

**Are Key Account Relationships Different?
Empirical Results on Supplier Strategies and Customer Reactions**

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As a reaction to changes in environmental factors and in their customers' purchasing behavior many suppliers in the business-to-business field have introduced key account programs. The aim of these programs is to serve strategically important customers in a more individual manner than minor accounts. A core assumption in the key account literature is that supplier companies are willing to increase their input into important customer relationships because they hope to enhance the relationship outcome. This paper presents the results of an empirical study among 297 purchasing managers in which this assumption was tested. Based upon the relational exchange framework the authors analyze whether key accounts receive more relational treatment than ordinary accounts (input side). On the output side this research examines whether key customers perceive relationship quality (satisfaction, trust, commitment) to be better than non-key accounts.

1. Key account management as a resource-oriented management concept

Resource-oriented management theories increasingly interpret customers as part of a company's assets, particularly when these customers contribute to the creation of competitive advantages. Some customers are also believed to be of higher value to the firm than others: "*relational market-based assets are outcomes of the relationship between a firm and key external stakeholders. (...) The bonds constituting the relationships and the sources of them can vary*" (Srivastava, Shervani and Fahey 1998, p. 5). This focus on a customer's value is reflected by recent contributions to relationship marketing. Different authors have proposed measurement models and studies linking a customer's value to outcome variables such as loyalty (e.g. Cornelsen 2000; Krafft 2002; Werani 2000).

In a slightly different perspective, resource advantage theory (RAT) posits that – in addition to customer relationships – specific organizational solutions a supplier company implements in order to serve its customers may be interpreted as resources. These solutions may be based upon "*specific organizational policies and procedures and the skills and knowledge of specific employees*" (Hunt 2000, p. 189). For an organizational solution to become a valuable resource it must permit the owning company to serve its customers more efficiently and/or more effectively than its competitors (Hunt and Morgan 1995). According to RAT, companies having such comparative advantages in organizational resources are able to occupy superior marketplace positions and, in turn, to achieve superior financial performance (Hunt and Morgan 1996).

Both, the interpretation of customers as well as organizational solutions as valuable resources, contribute to the explanation of the increasing attention suppliers pay to the maintenance and enhancement of important customer relationships. This particular attention is often manifested by the establishment of key account programs (Kempeners and van der Hart 1999). The suppliers' objective is to occupy marketplace positions of competitive advantage.

In the extant literature a panoply of different terms are being used to design the specific organizational solutions this paper deals with, e.g. national account management, large account management or strategic account management (Boles, Johnston and Gardner 1999). Based upon a discussion of these terms, Pardo (1999) pleads for the use of key account management (KAM), a position shared in this paper. The central characteristics of key account management are summarized by Pardo (2001, p. 2): *“In a firm’s customer portfolio, there is a central core (of customers). The supplier believes that if the exchanges with these customers are managed in a specific way, they can offer greater commercial efficiency. These are the customers the supplier designates as his firm’s key accounts. To manage them in a specific way means a different form of management than that usually used for his customers. More specifically, this means the creation of a new mission (thus the creation of a new job, new practices, etc.) and its integration into the existing structure. This mission involves coordinating supplier information and action in time and space in relation to a customer in its entirety”*.

In this perspective, KAM merges a specific organizational solution with the selection and prioritization of important customers. Hence, it integrates two categories of potential resources, customers and organizational structures and capabilities. Accordingly, Diller interprets KAM as a sales-oriented management concept comprising organizational as well as relational aspects (1992, p. 239). In order to increase the commitment of one valuable resource (the customer), a specific organizational solution (the KAM program) is created. It becomes a valuable resource, too, if it permits to reduce the competitors' access to the key customer by serving the account more efficiently and/or more effectively. The design of this organizational solution can take various forms (Shapiro and Moriarty 1984; Kempeners and van der Hart 1999; Jensen 2001) and does not necessarily have to be implemented as a formal structure (Homburg, Workman, and Jensen 2002).

In the RAT perspective, resources may lose their value because their effectiveness for generating competitive advantage may erode. For example, competitors may try to imitate critical resources or they may manage to substitute them by alternative resources. Hence, in order to maintain and enhance their competitiveness companies must continuously work on the development and safeguarding of valuable resources. (Hunt and Morgan 1996, p. 107). For KAM this implies that the concept may lose its impact when a customer is better served by competitors than by the focal supplier. In addition, it can only become effective if – from the customer's vantage point – it creates relevant advantages.

2. Key Account Management and customer prioritization

For a long time, neo-classical economics have narrowed the analysis of exchange acts to a utilitarian perspective (Macneil 1985, p. 484). The increasing interest for relational phenomena in marketing has led to the emergence of relationship marketing. This research stream posits that “*all marketing activities be oriented at individual customer relationships rather than anonymous markets*“ (Diller 1995, p. 442). Relationship marketing differs from the traditional, transaction-oriented approach to marketing in that individual customers are being prioritized, in that interactions are being emphasized, and in that customers are increasingly integrated into suppliers’ value creating activities (Diller 1994, p.2). Today, it is often interpreted as a cross-functional and process-oriented concept which represents the convergence of total quality approaches, customer service management, and marketing in order to satisfy and retain customers (Christopher, Payne, and Ballantyne 1991).

The increased interest in relationship marketing has many roots which may be summarized by an intensification of competition observable on numerous markets. On business-to-business markets relevant trends are (among others) mergers and acquisitions, concentration and centralization processes in purchasing organizations, and the increasing internationalization of purchasing activities (Müllner 2002, p. 30). As a consequence, customer satisfaction, penetration, and loyalty have become important goals in sales departments. In order to achieve these goals, many suppliers develop concepts through which they feel they show closeness to the customer (Homburg 1995).

KAM is a concept through which companies introduce the principles of relationship marketing into their customer policy and become closer to the customer. They select important customers in order to – based upon an increased individualization of business processes - better interact with them and possibly integrate them into value creation.

It seems important to stress that a customer’s importance for the supplier may stem from various factors. Many companies still rely solely upon sales volume to identify key accounts. However, given KAM’s holistic perspective, this approach is too narrow (Spencer 1999). KAM’s strategic dimension implies the necessity for a future-oriented selection of key accounts and it does not allow limiting selection criteria to economic features. Along with turnover a set of other reasons exist that make customers become key accounts (Stevenson 1980; Walter, Ritter and Gemünden 2001), e.g.:

- lead user function: particularly advanced customers may serve as partners in R&D cooperations. Their know-how as users often puts them in a better position than the company’s own engineers to evaluate which new features of a product create customer value. Hence, lead users are not primarily valuable from the supplier’s point of view but because they contribute to the creation of value for other customers. These customers reap the fruit of the lead user’s expertise through better designed products or reduced costs.

- Benchmarking: often, a company's customers do not serve the same markets and, hence, are not directly competing with each other. As a consequence, these customers are potential benchmarking partners. Highly efficient customers would seem to be valuable to others for example in process optimization or comparable projects.
- Reputation: a company's good reputation is an important basis for economic success. It creates trust and thus facilitates exchange transactions. Reputation may be positively influenced by a company's effectiveness, but also indirectly through cooperation with partners who dispose of reputational capital themselves. Hence, customers may find it valuable if their supplier also serves other customers with high reputation.
- Internationalization: Certain customers intend to enter foreign markets, while others already have established successful international operations. Under certain circumstances, customers experienced in the management of foreign distribution channels may be valuable partners for international "green horns" (e.g. in "piggyback exporting").

In certain cases the net economic value of a relationship may be fairly low, for example when serving a large customer with whom margins are low or zero. Still it might be mistaken not to pay attention to them because through its specific capacities or properties this customer company may directly create value for other customers and thus have strategic importance to the supplier. Key accounts are not necessarily large customers but customers that fulfill a key function for the supplier company.

3. Consequences

A key account's strategic importance is the point of departure for a supplier's decision to define it as such. The implementation of a specific organizational solution is the direct consequence from this decision. However, KAM does not become effective because of the implementation of a formal structure. Customer expectations as to what advantages key account status will provide them with have increased as the concept has become more knowledgeable. These expectations are multi-faceted and complex. They cover such aspects as increased efficiency, reduced business risk, transfer of know-how, new ideas, creativity, or specific logistical services (Dyer and Ouchi 1993; Storp 2001; Müllner 2002).

In practice, suppliers implement KAM programs in order to serve important customers better than through a classical (product or regional) distribution structure would enable them to do (Boles, Johnston and Gardner 1999, p. 265). "*Scarce and valuable resources*" (Boles, Pilling and Goodwyn 1994, p. 175) are allocated to these accounts. The necessity to render these special relationships successful is at least two-fold: First, because the accounts selected are important to the company, and second, because in general supplier companies invest more into account relationships than they do in ordinary relationships. One consequence is that relationship quality is a central indicator of success in

KAM. The second conclusion to be drawn is that key account relationships afford higher relational input (at least on the supplier side of the dyad) than relationships with less important accounts.

In this context, two hypotheses may be formulated:

H1: key accounts receive more relational treatment than ordinary accounts.

H2: as compared to ordinary accounts' perceptions, key account perceived relationship quality is higher.

The first hypothesis focuses on the supplier's relational behavior. This is a construct developed in the relational exchange school (Macneil 1978, 1980). It comprises different behavioral categories relevant to the analysis of economic exchange transactions. The basic assumption is that a supplier's behavior becomes more relational as a specific customer's importance increases. Since per definition key accounts are important customers, they may be expected to receive more relational treatment than the average customer.

The second hypothesis deals with customer's perceptions. In KAM, adaptations are being made for important customers. The aim is to establish bonds with the customer by offering him enhanced value. As a consequence, a key customer should rate the quality of his relationship with a given supplier better than other customers who do not receive preferential treatment.

Subsequently we first develop the core concepts of this paper: relational behavior and relationship quality. Then, we present the results of an empirical test of the two hypotheses formulated above. Some additional exploratory analyses of differences between key account and non-key account customers are being discussed. Finally we discuss the results as well as limitations and possible extensions of this study

4. Relational behavior and relationship quality

4.1 Dimensions of relational behavior

The extant relationship marketing literature provides us with various approaches as to how one might structure the relational behavior concept (e.g. Leuthesser and Kohli 1995). One of the most detailed schemes has been developed in the so-called 'relational exchange school' (RES, cf. Macneil 1978 and 1980) which has its roots in legal sociology. The RES's initial purpose was to develop an alternative view to classic contract theory's interpretation of legal contracts. The RES holds that written contracts represent but a part of the mechanisms that govern long-term business relationships. They are supposed to be completed by joint values and expectations the actors develop as to which behaviors are appropriate in mutual exchanges (Heide 1994). As a consequence, conflicts are expected to be resolved through plural-form mechanisms, that is a combination of formal and informal instruments.

In the RES, the soft factors are labeled exchange norms (e.g. Dwyer, Schurr and Oh 1987; Kaufmann and Dant 1992).

Marketing has integrated Macneil's thoughts with a certain delay. It is the increasing interest for long-term business relationships that led to rising interest in the RES. From many marketing scholars' vantage point, relational norms have become a core concept in the study of ongoing exchange. In his numerous writings, Macneil describes various norms which complete formal contracts in the governance of business relationships. Unfortunately, neither Macneil nor the subsequent applications of the RES in the field of marketing provide a definitive catalogue of relevant norms. A current review of the extant literature (Ivens 2002a, 2002b) shows that ten norms are of foremost importance. These ten norms as well as a short description of their content are shown in table 1.

They allow describing the often complex social web in which supplier-buyer relationships are usually embedded. If by definition norms are expectations, these expectations are directed towards the partner's relational behaviors. Hence, a customer may judge *ex post* to what extent a supplier's behavior corresponds to the expectations he has formulated *ex ante*. As a consequence, the scheme represented in table 1 may also be used to structure relational behavior. This study draws on this perspective. The different aspects of relational behavior have been operationalized based upon scales documented in the RES literature. They show good reliability scores (see appendix). For a discussion of these scales' validity, readers may refer to the original references.

Table 1: Relational norms

Norm	Description
Long-term orientation (LTO)	The desire and utility of an economic actor of having a long-term relationship with a specific exchange partner (Ganesan 1994)
Role integrity (ROLE)	The maintenance of complex multidimensional roles forming a network of relationships (Kaufmann 1987, p. 76)
Relational planning (PLAN)	The proactive and bilateral goal setting for joint future action; plans subject to adaptation (Palay 1984; Heide 1994)
Mutuality (MUT)	The actors' attitude that the realization of one's own success passes through the partners' common success (Dant and Schul 1992)
Solidarity (SOL)	The preservation of the relationship, particularly in situations in which one partner is in predicament. (Kaufmann and Stern 1988; Achrol 1997)
Flexibility (FLEX)	The actors' readiness to adapt an existing implicit or explicit agreement to new environmental conditions (Noordewier, John, and Nevin 1990)
Information exchange (INFO)	The parties' readiness to proactively provide all information useful to the partner (Heide and John 1992)
Conflict resolution (CONF)	The application of flexible, informal and personal mechanisms to the resolution of conflicts (Kaufmann 1987)
Restraint in the use of power (POW)	The expectation that no actor will apply his legitimate power against the partner's interest (Kaufmann and Dant 1992)
Monitoring behavior (MON)	The ex-ante and ex-post control or supervisory actions in business relationships (Noordewier, John, Nevin 1990)

4.2 Dimensions of relationship quality

In order to determine the success of a long-term cooperative relationship, different criteria may be applied. Purely economic data (e.g. market share, customer penetration rate) are but one side of the coin. Relationship quality is another important indicator. It constitutes a complex construct measuring the atmosphere in a dyad. In the literature, relationship quality is often believed to comprise three aspects: trust, commitment and satisfaction (e.g. Bejou, Wray and Ingram 1996; Werner 1997, Garbarino and Johnson 1999; Hennig-Thurau 2000; Klee 2000).

4.2.1 Satisfaction

Whenever an individual compares his perceptions of reality with his expectations, it answers the question whether or not it is satisfied with a given good or service (Matzler, Hinterhuber and Handlbauer 1997; Bruhn 2000). Hence, satisfaction judgments express how positively or negatively a past event is being interpreted (Day 1984).

However, satisfaction judgments differ between discrete and relational exchange as to their content. While in discrete exchange the object to be evaluated, the single transaction, is clearly delimited, in business relationships the picture is less clear. The reason lies in the complex character of ongoing exchange. The person judging the relationship must integrate information related to different levels of exchange and to different phases of a relationship. Hence, the object of exchange is less evident to define than in the discrete case. In a complex evaluation process numerous and partially contradictory aspects of exchange are being evaluated and integrated into a comprehensive satisfaction judgment (Rudolph 1998).

In the present study two multi-item scales were used to measure satisfaction. While the first scale focuses on a customer's economic satisfaction with a specific relationship, the second measurement instrument deals with the customer's social satisfaction. This two-dimensional approach reflects the constructs complexity. It is based upon the operationalizations proposed by Rudolph (1998) as well as Geyskens and Steenkamp (2000).

4.2.2 Trust

Trust is an attitude that can be defined as the "*willingness to rely on an exchange partner in which one has confidence*" (Moorman, Deshpandé and Zaltman 1993, p. 82). Morgan and Hunt (1994) indicate that many definitions of trust are based on Rotter's view. For Rotter, trust is "*a generalized expectancy held by an individual that the word of another... can be relied on*" (Rotter 1967, page 651). Therefore, in order to trust, the individual needs to establish the other party's trustworthiness (Rotter 1980). Such a judgment will be made on the basis of information which makes predatory actions by the other party

(e.g. opportunism) appear unlikely. Relevant information may be based upon the individual's own experience in dealing with the other party or they may be drawn from other sources, e.g. joint business partners whom both partners trust (Doney and Cannon 1997). In the context of long-term business relationships, an individual's own experience is of foremost importance: it stems from repeated interaction with the other party. Accordingly, one can expect a direct link between the dimensions of relational behavior and trust.

Just like satisfaction and commitment, trust as a construct is characterized by a high level of complexity. In order to grasp all of its facets, it is generally being measured through multiple items. Among the scales documented in the extant literature, the one developed by Doney and Cannon is particularly adequate given the context of our study (1997). First, their study also focused on vertical business relationships. Second, the conceptual part of their article deals with trust. Finally, their scale's reliability index (Cronbach's Alpha) of 0,94 is superior to those documented for most other trust scales.

4.2.3 Commitment

The third variable typically discussed in the relationship marketing literature as constituting a dimension of relationship quality is an actor's commitment towards a business relationship. "Relationship commitment" (just like trust) is mainly being interpreted as an attitude. Morgan and Hunt (1994, p. 23) define the construct as "*an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it; that is, the committed party believes the relationship is worth working on to ensure that it endures indefinite*".

This definition comprises two core aspects. On the one hand, an actor's commitment expresses a value judgment. Customers showing high levels of commitment consider this relationship to be important. This 'esteem' lays permits stabilizing the relationship and establishing close bonds with the customer. Accordingly, Diller and Kusterer (1988) also call the construct "internal obligation" towards the business partner: "*It enhances tolerance towards and loyalty to the supplier and increases barriers to relationship dissolution*" (p. 218).

Commitment is an important variable in the relationship marketing goal system. It is a prerequisite for the customer to proactively seek relationship maintenance whereas uncommitted customers can only be kept in relationships through instruments such as use of power, long-term contracts or in monopoly situations. Commitment has been operationalized in different ways. We use Werner's (1997) measurement instrument because it has proven to be reliable in a business to business context.

5. Empirical study

5.1 Study design: sample and questionnaire

The study is based on a written survey among managers involved in professional purchasing processes. In order to control for environmental influences it was conducted in a business-to-business setting. Two industries were selected. The packaging industry represents a classical industrial goods market whereas the market research sector was chosen as an industrial service market. In both industries, long-term relationships play an important role.

Questionnaires were distributed to purchasing managers for packaging goods on the leading German trade show “FachPack 2001”. Potential participants were identified at the entrance, asked to complete the questionnaire at their office and to return it within four weeks. Only German participants were included in the final sample in order to control for cultural bias in this study. On the market research side questionnaires were sent out to those members of the leading German market research association (BVM) who are concerned with the purchasing process of market information.

The questionnaire contained only closed questions. The respondents were asked to answer by concentrating on one selected supplier with whom they worked since at least two years. The selection of the supplier was left to them. A total of 1142 customer companies in two industries (packaging goods and market research) were contacted. 340 questionnaires were returned, 43 of which were insufficiently filled in or referred to foreign suppliers. In order to control for cultural bias, only questionnaires referring to German suppliers were taken into account. Hence, the available data base consists of $n = 297$ cases.

In all cases, the respondents had been concerned with the relationship for at least two years, so that we assume that they are knowledgeable. The participating customer companies cover all three major industry sectors (industry, retail and services). On the customer side, the sample consists of SMEs as well as large companies. The size structure of the supplier companies is closely correlated to the relative importance of these types of companies in their markets. Hence, sample representativity appears to be established.

In order to identify whether the replying customer is a key account the questionnaire contained the following question.

What is your company's position in the relationship with this supplier?	<input type="checkbox"/> The supplier defines us as key account <input type="checkbox"/> We are an important customer, but not a key account <input type="checkbox"/> We are an average customer for this supplier <input type="checkbox"/> We are a rather small customer for this supplier
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91 participants answered that their supplier defines them as key account (KA). 129 customer companies do not hold key account status but are nevertheless important customers. 56 respondents

define themselves as average customers of their suppliers, while 21 customers refer to themselves as small customers. Hence, the sample consists of 70% non-key account customers (NKAs) and of 30% KAs which indicates a slight bias as compared to average KA/NKA ratios. However, this deviation from the expected distribution appears to be of an order that remains to be tolerable for the aim of this study.

5.2 Tests of hypotheses

5.2.1 Relationality of supplier behavior

In order to answer the first research question (differences between the relationality of supplier behavior towards KAs and NKAs) we compare the different groups' means across the ten categories of relational behavior discussed above. The four customer groups' profiles (KAs, important NKAs, average NKAs and small NKAs) are represented in figure 1. To verify whether the customer's status has a statistically significant influence on the relationality of the supplier's relational behavior we conduct a one-dimensional analysis of variance (table 2). In a second step we conduct pairwise comparisons of the means using t-tests (table 3).

Figure 1: customer groups' means across ten categories of relational behavior

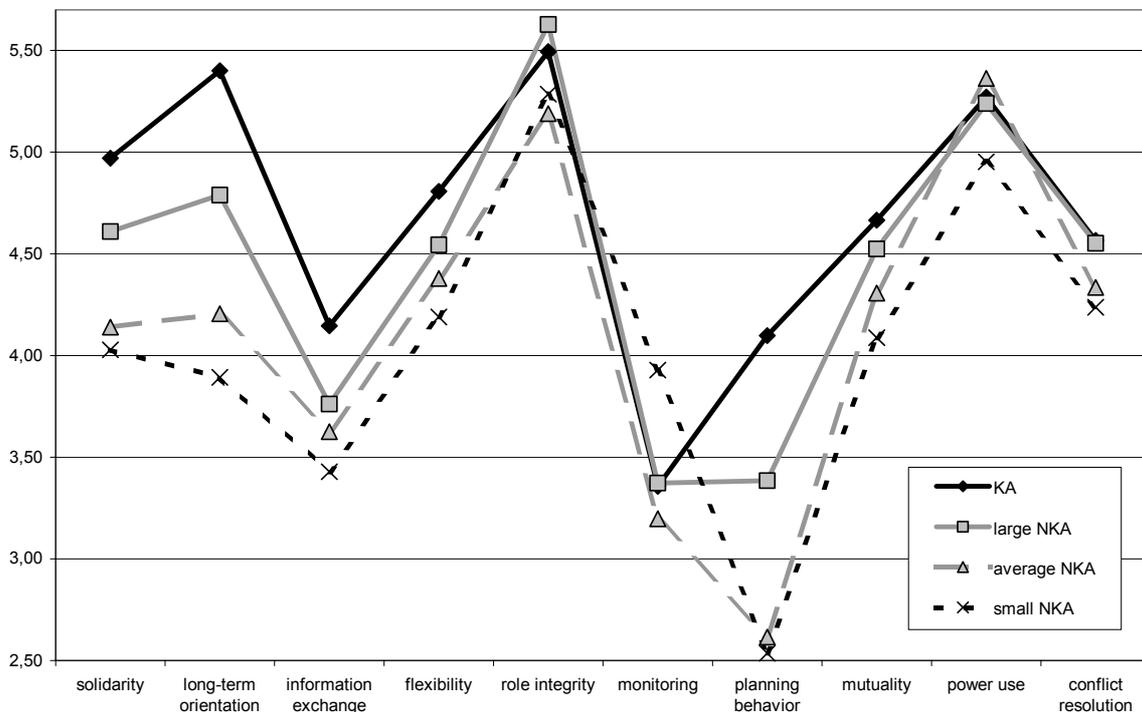


Table 2: Impact of customer status on relational behavior (analysis of variance)

Relational behavior	F-value	Level of sign.
Solidarity	10,218	***
Long-term orientation	16,152	***
Information exchange	3,663	**
Flexibility	2,429	*
Role integrity	2,433	*
Monitoring	1,762	non significant
Planning behavior	19,627	***
Mutuality	2,753	**
Conflict resolution	1,779	non significant
Power use	0,527	non significant

*** p < 0.01%, ** p < 0.05, * p < 0.1

Table 3: Pairwise t-tests of customer group means across dimensions of relational behavior

	1 to 2	1 to 3	1 to 4	2 to 3	2 to 4	3 to 4	
solidarity	***	***	***	***	**	n.s.	5
long-term orientation	***	***	***	***	**	n.s.	5
information exchange	**	**	**	n.s.	n.s.	n.s.	3
flexibility	n.s.	**	**	n.s.	n.s.	n.s.	2
role integrity	n.s.	*	n.s.	**	n.s.	n.s.	2
monitoring	n.s.	n.s.	**	n.s.	*	**	3
planning behavior	***	***	***	***	***	n.s.	5
mutuality	n.s.	n.s.	***	n.s.	*	n.s.	2
conflict resolution	n.s.	n.s.	*	n.s.	n.s.	n.s.	1
power use	n.s.	*	n.s.	n.s.	n.s.	n.s.	1
	4	7	8	4	5	1	29

The data provide the following picture: for five out of ten dimensions of relational behavior the analysis of variance conducted suggests an influence of the customer's status on the supplier's relational behavior at a level of significance < 0,05. The dimensions concerned are solidarity, long-term orientation, information exchange, planning behavior and mutuality. The other five variables exert no or only little influence. Apparently suppliers do not treat KAs and NKAs completely different. Some behaviors are being applied indifferently from the customer's importance. What are these dimensions? Do they show any commonalties?

In order to answer this question we conducted an exploratory factor analysis across the ten dimensions of supplier's relational behavior. This allows us to check whether these behavioral aspects dispose of an underlying factor structure. Principal component analysis with subsequent varimax rotation shows the following picture (table 4).

Table 4: exploratory factor analysis across the dimensions of relational behavior

factor 1 = value creation		factor 2 = value claiming	
solidarity	,806	conflict resolution	,698
mutuality	,793	power use	,679
flexibility	,716	monitoring	,669
information exchange	,707	<i>Explained variance = 54,9%</i> <i>Criteria for extraction: eigenvalues > 1, screeplot</i> <i>(Kaiser-criterion)</i>	
long-term orientation	,700		
planning behavior	,680		
role integrity	,639		

A two-dimensional solution permits explaining 55% of the variance in the data. Solutions of higher dimensionality are being rejected because eigenvalues fall below 1 and the screeplot does not show ‘elbows’. In the two-dimensional solution each of the ten dimensions of supplier behavior can be clearly attributed to one factor.¹ A comparison of this factor structure with Kaufmann’s (1987) purely theoretical taxonomy of the RES’s norms shows some parallel. This author distinguishes between, on the one hand, norms that contribute to value creation in relationships and, on the other, norms that permit claiming one’s part of the pie. Although Kaufmann only discusses five out of the ten norms we have identified, his classification of these five norms is identical with the factor structure identified above. Hence, we distinguish between behaviors that lead to value creation and behaviors that represent value claiming.

Returning to the analysis of variance conducted it becomes clear that KA-relationships do not differ from NKA-relationships across the behaviors that express value claiming (monitoring, conflict resolution, power use). The relevant F-tests are non significant. Significant differences are only observed in the area of value creating behaviors. However, the pairwise t-tests for the seven dimensions that load on this factor reveal differences. For two dimensions, flexibility and role integrity, the level of significance is weak (90%). They do not permit a sharp distinction between the two customer groups.

The other five behavioral categories differ at a level of significance of 95%- resp. 99%. A seller’s long-term orientation as well as his planning behavior express a temporal orientation that proves to be significantly longer in KA-relationships than in NKA-relationships. These suppliers clearly communicate their customers that they are interested in an ongoing cooperation. Moreover they not only manifest this attitude verbally but confirm it by jointly elaborating explicit plans for the middle-range development of the relationship with their customer. Comparatively high scores on solidarity and mutuality hint to the supplier’s awareness that establishing lasting bonds with key accounts is only

¹ The fact that the factors extracted explain 55% of the variance in the data shows that compressing the relational behavior construct to two dimensions is possible but implies a considerable loss of information. This confirms a problem raised in the extant literature (e.g. Ivens 2002b): The RES’s behavioral categories’ content is close. However, non of them is redundant.

possible by establishing a true win-win-situation. This commitment toward the customer is sustainable and not only limited to economically frictionless phases of the exchange relationship because solidarity also implies the seller's willingness to support his customer in troublesome times. Finally, KA-relationships differ from NKA-relationships in that the supplier provides his customer with more information, on the operative level as well as in strategic issues. Often, this also includes the communication of proprietary information. The numerous significant t-tests between customer group 1 (KAs) and customer groups 2 to 4 (non-KAs) confirm the five relational behavior's discriminatory power.

Summarizing, the hypothesis that suppliers treat their key accounts more relational than non-key accounts has only been partially confirmed. Whereas in the domain of value claiming no differences exist between the customer groups, for certain behaviors expressing value creation this is the case. In the following section, we examine the question if the increased input into KA-relationships leads to higher levels of perceived relationship quality on the customer side.

5.2.2 Perceived relationship quality

In order to answer the second research question (differences in perceptions of relationship quality between KAs and NKAs) we start by choosing the same approach as in 4.2.1: we compare the means for the four categories of customers across the four dimensions of relationship quality. The customer groups' profiles (KAs, important NKAs, average NKAs and small NKAs) are provided by figure 2. The visual impression already confirms that the application of a KA concept does not systematically lead to superior perceptions of relationship quality on the customer side. Hence, a detailed statistical analysis of the results is required. In order to verify whether a customer's classification into one customer group exerts a statistically significant influence on his perceptions of relationship quality, we first conduct unidimensional analysis of variance (table 5). In a second step the significance of the individual differences between the means of the four customer groups across the four outcome variables are being examined using t-tests (table 6).

The analysis of variance as well as the t-tests confirm the outcome of our visual analysis: customers whom their suppliers define as key accounts do not have superior perceptions of relationship quality as compared to those customers who do not hold key account status. The F-values show that in general only the dimensions 'social satisfaction with the relationship' (error probability < 0,10) and 'commitment' (error probability < 0,01) allow distinguishing between the four customer groups. Hence, a customer's economic satisfaction with a supplier relationship and his trust into the supplier are independent from his customer status. In this context, the t-tests provide interesting insight into the relationship between customer status and relationship quality.

Figure 2: means of the four customer groups across the four dimensions of relationship quality

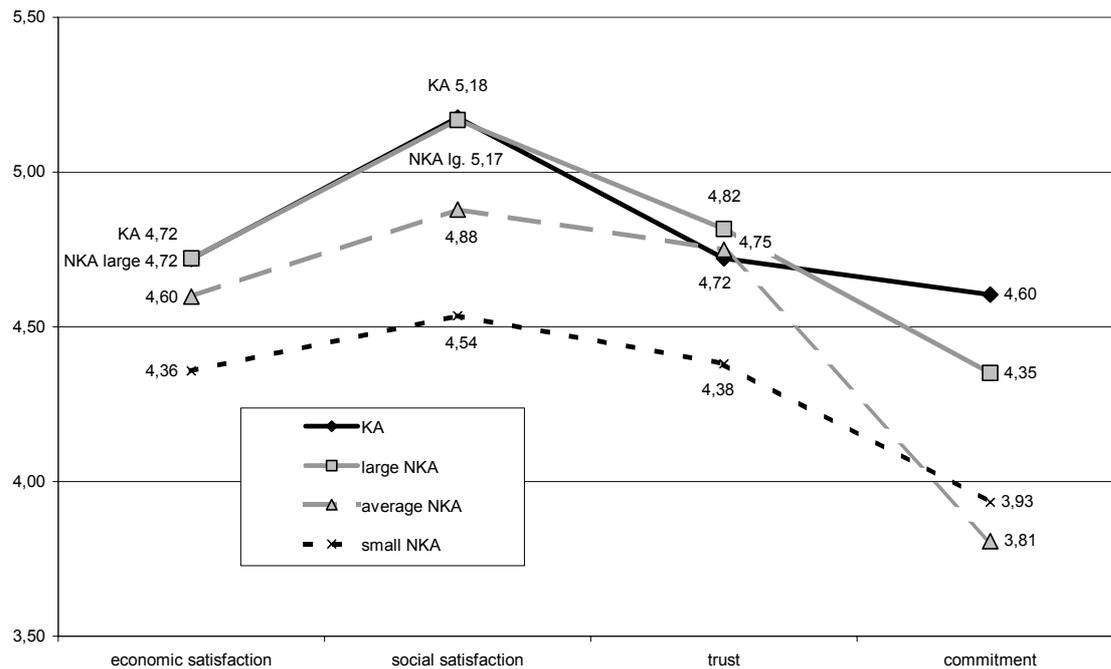


Table 5: unidimensional analysis of variance for the influence of customer status on the dimensions of relationship quality

Relational behavior	F-value	Level of sign.
Economic satisfaction	0,835	Non significant
Social satisfaction	2,505	*
Trust	1,144	Non significant
Commitment	5,732	***
*** p < 0.01%, ** p < 0.05, * p < 0.1		

Table 6: pairwise t-tests of customer group means across the dimensions of relationship quality (legend cf. Table 5)

	1 to 2	1 to 3	1 to 4	2 to 3	2 to 4	3 to 4	
economic satisfaction	n.s.	**	*	n.s.	n.s.	n.s.	2
social satisfaction	n.s.	n.s.	**	n.s.	**	n.s.	2
trust	n.s.	n.s.	n.s.	n.s.	*	n.s.	1
commitment	***	***	**	***	n.s.	n.s.	4
	1	2	3	1	2	0	9

Particularly, with the exception of commitment, customers do not evaluate key account relationships' quality significantly better or worse than relationships in which the customer does not hold key account status. This signifies that the prioritization of an important customer through formal key account treatment neither leads to higher levels of customer satisfaction nor does it induce higher levels of customer trust into the supplier. On the other hand, one can observe significantly higher customer commitment towards the supplier relationship. Because commitment expresses the customer's attitude that the specific relationship is worth to be preserved it appears that key account programs permit at least achieving one major goal often associated with their introduction, a loyalty effect on the customer side.

These results will have to be commented in more detail. Before this, however, we will take a closer look at the relationship between supplier behavior and customer commitment. Given that commitment is the only customer side variable significantly influenced by the different behavioral constructs included in this study, the question arises whether all dimensions of relational behavior show a significant impact on this outcome variable. In addition, we analyze whether the influence structure is identical for KA and non-KA relationships.

Regression analysis is an appropriate method for examining these two research questions. For the purpose of this analysis, the three non-KA groups of customers were jointly examined. Accordingly, two regression models were formulated and tested. Both models examined the impact of ten dimensions of relational behavior (independent variables) on the dependent variable (KA commitment; non-KA commitment).

The key criteria for the evaluation of the two models are represented in table 7. Firstly, the adjusted r^2 for the two solutions show that for both customer groups the ten independent variables explain almost half of the total variance contained in the data. The values imply that the relational behaviors this study focuses upon exert considerable influence on customer commitment in KA as well as in non-KA relationships. The interrelationship initially expected exists. In addition, the related F-values indicate that this interrelationship is undoubtedly statistically significant. Finally, tests for autocorrelation and multicollinearity showed no problematic results.

Table 7: evaluation criteria for the regression models

dependent variable	cases	adj. r^2	F-value
commitment KAs	n = 91	,488	27,303 / (,000)
commitment non-KAs	n = 206	,474	17,606 / (,000)

On this basis, we may now answer the question whether all independent variables are of equal importance in the explanation of customer commitment in KA and non-KA relationships or whether depending upon the customer group different relational behaviors are important.

For KAs as well as for non-KAs the analysis of the independent variables' standardized beta values and t-values leads to the same result: 4 dimensions of supplier relational behavior provide an important contribution to the explanation of customer commitment (table 8). These behavioral categories are solidarity, long-term orientation, role integrity and (on a lower level of significance) mutuality. The remaining six variables exert no significant influence on the level of customer-side commitment.

Table 8: standardized beta values and significance of the dimensions of relational behavior in the regression models on commitment

relational behaviors	key accounts		non-key accounts	
	std. β -coeff.	significance	std. β -coeff.	significance
solidarity	,269	***	,291	***
long-term orientation	,205	***	,214	***
information exchange	,052	n.s.	,039	n.s.
flexibility	-,010	n.s.	-,070	n.s.
role integrity	,169	***	,177	**
monitoring	-,021	n.s.	-,040	n.s.
planning behavior	,020	n.s.	-,011	n.s.
mutuality	,132	**	,137	*
conflict resolution	,048	n.s.	,089	n.s.
power use	,079	n.s.	,066	n.s.

As a result, we observe no fundamental differences between KAs and non-KAs concerning individual relational behaviors' importance. In both subgroups, customers are ready to establish closer bonds with a supplier if they perceive signs that the supplier seeks a fair, ongoing and mutually profitable relationship (long-term orientation, mutuality and solidarity). The importance of the role integrity construct also points to the core of the exchange relationship. According to RES, the partners in an exchange relationship fulfill certain roles. These roles reflect promises the actors have made during early phases of the relationship. The promises have led the respective partners to develop expectations about their supplier's behavior (Kaufmann and Stern 1988). In this sense Gill and Stern define a role as a "*set of prescriptions defining what the behavior of a position member should be*" (1969, p. 23). The role fixes the rights and the obligations of an actor. Role integrity means that this actor shows an internally consistent and stable pattern of behavior (Werner 1997). While in a simple customer relationship, role definitions are often quite narrow, in complex relationships (e.g. with key accounts) they may prove to be rather extensive and complex. This aspect was reflected in the scale we used to measure role integrity. Thus it is not surprising that both customer groups attribute a high level of

importance to this variable. Basically, evaluating role integrity is another form of stating whether one's supplier respects his obligations. Irrespective of a customer's expectations' extensiveness and complexity their fulfillment is a core determinant of his commitment. This result appears plausible.

6. Discussion

Two questions were at the center of this article: (1) do key accounts receive more relational treatment from their suppliers than non-key accounts? and (2) are key accounts more satisfied, more trusting and more committed customers than non-key accounts? Through an empirical study data were generated that provide a rather fragmented picture. On the one hand, there are some dimensions of relational behavior in which suppliers do grant key customers more relational behavior than an ordinary or small customer would receive. We mainly observe an increased input level for behaviors that contribute to the creation of value for the customer. On the other hand, this increased input into the relationship does not lead to an observable amelioration of customer perceived relationship quality. This applies at least to the two dimensions of satisfaction and to customer trust into the supplier. Only with respect to commitment differences are observable. KAs achieve higher levels of customer commitment than non-KAs. However, analyzing the relationship between the dimensions of relational behavior and relationship quality, we observe neither an increased explanatory power for KAs as compared to non-KAs nor differences in the importance of the individual behaviors.

At least the fact that suppliers increase the relationality of certain customer-directed behaviors in KA-relationships without being able to increase their customers' perceptions of relationship quality is surprising. After all, why should they continue engaging in special marketing practices if there are no tangible rewards? In order to give a substantial answer to this question, the present study would have to be completed by the inverse perspective: what effect would a reduction of relational input have on perceived relationship quality?

A first explanation may be that key account programs themselves are at the origin of the problem. They represent a concept that aims at increased customer management efficiency and effectiveness through individualized exchange processes. By attributing a customer key account status, the supplier clearly signalizes that this customer is of strategic importance to him. As a consequence, it would not be surprising if the introduction of a key account program led to increased expectations on the customer side. Extant research into satisfaction indicates that the comparison level influences the degree of satisfaction. The higher the hurdle, the more difficult it becomes for the supplier to take it. From this vantage point, the fact that KAs are not more unsatisfied than non-KAs may already represent a partial success for suppliers. Under certain circumstances, it may be harder to satisfy key customers than other customer groups. Additional research focusing on alternative functional relationships between different categories of supplier behavior and customer satisfaction (e.g. by applying the KANO-model) could shed more light onto this field.

Another possible way to discuss our results is linked to the vision we have of the objectives assigned to key account programs. Are these objectives to create value *for the customers*? Or to create value *in the relationship*? If we agree on a definition of key account programs as value creators for the relationship, then when measuring the customers' perception of relationship quality – what we have done in our study - we are only measuring *one* possible output of key account programs. Another possible and important output of key account programs could be the value created for the supplier. For instance, has the creation of a key account program helped the supplier to better organize his processes? Has it facilitated the communication between employees inside the supplier? Has it lowered the cost of managing a relationship through better coordination of customer-directed activities? Has it helped the supplier to find new opportunities of business with the customer? Has it given the supplier ideas for product or process innovation? In other words, maybe would it be interesting to complete our study by measuring the value created *for the supplier by* the key account program. When the results of our study show that KA customers do not perceive more quality in the relationship maybe the comment should not be only “*why to continue engaging in special marketing practices if they are not tangible rewards?*” but also “*are any rewards of key account programs created for the supplier?*”. The real problem is occurring when value is created neither for the customer, nor for the supplier.

As part of our discussion it might also be interesting to elaborate on the differences noted - at the level of relational treatments - between elements of *value creation* and elements of *value claiming*. Maybe we can bring these results together with the novelty of key account management practices in European firms. If we consider that in Europe we are still in a period of settlement of key account management practices - in comparison for instance to the North-American situation, where the origins of key account management date back to the 60' (Weilbaker and Weeks, 1997) - then the visible efforts of a supplier implementing a key account management program are those of a beginner in that kind of specific management. There would be a sort of chronological aspect of the key account program. The first step being to find ways to create value in the relationship - which means acting as to demonstrate efforts to engage with the customer in a specific relationship with behaviors like: solidarity, stability, information sharing, planning, mutuality and the like. The second step being implementing behaviors so as to share the value created in the relationship with behaviors like monitoring, use of power, and conflict resolution. Thus, in the current period European firms are living, it is then normal that KA customers just see the behaviors linked to value creation which are those associated with the settlement of a key account program. If the idea of stages of key account management has already been treated (Mc Donald, Rogers and Woodburn 2000; Millman and Wilson 1996; Pardo, Salle and Spencer 1995) the explicit link between chronological stages and relational behaviors has not been explicitly analyzed. This seems to us an important avenue for future research.

Summarizing, this research provides some new insights into the nature of business-to-business relationships. It contributes to a better understanding of the customer perspective in key account management programs. As compared to organizational, instrumental or strategic aspects of key account management this field of research had hitherto been sadly neglected (Jensen 2001; Müllner 2002; Pardo 1997). Particularly, this paper took a close look at customers perceptions of relationship quality by differentiating between key accounts and non-key accounts. In this sense, it does advance the field of KAM research. On the other hand it appears necessary to extend this research. Relationship quality represents one relevant outcome variable of KA programs. Nevertheless, in many companies' goal system 'hard' objectives - e.g. customer contribution margins or customer penetration rates - are at the center of top management efforts. By putting the dimensions of relational behavior in relationship with these variables the picture drawn in this paper could be completed. Because of its explicit customer focus, this study could not achieve this aim. Future studies should try to link information on 'hard factors' and 'soft factors' to one another.

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Appendix 1

All scales (except for the one measuring role integrity) were based on the seven-point Likert-scheme (1 = totally disagree / 7 = totally agree). The author will be happy to supply the questionnaire upon demand. Table 9 provides Cronbach's Alpha as a measure for scale reliability. All multi-item scales meet the criterion $\alpha \geq 0,7$ which is usually applied. 11 out of 14 scales have scores above $\alpha = 0,8$. In his meta-analysis of 4.286 alpha coefficients from 832 scientific papers Peterson (1994) calculates an average of 0,76 across all scales and a median of 0,79. For the scales used in this study we obtain a mean of 0,85 and a median of 0,86. On this basis we consider our scales' reliability to be satisfactory.

Table 9: scale reliability

scale	no. of items	Cronbach's α
components of relationship quality		
trust	6	,8539
commitment	5	,8392
economic satisfaction	4	,8680
social satisfaction	4	,9173
relational behavior constructs		
solidarity	5	,7886
long-term orientation	4	,9321
information exchange	5	,7642
flexibility	6	,9279
role integrity	10	see footnote ²
monitoring	4	,8038
planning behavior	4	,8749
mutuality	7	,8691
conflict resolution	4	,7365
restraint in the use of power	3	,8670

² For the role integrity scale it was impossible to calculate an overall alpha coefficient across all cases. Respondents were faced with ten roles a supplier company in their market could potentially fulfill for customers. Participants indicated which roles their supplier was supposed to fulfill. Subsequently they evaluated how the focal supplier actually fulfills the relevant roles. Hence, for the 3- to 10-dimensional answer schemes coefficient alpha was calculated separately. The observed α -values were between 0,7237 (4-dimensional case) and 0.9457 (10-dimensional case). On this basis, the reliability of our role integrity scale appears to be satisfactory.

Appendix 2

Scales

The total questionnaire comprised ten pages. It contained questions about the relationship (e.g. duration, type of products / services purchased), the respondent (e.g. function, experience with this supplier in years, role in buying process), focal supplier (e.g. company size, location of headquarters) as well as the following scales developed in order to measure the focal constructs. Unless indicated otherwise, all measurement instruments described below were based upon the 7-point Likert-type response scheme (1 = totally disagree, 7 = totally agree; R = reverse scaled).

** indicates that the item was deleted before final data analysis.*

(R) indicates that the item is reversed scaled

FL = factor loadings

Satisfaction (adapted from Geyskens and Steenkamp 2000 and Homburg and Rudolph 1997, 1 = totally dissatisfied, 7 = totally satisfied)

How satisfied are you with ...

Economic Satisfaction

FL

<i>1 the supplier's order handling</i>	<i>0,857</i>
<i>2 the quality of the supplier's products</i>	<i>0,868</i>
<i>3 the price-quality-ratio of the supplier's products</i>	<i>0,786</i>
<i>4 the supplier's service orientation</i>	<i>0,895</i>

Social Satisfaction

<i>1 the supplier's friendliness</i>	<i>0,866</i>
<i>2 the supplier's interest in you as a person</i>	<i>0,914</i>
<i>3 the supplier's respect for your work</i>	<i>0,889</i>

Trust (based upon Doney and Cannon 1997)

<i>1 This supplier keeps promises it makes to our firm</i>	<i>0,745</i>
<i>2 This supplier is not always honest with us (R)</i>	<i>0,828</i>
<i>3 We believe in information this supplier provides us</i>	<i>0,747</i>
<i>4 This supplier is truly interested in our own success</i>	<i>0,716</i>
<i>5 This supplier is trustworthy</i>	<i>0,852</i>
<i>6 We find it necessary to be cautious with this supplier (R)</i>	<i>0,766</i>

Commitment (based upon Werner 1997)

<i>1 We intend to maintain our relationship with this supplier as long as possible</i>	<i>0,839</i>
<i>2 We do all we can not to threaten the relationship with this supplier</i>	<i>0,821</i>
<i>3 We are ready to invest more as usual into this relationship</i>	<i>0,779</i>
<i>4 Our cooperation with this supplier is frictionless</i>	<i>0,737</i>
<i>5 From time to time we seek for alternatives to the products we buy from this supplier</i>	<i>0,751</i>

Long-term orientation (from Ganesan 1994, items showing overlap with other constructs eliminated)

<i>1 This supplier thinks our relationship is going to last</i>	<i>0,809</i>
<i>2 Maintaining an ongoing relationship with us is important to this supplier</i>	<i>0,862</i>
<i>3 This supplier has long-term goals for his relationship with us</i>	<i>0,836</i>
<i>4 This supplier believes that in the long run his relationship with us will be profitable</i>	<i>0,813</i>

Role integrity (scale developed for this study)

Respondents were asked to indicate (yes/no) for each of the functions listed below whether they expect their supplier to fulfill this role or not. In case the answer was yes, they were asked to rate (from 1 = very poor to 5 = very good) how the supplier actually fulfills the function.

- Help in the definition of customer's information needs
- Selection of appropriate research design
- Data collection
- Data analysis
- Reporting
- Presentation of results
- Formulation of consequences for the customer
- Help in optimizing the customer's marketing policy
- Legal consulting
- Establishment of contacts with other service providers (e.g. advertising agencies)
- Conception of packages
- Graphical design of packages
- Help in the development of new and in the improvement of existing products
- Production of packages
- Support in customer's production processes
- Packaging of customer products
- Storage of packages for customer
- Storage of customer's finished products
- Legal consulting
- Ecological consulting
- Help in optimizing logistical processes

Relational planning (derived from Palay 1984)

- 1 This supplier formulates plans for the future of our relationship 0,862
- 2 This supplier formulates goals for the future of our relationship 0,882
- 3 This supplier develops plans for core processes in our relationship 0,877
- 4 This supplier discusses questions which are crucial to the strategic development of our relationship with us 0,828

Mutuality (developed for this study from Boyle et al. 1992, Kaufmann and Dant 1992, Heide and Miner 1992, Pilling, Crosby, and Jackson 1994)

- 1 This supplier wants both parties to benefit from the relationship 0,816
- 2 This supplier is convinced that he will be compensated in the long-run for concessions he makes 0,707
- 3 This supplier makes any decision concerning our relationship transparent for us 0,796
- *4 When taking important internal decisions this supplier asks for our opinion 0,467
- 5 In negotiations with us, this supplier is always fair 0,803
- 6 This supplier always treats us the way he would expect us to treat him 0,855
- 7 This supplier always shows the necessary respect for our company 0,825

Solidarity (based upon Kaufmann and Stern 1988, Heide and John 1992, and Lusch and Brown 1996)

- 1 This supplier is committed to improvements that may benefit our relationship as a whole and not only themselves 0,807
- 2 When we incur problems, this supplier tries to help us 0,855
- 3 This supplier also helps us with tasks that go beyond his core competencies 0,717
- 4 This supplier does not mind if we owe him a favor 0,777

Flexibility (developed for this study)

This supplier shows a high degree of flexibility when we ask him to modify [different features of relationship, adapted to industry context]

Information exchange (based upon Heide and John 1992)

- 1 This supplier provides us all necessary information that is useful to us 0,771
- 2 This supplier informs us in a timely manner about changes that concern us 0,763
- 3 This supplier provides us information about his cost structure 0,739
- 4 This supplier discusses his own strategic orientation with us 0,788
- 5 This supplier also provides us confidential information 0,700

Conflict resolution (based upon Kaufmann and Dant 1992)

CONF A – formalization of conflict treatment

1 This supplier has formal procedures for conflict resolution (R) 0,872

2 This supplier treats each conflict independent from who we are and what our relationship is (R) 0,872

CONF B – intensity of conflict management

3 This supplier carefully examines the reasons why conflicts arise in our relationship 0,939

4 In case we have a conflict, this supplier tries to find solutions that preserve and enhance our relationship 0,939

Restraint in the use of power (based upon Kaufmann and Dant 1992)

1 This supplier often mentions what power basis he disposes of in order to pursue his own interest (R) 0,878

2 In difficult situations this supplier is ready to put us under pressure (R) 0,930

3 This supplier only makes use of his power basis when he is sure not to threaten our relationship 0,852

Monitoring behavior (based upon Kaufmann and Dant 1992)

1 This supplier closely monitors the timeliness of our payments (R) 0,860

2 This supplier closely monitors the amount of our payments (R) 0,860

3 This supplier always monitors that we keep agreements (R) 0,797

4 Should we not keep an agreement, this supplier would not hesitate to draw our attention to our obligations (R) 0,778