Relational selling strategy and key account managers’ relational behaviors: An exploratory study

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Abstract

Many companies see key account management as a potentially successful way to implement a relational strategy. Nevertheless, the literature suggests that strategy implementation at the sales force level is difficult to achieve, mainly because salespeople may not understand – nor accept – what they are requested to do. Despite their relevance, behaviors of key account managers have poorly been investigated. This article defines and tests a model of relational selling behaviors from the part of key account managers. Results show that the perception of the adoption of a relational selling strategy is associated with some specific key account managers’ behaviors (customer-oriented selling, adaptive selling and team selling), but not with others (organizational citizenship behaviors). These findings suggest that potential discrepancies can exist between a relational selling strategy and its implementation at the key account manager level. Based on these results, theoretical and managerial implications are discussed. © 2006 Elsevier Inc. All rights reserved.

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1. Introduction

During the past decade, both academics and practitioners have devoted increasing attention to the adoption of a relational approach in managing customer relationships (Morgan & Hunt, 1994). This trend has been particularly relevant in industrial markets, where buyer–seller relationships are typically characterized by complexity, interdependence and long-term orientation (Anderson & Narus, 1991; Dwyer, Schurr, & Oh, 1987; Heide & John, 1992).

In applying the relational perspective to business-to-business environments, three aspects deserve special attention. First, scholars have pointed out that relational strategies should be adopted selectively, because, mainly due to the high costs and the risk they imply, they may not be the optimal solution in managing all customer relationships (Pillai & Sharma, 2003; Reinartz & Kumar, 2000; Sharma & Pillai, 2003; Sheth & Reshma, 2003). Hence, a relational approach should be applied mainly to key (or strategic) accounts. Second, the actual implementation of a relational strategy requires appropriate changes in the marketing organization (Webster, 1997): the most relevant organizational response to the adoption of relational strategy has been the creation of key account management structures and processes (Homburg, Workman, & Jensen, 2000). Third, the success of such relational strategies is strongly dependent on the ability to create interpersonal bonds between the supplier and the customer: in other words, the boundary-spanning persons are of fundamental importance in building long-lasting relationships between the organizations involved (Iacobucci & Ostrom, 1996; Mavondo & Rodrigo, 2001; Narayandas & Rangan, 2004).

These three aspects are strongly interrelated: in other words, companies willing to establish and develop relational strategies with their strategic accounts should have their key account
managers performing activities which are consistent with such strategies. Unfortunately, frequently this is not the case, because these boundary-spanners may lack the skills, competences and attitudes required to successfully create and sustain enduring relationships with customers (Sharma, 2001; Wilson & Millman, 2003).

We believe that current knowledge about these aspects is very limited for at least two reasons. First, most of the research on key account management focused on strategic or organizational aspects, while the topic of the role played by the individual key account managers’ behaviors in implementing it has been almost completely overlooked except for very few partial works (Ulaga & Sharma, 2001; Walter, 1999; Wilson & Millman, 2003). In fact, although many studies have been run on relationship selling (e.g. Jolson, 1997), in most cases this topic has not been researched in the specific key account management setting. Second, the few existing studies on the implementation of the company’s marketing strategies at the sales department level clearly show that there are usually substantial inconsistencies and poor alignment between strategies and sales force behaviors (Viswanathan & Olson, 1992; Strahle, Spiro, & Acito, 1996). Hence, this aspect deserves further investigation.

To sum up, due to the above-cited importance of boundary-spanners in actually implementing the selling firm’s relational intent (especially in key account management settings), we can conclude that this topic is relevant and under-investigated. In fact, research specifically devoted to analyze the impact on key account managers’ behaviors of the adoption of a relational strategy by the selling firm is almost non-existent.

Starting from these considerations, the main purpose of this article is to fill this gap by exploring the link between a selling firm’s relational strategy, on the one side, and the adoption of some important relational behaviors from the part of the key account managers, on the other. Importantly, in our framework we do not take into account the role played by organizational and managerial aspects potentially mediating the impact of the relational selling strategy on salespeople’s behaviors. In other terms, we do not focus on strategy implementation issues in a global sense: we only investigate the existence of a direct link between some key account managers’ relational behaviors and their perceptions of the adoption of a relational strategy from the part of their firms.

This article is organized as follows. Firstly, we introduce the notion of relational selling strategy and briefly describe key account management as a way for implementing the selling firm’s relational strategy. Secondly, we identify and define relational behaviors that, based on extant literature, should be associated to a relational selling strategy. Next, we develop hypotheses concerning how, according to literature on the topic, relational selling strategy is expected to be linked to some specific key account managers’ behaviors. Then hypotheses are tested using structural equation modeling. Finally, we discuss theoretical and managerial implications, outline limitations of the study and highlight future research opportunities.

2. Theoretical background

2.1. The evolution toward relational exchanges and the role of salespeople in the implementation of relational selling strategies

For selling firms, the adoption of a relational strategy is aimed at building on-going customer relationships and gaining competitive advantage through the acquisition of intangible assets such as customer trust and commitment (Morgan & Hunt, 1994). According to Slater and Olson (2000), a relational selling strategy is based on the supplier and customer interdependence, an exchange of critical information, trust between partners and a stable relationship, which allows each party to benefit from a fair return on its investments.

In keeping with the orientation towards relational exchanges, which has been recognized as one of the fundamental changes in business to business markets during the last decades, literature on personal selling mainly investigated the dramatic evolution of competences, skills and abilities of salespeople in the new scenario (Weitz & Bradford, 1999). In short, it has been pointed out that, in the current relational era, radical changes have occurred in sales force activities and sales management practices (Wilson, 2000): the fundamental goal of salespeople in the new millennium is to develop long-term, mutually profitable partnerships with customers (Anderson, 1996), or more precisely with certain types of customers so as to integrate the recent findings on the profitability of relational programs (Reinartz & Kumar, 2000, 2002).

Meanwhile, literature on sales force management traditionally focused on the role played by compensation and incentive policies (e.g. John & Weitz, 1989) and control systems (e.g. Cravens, Ingram, LaForge, & Young, 1993) in linking sales strategy to salespeople behaviors. Overall, many theoretical and empirical studies found that there is often limited consistency between the selling firm’s strategy and its implementation in the sales department in terms of salespeople’s behaviors (Strahle & Spiro, 1986; Strahle et al., 1996). This lack of alignment is particularly problematic when relational exchanges are concerned, because the selling firm’s relational intent and ability are to a great extent personalized and expressed in practice by salespeople, whose behaviors exercise considerable impact on the functioning and results of interactions with customers (Price & Arnould, 1999). As a matter of fact, “…salespeople play a key role in the formation of long-term buyer–seller relationships […] buyers often have a greater loyalty to salespeople than they have to the firms employing the salespeople” (Weitz & Bradford, 1999, p. 241). As Langerak empirically demonstrated (Langerak, 2001, p. 232) manufacturers are fully dependent upon the attitude and behaviors of their salespeople to develop and maintain relationships with customers.

To sum up, the long-dating managerial problem of aligning sales force actual behaviors to the selling firm’s intended strategy has become even more important in the relational perspective, due to the fundamental role played by salespeople in the implementation of such relational strategies. Many companies, especially in industrial markets, have addressed this issue by adopting key account management as a potentially powerful solution for the implementation, at the sales department level, of long-term relationships with customers. Hence,
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