternative supplier that they can trust” (KAM One).

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The importance of trust was further highlighted by Buyer Two who stated: “I think that it is very important, it brings me back to the integrity thing, if someone has integrity and can be trusted, that if they tell you this is the best that they can do for you on a particular deal that you know that they are being honest about it and they are committed to making sure that the service that we are getting from their company is the best that they can offer” (Buyer Two).

Ranked in order of importance in developing trust with their customers by each KAM were the attributes of honesty, reliability, mutual goals, confidentiality and consistency.

It was very interesting to discover that four of the five KAMs agreed that honesty was the most important, reliability was second and that mutual goals was least important of the five with the middle two attributes being the only two they disagreed on;

“Honesty would be number one, reliability number two, consistency number three, confidentiality number four and mutual goals number five” (KAM One, Two, Three).

The buyers opinions were similar as well, with the two of them agreeing that reliability, consistency and confidentiality were the top three in order of importance with them only disagreeing on the placing of the last two;

“I think reliability, honesty, consistency, confidentiality and mutual goals”. That is the way I would rank them” (Buyer Two).

The KAMs interviewed feel that their customers are committed to doing business with them however both buyers admitted that “If another supplier came along offering the same service but at a cheaper price we would have to seriously consider our options” (Buyer One).

The consensus among 80% of respondents was that the commitment the customer has with their KAM is not just down to financial incentives but that there is a certain amount of emotional attachment present.

“Well it is financial reasons for the service we are getting, that is we are getting a very good service at a very good price. So its financial but it is also the service we are getting but we have a long standing relationship built up with our current supplier which would take a long time to build up again if we were to move to another

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supplier” (Buyer Two). This confirms the importance of high quality service and support to the success of the buyer- seller relationship.

4.4.6 Overall Objective

“To explore the importance of key account management and the value it brings to the buyer seller relationship.”

To aid in solving the research problem the researcher asked a few questions at different stages through the various interviews that were directly related to the overall objective. This was done to identify further the importance and value of a KAM strategy.

4.4.6.1 KAM’s Perspective

When asked how important and valuable they felt a key account initiative was to their companies the KAM’s verified the strategic and economic value of KAM by stressing the level of business their key accounts generated for their respective companies;

“Well our key accounts generate over sixty percent of our companies business so this will tell you the level of importance our key accounts have to our company” (KAM One).

“Well it is certainly very important from our point of view in that financially eighty percent of our business is generated from our key accounts there is no question that it is a strategy which carries significant value opportunities” (KAM Two).

Each KAM was in agreement that the strategy was having a very positive effect on the profitability levels of their companies and also both KAM's main objectives are to increase sales and maintenance of their key accounts.

It is worth noting also that the KAM's and buyers interviewed were of the opinion that their supplying companies have utilised the KAM strategy effectively through supplying a consistent level of service and support to their KAM’s.

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4.4.6.2 Buyer's Perspective

The researcher also uncovered the significant importance and value of KAM to the buying company. According to Maister (2000) KAM is a “clear path to economic success”. He believes there is a clear link between profitability and success in nurturing key accounts,

The buyers confirmed the economic value the KAM has brought to their respective companies. The buyers highlighted that being a key account enabled them to get better deals and therefore increase profitability for their companies and both stated that by being key accounts they can benefit from economies of scale;

“Yes I do because our supplier realises that we are a very large organisation and we spend a lot of money with them, by having a KAM in place they are offering us a very good service, better deals, bulk buying discounts etc., so that we don't stray to the competition and continue to do business with them” (Buyer One)

Each buyer claimed that their main objective was to get the best deal possible from their suppliers, e.g. “My main objective as a buyer is that we are getting the best products in at the best price possible. This is my key objective. My other objectives include getting the best all around deal, the best service and the best delivery times” (Buyer Two).

The survey and interview findings uncovered that buyers and sellers place a high level of importance and value in KAM.

The participants discussed how KAM allows KAM's to become more knowledgeable about the customer's requirements and needs, facilitated through regular and consistent communication. Knowledge of the customer combined with social rapport built over a series of service encounters facilitate the customisation of a product/ service offering, built to the customer's specifications (KAM One, Three and Four).

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4.4.7 Main in- depth interview Findings

The themes arising from the interview findings were consistent with those of the survey findings.

Consistent with the survey findings the majority of KAM's interviewed acknowledged the important role the KAM plays in the success of the buyer-seller relationship. Any task performed by a KAM should be done with the aim of developing and maintaining a successful buyer-seller relationship. The most important and valuable KAM skills and qualities uncovered were consistent with survey findings with the quality of 'Integrity' outlined as being the most important which confirmed further the importance trust and commitment plays in the development of successful buyer-seller relationship.

Corroborating survey findings KAM's stated that the way they developed relationships was through the delivery of a high quality service and support by being in regular contact with their buyers. All KAM's interviewed agreed that their respective companies were very supportive in helping them maintain and build customer relations.

Findings suggest that the implementation of an effective KAM stratagem offers significant value opportunities to both the buying the selling companies, mainly in the form of strategic and exchange value and can create competitive advantage opportunities if used successfully. The stratagem delivers value to the buyer-seller relationship in many forms, mainly 'quality', 'value for money' and 'expertise'.

The research findings uncovered that KAM also brings added values to the buyer-seller relationship, over traditional selling strategies, mainly through regular and more consistent interaction between both parties. Superior value comes by delivering the key account a better customer experience through the provision of more personalised service, professionalism and a better after-sales service.

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4.5 Conclusion

The researcher questioned all the respondents with regard to the research objectives. The researcher conducted an analysis of the findings under each objective. This chapter highlighted the findings and discussed them. To conclude there are a number of themes which emerged from the survey and interview findings.

Findings suggest that the main role of a competent KAM involves developing and maintaining a successful long- term buyer-seller relationship. The respondents stated that for the KAM to add value to the buyer-seller relationship they should have a diverse and varied set of skills and qualities. Continuous training can improve upon a KAM's skill set. Findings show that successful KAM's develop, manage and maintain relations with their key accounts through regular and consistent communication via email, phone or face-to-face interaction.

Respondents indicated that a high level of organisational support (i.e. training and rewards) has the potential to improve KAM's overall productivity.

Findings indicate that KAM offers significant value opportunities and benefits for both the buying and selling company, mainly through the creation of strategic and exchange value opportunities. Such indicates the value opportunities KAM has over traditional selling strategies and fields sales representative.

A KAM strategy has the potential to achieve sustainable competitive advantage for both the buying and selling organisation. Findings rate trust and commitment as a key determining factor to the successful development of the buyer-seller relationship.

In Chapter Five the conclusions gained from the study are discussed. The researcher then makes recommendations regarding future studies.

CHAPTER FIVE

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CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter will outline the conclusions, which have been gained from the research conducted for this study. The comparison of pertaining data obtained from the study and previous published literature on the topic will allow for the researcher to conclude the study and make recommendations regarding future studies.

5.2 Summary of key findings

This study aimed to solve the research problem by exploring the concept of Key account management, its importance and the value it brings to the buyer-seller relationship.

The conclusions will be examined under each of the research objectives which have been previously outlined and then the primary research objective will be answered at the end of the chapter.

5.2.1 Objective One

To evaluate the role, skills and qualities of the Key Account Manager and the value they bring to the buyer-seller relationship.

5.2.1.1 The role and responsibilities of a competent KAM.

This study confirmed previous research findings by uncovering a significant correlation between the KAM and the success of the KAM strategy and the buyer-seller relationship.

All participants, buyers and sellers, acknowledged and discussed the significant role the KAM plays in the success of the KAM strategy and the buyer-seller relationship.

Through analysis and evaluation of the research findings the researcher concludes the main role of a competent KAM today to involve the development, management and

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maintenance of key accounts to maximize opportunities for both the selling and buying company.

All respondents corroborated previous research findings that the any KAM's task should be done with the overall aim of building and maintaining a successful long-term buyer-seller relationship.

The findings uncovered four KAM roles and responsibilities perceived by both KAM's and buyers, to be of the most importance and value to the buyer-seller relationship. These are:

- Providing high quality, flexible and proactive service and support to the key account.
- Managing customer's issues and complaints effectively.
- Developing long-term value for the buyer.
- Building and maintaining high levels of trust and commitment with the buyer.

The findings indicate that the majority KAM's acknowledge the importance of these roles and take responsibility in delivering upon them in the most efficient and effective manner.

In the literature review it was noted that relationship selling has transformed from one time sales transactions to nurturing a long-term relationship between the buyer and seller.

The KAM's stressed the importance of maintaining regular contact with their buyers, keeping them up to date with product development, answering any queries etc. Regular communication with clients facilitates the sharing of information between both parties which aids in developing an understanding of customer's requirements and the maximisation of opportunities.

Through the analysis of the interview and survey findings it was noted that the KAM's offered their buyers a comprehensive service which involved calling in on a regular basis, consulting them about products and answering any queries that they had. This would tie in with the previous literature (Manning and Reece, 1992; Decrier and

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Jobber, 1993) that states that sales person's role has transitioned from sales force to sales counsellors and consultants.

The general consensus between all respondents was that the field salespersons role was to drum up custom while the KAM's role was to build and maintain custom.

“How the key account sees the role of the key account manager is of major/ critical importance to the relationship” (Rogers, 1998).

Interestingly it was found that the buyers view of the KAM's role was that they call into them on a regular basis and provide them with knowledge on product offerings this would tie in with how the KAM's described their roles. It can be noted from this that what buyers value most from their KAM is that they call into them on a regular basis and are always only a phone call away.

Findings show that a competent KAM can bring greater value opportunities to the buyer-seller relationship than a field's sales representative.

Another interesting finding was that all respondents were of the consensus that KAM's paid more attention to their accounts than sales representatives. Also it should be stated buyers felt more important and more valued when dealing with KAM's rather than sales representatives which would again give us an indication of the importance of a KAM initiative. The majority of buyers surveyed stated that their KAM's make them feel valued and important. This increases their level of trust and commitment to the relationship.

5.2.1.2 KAM skills and qualities

The findings supported previous research (e.g. Donaldson, 1998) that the possession of the necessary skills and qualities is a key success factor behind the development, management and maintenance of the buyer- seller relationship and the overall KAM strategy.

However a common issue expressed by a number of buyers surveyed with regard to the management and maintenance of relations with their KAM was “The key account manager's lack of possession of necessary skills and qualities to manage the relationship effectively”.

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McDonald and Rodgers (1998, p.119) state that “there is much diversity of opinion on the desirable skills and qualities of a key account manager”

This is a very true statement especially in the light of an every changing business environment as KAMs have to constantly change their skill set to keep up with the competition. The respondents also believe for the KAM to add value to the buyer-seller relationship they should have a diverse and varied set of skills and qualities.

These research findings were similar to that of Donaldson’s previous findings. Respondents identified their perceptions, based on their knowledge and experience, of the skills and qualities required by a KAM to operate successfully in an ever changing environment. These are displayed in table 5.1:

Table 5.1- KAM’s skills and qualities

Buyer’s perspective	Seller’s perspective
1. Integrity	1.Integrity
2. Understanding our business	2. Understanding the customer’s business
3. Product knowledge (technical)	3. Communication skills
4. Product knowledge (applications)	4.Product knowledge
5. Communications	5.Selling and negotiation skills

Findings uncovered that these five skills and qualities are believed by KAM’s and buyers to hold the most importance to KAM and add the most value to the buyer-seller relationship.

Each of the buyers interviewed commented that integrity was the most important quality for a KAM to possess, in agreement with Donaldsons (1998) findings. This may be because in selling to businesses in today’s competitive environment it is very important to keep promises so that trustworthy relationships are built and maintained. Also valued by buyers is, reliability, understanding the customers business, product knowledge (technical and applications), communication skills which also ties in with Donaldson's findings above.

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The KAM's perception of the most important and valuable KAM's skills and qualities was consistent with that of the buyer.

An interesting finding was that when the KAM's were questioned on the skills and competencies they felt their customers considered to be most important they seemed corroborate with how their buyers felt, i.e. KAM two was aware that product knowledge was important to their customer (Buyer Two) and KAM one was aware that good human relations and reliability were very important to his customer (Buyer One). This would suggest that because KAMs are in contact with their customers on more a regular basis than field sales representatives would be, they know a lot more about each other's needs and wants as a good relationship has been formed.

Other important KAM skills and qualities identified were team-building skills, administration skills, relationship building skills and problem-solving capabilities.

5.2.2 Objective Two

To identify the level of support organisations give to their key account managers in trying to build and maintain relationships.

As commented in the literature, for RM to be successful and effective it must be understood and have the support of people in all business departments and functions (Levitt, 1983, as cited in Cann, 1998). All buyers and KAM's were in agreement that their respective companies were very supportive in helping them maintain and build customer relations.

It is clear to see through the responses of the KAM's surveyed and interviewed that they are receiving an adequate level of support from their respective companies through the provision of training, reward system and other systems and processes, namely technical and technological support.

This would give an indication of the importance the selling organisation places in KAM. These companies seem to value the importance of developing and maintaining

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long lasting relationships with their key customers and they show this through the support they give to their KAM's.

The majority KAM's surveyed and interviewed revealed that they receive a 'good' or 'very good' level of organisational support, namely training and reward mechanism's, in the development, management and maintenance of their key accounts.

The findings show a high level of organisational support in the area of regular and continuous training. This corroborates with previous research (e.g. Blythe, 2005) which stated that suppliers are beginning to acknowledge the link between the provision of training to KAM's and the success of the strategy.

Findings suggest that intensive training in the area of KAM and sales equip KAMs with the skills, knowledge and experience necessary to fulfill their role efficiently and effectively.

Findings uncovered a significant correlation between reward mechanisms and improved KAM productivity, corroborating previous research by theorist Broderick (1995).

Participants revealed a high level of organisational support in the provision of rewards and incentives. All participants receive some form of reward as an incentive for improved performance. These include performance related pay, performance related bonuses, commission and perks. However findings suggest that KAM's are more motivated by intrinsic incentives such as the feeling of accomplishment from doing a good job.

It can be concluded from the research findings that KAM's receive an adequate level of organisational support on the development, management and maintenance of their key accounts.

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5.2.3 Objective Three

To identify how relationships are developed, managed and maintained and participants opinion on the key account management stratagem.

Moving from a transaction to a relationship approach changes the way organisations interact and therefore managing these interactions becomes a key task, (Wilson, 2000) often undertaken by the KAM.

As stated in the literature “Relationship marketing involves not only the initiation of relationships, but also its subsequent stabilisation, intensification and reactivation (in case of a termination of the relationship by the customer” (Bruhn, (2003, p.12).

This is very true as can be seen in the findings, each KAM was very aware of the importance of a KAM strategy to their companies and by calling in on a regular basis they try and demonstrate to their buyers that they value their custom immensely and are very committed to the relationship.

It is clear to see that a lot of effort is put in by the KAM's to try and build and maintain good relationships with their buyers. They do this by providing high quality service and support which involves calling in on a regular basis, being very quick and efficient at answering any queries and assisting their buyers as much as possible.

Findings show that the supplying companies value the business of their respective key accounts and they show this through their effective relationship building and maintenance of these accounts. It could also be concluded that their respective buyers are aware of their suppliers and KAM's commitment to the relationship and by them maintaining and building it; it makes it more difficult for the buyers to move to the competition due to emotional attachment and financial reasons.

It is very important that suppliers continue to give their buyers the attention they desire and continue to manage and maintain relations with them because buyers stated that if their suppliers were not maintaining and improving relations with them they would be of the tendency to find a supplier that would.

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Findings indicate that the most effective way for KAM's to develop, manage and maintain a successful relationship with their key accounts is by providing flexible, proactive customer service and support. This is best achieved through regular and consistent communication, meeting and exceeding customer requirements, managing customer issues and complaints and building and maintaining high level of customer trust and confidence.

It can be concluded from the findings that with a KAM strategy, communication and interaction tends to be informal and formal, continuous and designed to support the relationship over the long-term.

The general consensus among respondents is that the KAM strategy is an effective selling and relationship building strategy enabling the buyer and seller to form mutually- beneficial partnerships.

However all buyer's feel that their KAM could do more to improve the buyer- seller relationship. Recommendations of improvement were outlined by the buyer's surveyed as a means for KAMs to improve the relationship with their key accounts. These included more regular and consistent contact, better problem solving capabilities, a more customised offering adapted to suit the buyer's value proposition and better post- sales services. It is felt that such improvements could potentially enhance buyer- seller relations.

5.2.4 Objective Four

To examine the value opportunities of a KAM stratagem.

In the literature Blythe (2005, p.170) defines value creation "As the process by which the competitive abilities of all parties are enhanced by being in a relationship".

The research findings conclude that KAM is a mutually beneficial strategy to both the selling and buying company. It offers many critical benefits and value opportunities in the form of mainly strategic, exchange and economic value.

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Findings show a strong correlation between a successful KAM strategy and the long-term success of the selling company and the sustained profitability of the buying company.

As pointed out in the literature review, marketing deals with exchanges and the management of relationships (Achrol, 1997). Of pivotal importance for interactions and relationships is the notion of value, i.e. the perceived net benefit that ultimately serves as the rationale for exchanges. Without all the exchange partners perceiving value to be existent (and therefore certain needs being satisfied), no exchange will happen (Palmer, Lindgreen and Vanhamme, 2005).

Through the analysis and interpretation of the findings it was discovered that KAMs were in tune with what their respective key accounts value in the relationship, for example KAM One and Buyer One were in agreement that knowledge was the value that KAM One brought to the relationship. This would highlight to the researcher that because they are in contact on a regular basis they have built up a relationship and have learnt to understand and become aware of each other's needs and value requirements. However the research findings uncovered many areas where KAM's were unaware of their key accounts needs and value requirements i.e. buyer's surveyed placed a high value on the 'expertise' of their KAM yet 13% of KAM's surveyed were unaware of the importance of this value element to their buyers.

This study found that KAM delivers many value elements to the buying company.

The most important of which were rated consistently by the buyers and sellers alike as being 'quality', 'value for money' and 'expertise'.

87% of buyers were in agreement that their respective KAM's acknowledge and deliver upon their value requirements effectively.

"KAM is today's strategy for companies who want to differentiate their product and service by providing value added elements tailored to each strategic customer"

(McDonald and Rogers. 2001). Findings suggest that KAM offers greater value opportunities over traditional selling strategies.

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The findings indicate that the utilisation of a KAM strategy offers sustainable competitive advantages to the selling and buying company through the maximisation of opportunities for both companies enabling the achievement of a sustainable competitive advantage. Superior value also comes by delivering the key account a better customer experience through the delivery of a distinctive offering.

The majority of participants felt that by KAM's calling in on a regular basis and providing them a professional and personal service enables the selling company to differentiate itself from the competition.

5.2.5 Objective five

To determine the importance of trust and commitment in developing the Buyer-Seller relationship.

All respondents were in conformity with previous research findings (e.g. Harwood and Garry, 2006) that trust and commitment are very important components to relationship success.

In examining the components of trust and commitment, researchers postulate this comprises "Reliability", "Competence", "Mutual Goals", "Confidentiality", "Customer Orientation", "Honesty" and "Likeability", which may be process-, character-, or organized-based (Dalrymple, Cron and DeCarlo, 2004).

Independent surveys of what customers want from suppliers regularly place 'honesty' and 'reliability' of high value to the buyer-seller relationship. Consistent with previous research buyers and KAM's also ranked the components of reliability and honesty were found to be the most effective components at building and maintaining trust and commitment with key accounts.

Findings verified previous research (Fill, 2005) which found that regular communication helps generate superior levels of trust and commitment between the two parties, strengthening the business relationship.

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From the literature review it was noted that both *affective commitment* (which is based on a sense of liking and emotional attachment to the relationship) and *calculative commitment* (which is based on a cognitive evaluation of the worth of the relationship) (Morgan and Hunt, 1994) are constructive for developing mutually beneficial relationships, with affective commitment being more effective (Kumar et. al., 1994).

From the research it was discovered that both were evident parts of the relationship, but calculative commitment seems to be a slightly stronger factor for staying in the relationship. This would contradict the above theory.

It was also found that buyers feel that their KAM's keep them committed to the relationship by calling in to them on a regular basis and offering a consistent service and the KAM's feel that they keep their customers committed by providing them a better service than sales representatives and providing special offers.

As demonstrated in published literature and supported by research findings trust and commitment are very valued components in building the buyer-seller relationship. Without these two constructs a business relationship of this form would realistically be unable to grow and prosper.

“Absolutely I mean it is all part of the relationship building, there is no question it goes hand in hand” (KAM Two).

“Today selling organisations need to do something out of the ordinary to win their clients trust as the increasingly difficult economic climate is making buyers more cautious with regard to their buying decisions” (Cardell, 2009).

Consistent with previous research, (e.g. Fill, 2005), open, honest and frequent communication was highlighted by buyers and KAM's as the most effective trust and commitment building techniques.

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5.3 Overall Objective

“To explore the importance of key account management and the value it brings to the buyer seller relationship.”

The researcher achieved the overall objective and solved the research problem by uncovering the importance of a KAM strategy and the value it brings to the buyer-seller relationship.

As cited in the literature, “Key Account Management is seen as a natural development of customer focus and RM. It offers critical benefits and opportunities for profit enhancement to both sides of the seller/buyer dyad” (Malcolm, McDonald, Millman & Rogers, 1997, p.737).

Through analysis and evaluation of the research findings the researcher can conclude that this statement is accurate. Findings uncovered that both parties to the relationship are benefiting greatly from KAM. The long-term relationship facilitates benefits and opportunities to both the buyer and seller.

Findings suggest that KAM is a valued concept to both the supplying company and the buying company. It is also very clear that it brings a lot of value to the buyer-seller relationship. It offers significant value opportunities for both the buying and selling company. The respondents suggested that for the selling company this mainly comes in the form of strategic value, while for the buying company it is mainly from exchange value.

The KAM's indicated the importance of the KAM initiative to their companies and all respondents (buyers and sellers) were of the opinion that a KAM initiative was having a positive effect on the profitability of their respective companies.

While the buyer benefits from professional, prioritised attention, process improvement, economies of scale through activities such as bulk buying, improved integration, cost reduction and a faster delivery service.

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?The seller profits from improved customer retention through stronger relationships and increased customer satisfaction, profit enhancement through increased purchase frequency and through the development of the appropriate product/service offering for the customer, improved sales effectiveness by pursuing high potential accounts, increased market share and revenue within existing accounts. The seller also advances from constant feedback from buyer which improves research and development, product and service improvements and new product development (NPD).

Such findings highlight that both parties are achieving benefits and value opportunities from regular and consistent interaction.

The proper installation of a KAM initiative is seen as being very important in achieving profitable and sustainable competitive positions in today's world (Sharma et al., 1999; Ritter and Germunden, 2004 as cited in Pardo and Naude, 2006).

This study uncovered a link between the implementation of a KAM strategy and a sustainable competitive advantage. Superior value comes from the provision of a better customer experience by the KAM. This comes from the delivery of a distinctive offering by the KAM to the key account mainly through professional, high quality customer service and support.

Findings show the important role the KAM plays in the success of the buyer-seller relationship through the provision of professional service and support. Findings highlighted the value a KAM has over a field's sales representative. Respondents were of the consensus that KAM's paid more attention to their accounts than sales representatives. Also it should be stated buyers felt more important and more valued when dealing with KAM's rather than sales representatives which would give another indication of the importance of a KAM initiative. Buyers feel more valued due to the provision of a more personal and professional service by their KAM's.

The delivery of high quality service and support is a key factor behind the success of the buyer-seller relationship. Through the analysis of the findings it was noted that KAM's delivered upon this by offering their buyers a comprehensive service which

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involved calling in on a regular basis, consulting them about products and answering any queries that they may have. This would tie in with previous research which states that a sales person's role has changed from sales force to sales counsellors and consultants. The scope of KAM is broadening and becoming more complex. The skills and competencies of professionals involved in it at strategic and operational levels need to be constantly updated and developed (Tzokas and Donaldson, (2000. It is very important to have the diverse and requisite skills required to become a successful KAM as supplying companies are not going to entrust such an important role onto someone without the required skills and competencies.

As cited in the literature "Key Account Management (KAM) is a management concept, including both organizational and selling strategies, to achieve long-lasting customer relations" (Hollensen, (2003, p.629).

The main strategy used by the supplying companies to build up long-term and sustained relationships is to call into their key customers on a regular basis through their KAMs. It was evident that through regular interaction the KAM and their buyer were very in-tune with the needs and wants of the other for example each KAM was very in tune with what their customer valued from the relationship.

This study proved that regular communication between both parties is a key influencing factor behind the success of the KAM strategy. All KAM's surveyed referred to regular communication as the most effective means of developing, managing and maintaining relations with their clients. It facilitates the sharing of necessary information, the identification of client's needs, requirements and issues, the maximisation of opportunities and the building and maintenance of trust, confidence and commitment.

Survey and interview findings confirmed that two of the most important constructs in the building and maintenance of key accounts is trust and commitment and without these a relationship cannot truly exist. All respondents stated that they valued these constructs a lot. Findings suggest that KAM's play an important role in building and maintaining trust and commitment between the buyer and seller. All respondents

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indicated that regular communication helps build and maintain high levels of trust of which KAM effectively brings to the buyer-seller relationship.

Organisational support is another key factor behind the success of a KAM strategy. It was found that the supplying companies valued KAM so much that they provided a lot of support for their KAM in terms of continuous and intensive training and rewards. It could be seen how important the key account initiative is to the supplying company through the rewards they give their KAM's and the training they provide them with. An awareness of the proper management and maintenance of these accounts especially in such a competitive environment was evident.

It is very important that suppliers through their KAMs continue to give their buyers the attention they desire and continue to manage and maintain their good relations with their key accounts to maintain high levels of relationship commitment.

From the findings it can be concluded that KAM is an important selling strategy, which if used effectively can offer significant value opportunities and substantial benefits to both parties (buyer and seller).

5.4 Recommendations

The researcher uncovered various KAM trends and problems with the adoption of a KAM strategy. The researcher will now outline such issues and propose a number of suggestions for improvement.

Findings uncovered that many supply companies today merely improve upon/extend their traditional approaches to major account selling rather than undergo a full implementation of the KAM strategy. However author Pardo (1999) uncovered that more successful organisations carry out a complete transformation of their internal processes to accommodate the wider relational aspects of KAM. The researcher proposes that by supplying organisations improve their internal processes to better facilitate KAM. This could enable suppliers to better avail of the potential value opportunities a KAM strategy has to offer.

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As a further recommendation the researcher proposes that suppliers and KAM's should consider such the issues highlighted by buyers in this study and address them accordingly. Through examination of the issues expressed the researcher proposes a number of suggestions. Better implementation of KAM through continuous monitoring of their industry and that of their buyers in order to enhance the success of key accounts. More key account planning in the implementation of the KAM strategy, which should involve a better understanding of the customer's strategic plan. Improved service and support mainly in the area of communication with their key accounts. This study highlighted the importance and value buyers place in personal interaction. For this reason the researcher proposes more face-to-face communication between the buying and selling company to add value to the buyer-seller relationship.

The research findings uncovered differing opinions between the two parties in the buyer-seller relationship on various important aspects KAM. One area was on the most important components in the development of trust and commitment between the buyer and seller. Thus the researcher advises the selling company to make an effort to better understand the buyer's views in this and other areas as an attempt to improve the relationship.

The researcher recommends that the supplying organisation increase the level of customer research they carry out, as a means of identifying the needs, issues and the overall value proposition of their key accounts. One of the areas of improvement recommended by buyers to their suppliers was the provision of a more customised offering. Hence increasing the level of customer research would provide the supplying company and KAM with the knowledge needed to develop an improved offering tailored to the each individual buyers needs.

While the research findings uncovered a high level of organisational support provided to KAM's, improvements in this area were also recommended by the KAM's surveyed. Such included more training, promotional support, technical support and technological. The researcher suggests that by selling organisations addressing such issues could potentially lead to an improved level of KAM performance and productivity. Also increasing promotional support i.e. investment in sales and marketing strategies could improve the implementation and overall effectiveness of the KAM strategy.

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5.5 Areas of further research

The findings from this exploratory investigation suggest a number of fruitful areas for further research.

To-date theoretical and empirical KAM research has been relatively limited thus the researcher proposes further research into the under addressed aspects of KAM which include research into the implementation of a KAM strategy, the best practice KAM, KAM processes and the matching of KAM's competences with buyer's incompetence. Knowledge in these important aspects of KAM will enable the value opportunities of KAM to be recognised and achieved.

The researcher also proposes further research into the importance and value of KAM as research in this area of KAM is relatively limited. In the future it will be even more difficult to keep a 'value' edge in terms of quantifiable benefits, or even in terms of professionalism. Wider aspects of value require further exploration such as the process of value creation for both parties. A greater understanding of value exchanges could facilitate sellers in their achievement of sustainable competitive advantage and create optimal value for the buyer.

In regard to the methodology used to research KAM, the researcher makes a number of additional recommendations.

Although the research findings compare favourably with previous KAM studies, the sample size was not representative of the total population. This can be seen as a limitation to this research. The researcher offers a suggestion that future researchers should aim to obtain a larger sample of experts, organisations, within different industries and different economic contexts.

Such would include investigating the results further by conducting additional interviews with respondents from other areas within the organisational including more KAM's and category managers, and incorporating a wider selection of buyers from a variety of relationship types. Obtaining a larger sample size would increase the

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response rate, the validity and reliability of the research, while allowing for further investigation into the KAM concept. Similar research could be undertaken across specific industries and examine the findings through interviews at various levels within the buyer's organisation from management to retail during different trade cycles.

5.6 Conclusion

This study identified the importance of KAM and the value it brings to the buyer-seller relationship. KAM is a very important selling strategy, which if used effectively can offer significant value opportunities and substantial benefits to both the buyer and seller. This study identified a connection between the implementation of a KAM strategy and the opportunity for sustainable competitive advantage for both the buying and selling company

There are many determining factors behind the success of KAM and the buyer-seller relationship.

Firstly Kam's are crucial to the success of the KAM strategy and the buyer-seller relationship by providing high quality, personnel and professional service and support to the buyer. A diverse skill set is required to position KAM's successfully which are developed through the provision of continuous training in the areas of sales and KAM. The provision of rewards act as an incentive for KAM's to perform efficiently and effectively. Thus organisational support is another factor behind the success of a KAM strategy.

High quality service and support is a key factor behind the success of the buyer-seller relationship. Findings show that suppliers and their KAM's build and maintain a sustainable buyer-seller relationship by maintaining regular contact with their buyers.

Trust and commitment are two of the most important constructs in the building and maintenance of relations with key accounts which can be developed through regular communication.

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Finally KAM is a very important selling strategy, which if used effectively can offer significant value opportunities and substantial benefits to both the buyer and seller. This study identified a connection between the implementation of a KAM strategy and the opportunity for sustainable competitive advantage for both the buying and selling company.

There is potential to carry out further studies in to areas of KAM, its importance in companies today and the value it brings to the buyer-seller relationship.

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APPENDICES

Appendix A

Key account manager survey

1) Please outline your main responsibilities as a key account manager?

--

2) Which of these tasks to your consider to be the most important?

--

3) How would you rate the level of the support you receive from your organisation in the maintenance of your Key Accounts?

	Very good	Good	Average	Poor	Very poor
--	-----------	------	---------	------	-----------

4) Please suggest any additional supports which you feel are necessary?

--

5) How do you ensure the relationship between you and your customer is managed and maintained effectively?

--

6) What type of training did you receive in becoming a Key Account Manager?

--

7) "Currently the level of training I receive as a Key Account Manager enables me to fulfill my role as a key account manager efficiently and effectively"

	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
--	----------------	-------	---------------------------	----------	-------------------

8) Please rank the following Key Account Management skills and qualities in order of considered importance, (1 being the most and 6 being the least important):

	1	2	3	4	5	other (please specify)
Integrity						
Selling/ negotiation skills						
Communication skills						
Team building skills						
Product Knowledge						
Understanding customer's business						
Other (please specify)						

9) What added value do you bring to the relationship with your key buyers?

--

10) In your opinion which of the following values are of most importance to the buyer, (1 being the most and 10 being the least):

Value for money	
Quality	
Expertise	
Closeness	
Post- Sales service	
Problem resolution	
Customised products	

Regular communication	
Speedy response	
Fast delivery service	

11) What superior value do you deliver to your customers that make you stand out from competition?

12) What motivates you in your role as a key account manager?

13) Please rate the following attributes in order of considered importance in the development of trust with your customers:

Confidentiality	
Reliability	
Mutual goals	
Honesty	
Consistency	

14) On a scale of 1 to 5, (1 being the least and 5 being the most), how important do you rate trust to the maintenance of a successful buyer-seller relationship?

	1	2	3	4	5
--	---	---	---	---	---

15) Which of the following communication tools do you utilize most frequently to collaborate with your key customers?

Face-to-face	
--------------	--

Phone	
E-mail	
Fax	
Text	
Mail	

16) How frequently do you communicate with your key accounts?

	Daily	Weekly	Monthly	Other (Please Specify):
--	-------	--------	---------	-------------------------

17) In your own opinion which of the following values do you feel the buyer-seller relationship brings to your organisation:

Strategic value	
Economic value	
Informational value	
Network position value	
Other (please specify)	

Buyer survey

1) Could you please give a brief description of your current job?

--

2) In your opinion what are the most important responsibilities of a key account manager?

--

3) Please rank the following Key Account Management skills and qualities in order of considered importance, (1 being the most and 5 being the least important).

	1	2	3	4	5	Other (please specify)
Integrity						
Understanding of our business						
Communications						
Product Knowledge (Technical)						
Product knowledge (Applications)						
Other (Please specify)						

4) Do you feel your key account manager could do more to improve relations with you and your company?

--

Yes	
No	

5) If your response to question '4' was "yes", please specify what improvements you feel are required:

--

6) Please rank in order of considered importance the following values of, (1 being the most and 10 being the least):

Value for money	
Quality	
Expertise	
Closeness	
Post- Sales service	
Problem resolution	
Customised products	
Regular communication	
Speedy response	
Fast delivery service	

7) Do you feel your Key account manager delivers the values outlined in question '6' effectively?

Yes	
No	

8) "Trust and commitment are key to the success and maintenance of the buyer-seller relationship".

	strongly agree	agree	Neither agree or disagree	disagree	strongly disagree
--	----------------	-------	---------------------------	----------	-------------------

9) Please rate the following attributes in order of considered importance in the development of trust with your key account manager, (1 being the most and 5 being the least):

Confidentiality	
Reliability	
Mutual goals	
Honesty	
Consistency	

10) In your own opinion the level of collaboration between yourself and your key account manager is:

	Very good	Good	Average	Poor	Very poor
--	-----------	------	---------	------	-----------

11) If your response was "poor" or "very poor", please specify what improvements you feel are needed:

--

12) Please rate the following communication tools in terms of their level of effectiveness, (1 being the most and 6 being the least):

Face-to-face	
--------------	--

Phone	
E-mail	
Fax	
Text	
Mail	

16) In your own opinion which of the following values do you feel the buyer-seller relationship brings to your organisation:

Strategic value	
Economic value	
Exchange value	
Relational value	
Other (please specify)	

Appendix B

Theme Sheet for Key Account Manager

Would you be able to give me a brief description of your present job?

Role

How do you think your customers view the key account manager's role as distinct from that of a field salesperson?

Criteria

What would you classify as a key account?

KAM

So for you personally what does a key account management strategy mean?

Tasks/Roles

What are your main tasks/responsibilities as a key account manager?

Which of these to you consider being the most important to your key accounts?

Support/Importance of KAM

What level of support does your company give you in trying to maintain key accounts?

Relationship Marketing

How are customer relations managed in your company? Do you think your company manages relationships with customers in a good manner?

How do you ensure they are managed and maintained?

Relationship Development/Building

Can you describe how you personally develop relationships with your customers?

Customer-Centric

There is more emphasis in today's world on moving towards a more customer-centric business. Is this your experience working with your company?**Importance of Key Accounts**
How important do you feel a key account initiative is to your company?

Skills and Competencies

What types of skills and competencies in your opinion should successful key account managers have?

What skills or competencies do you think your customers consider most important to the relationship?

Training

What type and level of training did you have to do to become a key account manager?

Value

What opportunities or benefits do you feel the KAM strategy has created for your organisation?

What do you think you provide that is of value to your customers?

What superior value do you think you deliver to your customers that make you stand out from the competition?

What real benefits/core values do you think your buyer seeks?

How do you go about delivering these core values to your customers?

Is this approach having a positive effect on profitability and performance levels in your company?

Rewards

Is there a reward system or incentives in place in your company for key account managers who effectively maintain key accounts?

What would you rate as being more important the feeling of accomplishment from doing a good job or pay and financial incentives?

Trust and Commitment

How important do you think that trust and commitment are to maintaining a good relationship with your customers?

Can you rank each of the following attributes in order of importance in developing trust with your customers: Confidentiality, reliability, mutual goals, honesty and consistency?

Do you feel that your customers are committed to doing business with your company?

Okay and do you think this is more of a financial commitment or do you think there is a certain amount of emotional attachment involved?

Is there anything you do to try and keep your customers committed to the relationship?

KAM

Do you think that your company has effectively utilised a key account management strategy?

Theme Sheet for Buyer

Start

Can you give me a brief description of your present job?

Role of KAM

What do you perceive the job of your key account manager to be?

What do you see as being their main responsibilities?

How do you think this differs from the role of a field salesperson?

Criteria

What do you think your supplier classifies as a key account?

Relationship Building

Would you be able to describe how your key account manager has developed relationships with your company?

Managed and Maintained

How do you feel they are managed and maintained by your key account manager?

Do you feel that your supplier could do more to help improve relations with your company?

Skills and Competencies

In your opinion what type of skills and competencies should successful key account managers possess?

Which of the above skills and competencies you have fore mentioned do you rate as being most important for your key account manager to possess to carry out their job successfully?

Value

What opportunities or benefits has the KAM strategy created for your organisation?

Do you think that by being a key customer it has enabled you to get better deals and therefore improve your profitability?

What value do you feel your key account manager brings to the relationship?

What real benefits/core values do you seek as a buyer?

Do you feel that your key account manager delivers on these effectively?

Trust and Commitment

How important do you think trust and commitment is in maintaining a good relationship with your suppliers?

I am going to list out a few attributes and I would like you to rank them in order of importance in developing trust in your supplier: Confidentiality, Reliability, Mutual Goals, Honesty and Consistency.

Are you committed to doing business with your supplier?

Would you say that financial reasons are the main reasons for doing business with your current key account manager or are there emotional ties between you?

How does your supplier try to keep you committed to doing business with them?

KAM

Do you think your supplier has effectively utilised a key account management strategy, in relation to conducting business with your company?

Appendix C

Cover letter

4th June 2009

To whom it may concern,

I am a student in the Institute of Technology Sligo studying on the Masters of Science in Marketing. I am currently conducting research into the importance of Key Account Management and the value it brings to the buyer-seller relationship. The rationale for my dissertation is the bridge the existing gap in academic literature.

Your experience and knowledge in this area would be an invaluable aid in ensuring the academic integrity of my research and I would sincerely appreciate it if you could complete the attached questionnaire. Any information you disclose will be kept strictly confidential and will be used for the research purposes only.

Thank you very much for help and taking the time to complete this questionnaire.

Yours sincerely
Sandy Sheridan.