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Key Account Management in Business-to-Business Relationship: Identifying Top K Persuaders Using Singular Value Decomposition

Kawsar Ahmmed*, Nor Azila Mohd Noor**

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Abstract

Purpose - Key account management is a supplier company initiated relational approach that has received great attention from both academics and practitioners manifested in the business-to-business relationship literatures. However, there is widespread debate and contention on what should be the underlying theoretical base for defining this vital part of relationship marketing. With the insights from the social exchange theory, present paper explores how social exchange affects the dynamic nature of key account management relationship at the organizational level.

Research design, data, and methodology - The paper follows a comprehensive review approach to examine the relationship between social exchange theory and key account management approach. Conceptual arguments and findings are assessed across studies with the main objective of showing how social exchange theory develops the governance mechanism in maintaining the key account relationship.

Results - Since relational norm is considered as a glue for the maintenance of buyer-seller relationship in social exchange theory, factors develop the non-contractual governance mechanism 'relationship' in business-to-business relationship and this norm replaces or supplements more formal governance mechanisms such as contracts are explored.

Conclusions - This paper advances central relational norm to manage the company's most important key customers and demonstrates how this norm can be developed in buyer-seller key account relationship. Implications from this new perspective are forwarded.

Keywords: Key Account Management, Business-to-Business Relationship, Social Exchange Theory, Relational Norm, Opportunism.

JEL Classifications: M1, M3, M310.

1. Introduction

Marketing literatures explore that primary focus of marketing is the exchange relationship (Hunt, 1983) and to fruitfully complete marketing activities, building and maintaining exchange relationship with customers is vital. Extension of such types of exchange relationships between customer and supplier vary because all of them are not equal relating to the volume purchased, strategic important like affiliation prestige, entering into a new untapped market, or transferring of new know-how and technology. This implies that suppliers are selective in building and maintaining exchange relationship with their customer and prefer those which have strategic importance. These customers are thus termed as key customers (Millman & Wilson, 1995) in the business-to-business (B-to-B) market. To this end, managing efficient exchange relationship with these customers are pivotal for the supplier, as they demand special treatment from their supplier relating to their strategic and operational arena. Ojasalo (2001) states that

* Assistant Professor, School of Business and Economics, United International University, House # 80, Road # 8/A Dhanmondi R/A, Dhaka-1209, Bangladesh. Tel: +88-019-1507-8285, E-mail: kahmed.ba@gmail.com

** Director of DBA Program and Associate Professor, Othman Yeop Abdullah Graduate School of Business, University Utara Malaysia, 06010 Sintok, Kedah-Darul Aman, Malaysia. Tel: + 601-3431-7615, E-mail: azila@uum.edu.my

successful key account management requires the development of suitable strategy and uplifting the operational capabilities of the supplier company because these customers demand changes from their suppliers, seek to develop global supply relationship relating to productions and sourcing strategy (Montgomery et al., 1999). Therefore, this study defines key account management as the supplier company initiated approach targeted at the most important customers to solve their complex requirements with special treatment that eventually ensures both parties' financial and nonfinancial objectives (Ahmmed & Noor, 2012).

Successful relationship is enduring and for such sustenance, relationship requires some maintenance mechanisms that act as a glue between key account buyer and seller. As it is very difficult to create comprehensive contracts between buyer and seller (Goetz & Scott, 1981; Gundlach & Murphy, 1993; Macneil, 1980) to uphold such exchange relationship, necessity of having non-contractual mechanisms that govern the exchange process between firms are indispensable (Dwyer et al., 1987; Gundlach & Murphy, 1993; Heide & John, 1988). To this end, as a non-contractual mechanism "relational norms" between the firms can operate as safeguarding means. In the Social exchange theory (SET), 'relationship' between the exchange parties is considered as the non-contractual governance mechanism of exchange. Therefore, how does this relational norm develop, work and facilitate the development and maintenance of exchange relationship in business-to-business context in connection with SET is a vital area to discover, the central thrust of the article.

In this article, we develop a structure of key account management approach at the organizational level using the concept of SET. This structure highlights the usage of relationship as the non-contractual governance mechanism of exchange at the organizational level to successfully manage the company's most important customers. The ways in which exchange forces affect the practice of key account management approach and how they can be managed to get the fruitful results are the primary orientation of the article.

Subsequent sections are organized into six sections.

Section I: key account management; Section II: social exchange theory; Section III: social exchange theory in business-to-business relationship; Section IV: development of 'relationship' as non-contractual governing mechanism; Section V: perspective of social exchange theory in key account management approach; and Section VI: implications and conclusion.

2. Section I: Key Account Management

At the organizational level key account management is the systematic selection, analysis and management of the most important present and future customers of the company with the set-up and maintenance of needed infrastructure (Zupancic, 2008). As these customers show demands for solution of complex requirements, thus company needs to build a portfolio of loyal key accounts by offering them a product/service package in customized form on an ongoing basis (McDonald et al., 1997). Brehmer and Rehme (2009) relate key account management to the management and development of the relationship in a more or less formal structure by an organization. Workman, Homburg, and Jensen (2003) mention the need to be more responsive to the needs of important customers and treat them differently from other customers. They also suggest the performance of additional activities directed at the most important customers.

As companies are doing additional jobs in response to the key customers' requirements, thus proper implementation of those activities is pivotal to reap the best results as expected. In this regards, building exchange relationship between them are essential to implement key account management program. From the part of supplier implementation of key account management program needs a proper understanding of the program, appropriate coordination of various departments and a successful monitoring. Zupancic (2008) opines that a systematic work schedule is necessary to develop the structure and processes as well as people to set up a professional key account management organization. Smith (2009) explores necessity of successful targeting; requirements of rare knowledge assets like knowledge of the customer value chain; requirements of organizational change; requirements for different approach to measure the value created for the customers; and requirements of organizational learning for a proper implementation of key account management program at the organization level. As key account selling is one type of relational selling activity, Foster and Cadogan (2000) showed that successful "relationship selling" is correlated with increased trust, enhanced loyalty, enhanced purchase intentions and greater likelihood that the buyer will recommend the supplier to other firms.

In the above discussion reciprocity in the form of knowing and meeting key customers requirements and in return realizing various benefits in diverse forms as expected are evident which indicating actions contingent on rewarding reactions from others (Blau, 1964), the core tenant of Social Exchange Theory. Social Exchange Theory entails that human behavior is in essence an exchange (Homans, 1961), particularly of rewards (Homans, 1961) or resources of primarily material character (wealth) (Cook, 2000; Stolte et al., 2001) and secondarily of symbolic attributes (Zafirovski, 2003) as detailed in the next section.

3. Section II: Social Exchange Theory

This section is structured with an elaborated discussion on social exchange theory followed by the discussion on dimensions of exchange, types of exchange and propositions relating to social exchange theory.

3.1. An Overview of Social Exchange Theory

Social exchange theory (SET) grew out of the intersection of economics, psychology and sociology and was developed to comprehend the human social behavior from the economic perspectives (Homans, 1958). The major proposition behind the social exchange theory is that persons behave in such a way which adds value to the outcomes they treat positively and refrain from showing those behaviors that impact negatively on the outcomes in the relationship (Rodriguez & Wilson, 2002). Accordingly, studies in key account management research have relied heavily on social exchange theory in building models of the exchange relationship between key account customer and supplier.

SET views exchange relationship between key account customers and supplier as "actions contingent on rewarding reactions from others" (Blau, 1964). The things exchanged here include goods, material goods as well as non-material goods including prestige or symbols of authorization (Homans, 1958). In the key account management approach both economic and non-economic elements like relationship bondage and cooperation are involved (Andaleeb, 1995; Choi & Hartley, 1996; Rousseau et al., 1998; Johnston et al., 2004). Lee et al. (2010) state that researchers have recognized that in the industrial relationships, it goes beyond "arms-length" span where an effective long-standing relationship depend greatly on social exchange behavior such as commitment and trust (Dorsch et al., 1998; Roberts et al., 2003; Ulaga & Eggert, 2006; Ural, 2007; Wong & Cheung, 2005; Wong & Sohal, 2002).

To understand social exchange theory easily, it can be discussed through its three core elements namely outcome, comparison level and comparison level of alternatives (Thibaut & Kelley, 1959). Outcome of a relationship is the difference between the costs of obtaining an object and the rewards realized from owing and using that object that means, Outcome= Rewards – Costs (Thibaut & Kelley, 1959). Comparison level (CL) indicates a person's expectation from a particular relationship that he feels reasonable to receive (Thibaut & Kelley, 1959). Social exchange theory holds that in addition of considering one's expectation from the relationship, a person should compare the alternatives available or CLalt that has essential impact on keeping or breaking an existing relationship (Thibaut & Kelley, 1959). Thus the perception of outcome, comparison level and comparison level of alternative can be used in many areas of personal and organizational level to judge the status of existing relationship as presented in the following figure.

Outcome= Rewards – Costs

Outcomes > Comparison Level (CL) = **Satisfaction**;

Outcomes < CL = **Dissatisfaction**

Outcomes > Comparison Level of Alternative (Clalt) = **Relationship Continuation**;

Outcomes < Clalt = **Relationship Termination**

CLalt > Outcome > CL= **Relationship Termination**

<Figure 1> Interplay of outcomes, comparison level and comparison level of alternative in Exchange Relationship.

In the exchange relationship, interaction involves outcomes relating to economic and social gains. With the passes of time party evaluation, these outcomes with their expectation of rewards and outcomes from available alternative. Lambe et al. (2001) explain that if the results or outcomes are positive in the long run, then parties will show higher trust on each other and greater commitment to keep the relationship for long. Connecting to such trust and commitment in SET, other significant elements of social exchange include equity, conflict, and opportunism (Moore & Cunningham III, 1999). Norms of equity behavior are based on the assumption that parties wish to maximize gains and minimize losses in exchange relationships, implying a sharing of benefits and burdens (Van de Ven et al., 1984). On the other hand, disagreement on interest develops conflicts which come in the form of mutual interference or blocking behavior (Anderson & Narus, 1990; Dwyer et al., 1987; Gaski, 1984). Finally, partner's opportunism behavior comes in the form of lack of honesty in transactions, withholding or distorting information with the intent to mislead and failing to fulfill promises or obligations (Hill, 1990; Williamson, 1981; John, 1984) that can be avoided or reduced by showing more openness and honesty (Moore & Cunningham III, 1999).

3.1.1. Dimensions of Exchange

In business, relationship exchange takes place in all the areas of transactions. Within this exchange relationship, some parties, elements of exchange, underlying agreement and the focus of exchange are involved. Levine and White (1961) stated that there are four main dimensions to the actual exchange situation. They are:

The Parties to the Exchange: In the relational exchange at least buyer and seller are involved and in broad sense as mentioned by Gummesson (2008) many-headed customer and the many-headed supplier are involved with the exchange relationship.

The Kinds and Quantities Exchanged: According to Levine and White (1961) these two aspects involve two main classes: the actual elements exchanged (consumers, labor services, and resources other than labor services), and information on the availability of these organizational elements and on rights and obligations regarding them.

3.1.2. The Agreement Underlying the Exchange

In the exchange relationship prior agreement act as controlling mechanism whether it is formal and written or informal and implicit. In the formal agreement, exact conditions and procedures are mentioned which the parties are bound to conform to continue the relationship. On the other hand, informal agreement contingent on the parties believe on the fact that one party will behave as expected in turn other party's action.

3.1.3. The Direction of the Exchange

Flow of organizational elements is multidirectional including unilateral, reciprocal and co-operational (Levine & White, 1961). In the unilateral flow, elements move from one organization to another, whereas reciprocal movement ensures the inflow and outflow of organizational elements between two organizations. In addition, joint or co-operational movement ensures the flow of organizational elements or resources to act following a unified approach to bring betterment for both parties involved or this betterment is achieved by serving the third party in a coordinate manner.

3.1.4. Types of Exchange

Types of exchange are categorized into two broad categories. Namely, resource's particularism means the resource's worth that varies based on its source and resource's concreteness means how tangible or specific the resource is. Cropanzano and Mitchell (2005) mention that less particularistic and the more concrete a benefit is, the more likely it is to be exchanged in a short-term, quid pro quo (something for something) fashion. In contrast, benefits that are highly particularistic and symbolic are exchanged in a more open-ended manner they added. In addition, it is not uncommon to expect monetary payment for a specific good, but less likely to be true for love or status (Cropanzano & Mitchell, 2005). In practice, these items are exchanged through three types of exchange including restricted exchange, generalized exchange and complex exchange.

Restricted exchange refers to two-party reciprocal relationships in the form of "gives to and receives from" fashion (Bagozzi, 1975). With this exchange category, two features are involved. Firstly, a great deal of attempt requires to maintain equality that ensures repeatable social exchange and consequently acts and minimizes the propensity of gaining advantages at the expense of other interest (Bagozzi, 1975). Secondly, the propensity of maintaining a mutual agreement between two parties in which each party provides a good or services in return for the same shows the quid pro quo mentality. On the other hand, parties involved in generalized exchange in a voluntary manner are not obliged to response as expected by others and are benefited indirectly. In this case, univocal reciprocity occurs between the involved parties (Bagozzi, 1975). Finally, in the complex exchange situation, each social actor is involved in at least one direct exchange, while the entire system is organized by an interconnecting web of complex relationships (Bagozzi, 1975).

In practice and more frequently, restricted and complex exchange takes place in the business-to-business relational exchange. In the exchange relationship, one party does something with an expectation of getting something valuable and greater that what the party is rendering for the other party. These notions are evident in the restricted and complex exchange relationship.

3.2. Propositions of Social Exchange Theory

Bases on the belief of Social Exchange Theory "actions contingent on rewarding reactions from others" (Blau, 1964) and outcome, comparison level and comparison level of alternatives (Thibaut & Kelley, 1959), several propositions are forwards. The first and foremost proposition is "success proposition" as the performance frequency of an action depends on how often a particular action is rewarded (Griffith et al., 2006). Beyond this rewards consideration, a party in exchange relationship judges the importance of an exchange and thus decides to do that repeatedly. This judgment ensures the value proposition (Blau, 1964) of doing an action more frequently over time. As the expected rewards do not accrue in all exchange or receiving of unexpected punishment take place, the exchange member will aggressively avoid the action in the future that refers to the aggression proposition (Homans, 1961). Finally, in choosing between actions, parties behave rationally through selecting the better rewarding exchange that causes the rationality proposition (Griffith et al., 2006).

4. Section III: Social Exchange Theory in Business-to-Business Relationship

During the initial researches power and dependency were used as governing mechanism between buyer and seller in the business-to-business exchange (Hunt et al., 1985) where one party is bound to behave according to the prescribed manner as forwarded by more powerful party (Dahl, 1957; French & Raven, 1959). As it was creating conflicts between concerned parties, later on transaction cost analysis was used to examine B-to-B exchange (Lambe et al., 2001).

Because of the governance problem to safeguarding relational assets (Heide & John, 1988) and ensuring partner adaptation (Heide & John, 1990) or avoiding risk of partner opportunism with transaction cost analysis, relational control in the form of norms or personal relations is often considered and used as an effective means of governance (Anderson & Narus, 1984, 1990; Dwyer et al., 1987; Morgan & Hunt, 1994; Wilson, 1995). Additionally, as it is very difficult to develop a comprehensive contract (Goetz & Scott, 1981; Gundlach & Murphy, 1993; Macneil, 1980) necessary to support the maintenance of long-term bond, non-contractual methods of governance (Dwyer et al., 1987; Gundlach & Murphy, 1993; Heide & John, 1988) are critical to successful exchange which is developed through repeated social exchange. Eventually, researchers of B-to-B exchange have increasingly drawn on social exchange theory (Lambe et al., 2001) as SET focuses on the 'relationship' between the exchange parties as the governance mechanism of exchange (Anderson & Narus, 1984, 1990; Dwyer et al., 1987).

5. Section IV: Development of 'Relationship' as Non-Contractual Governing Mechanism

In this section researchers endeavored to discuss the development of 'relationship' that acts as governance mechanism of relational exchange between buyer and seller in business-to-business setting. As both parties are coming to establish an exchange relationship to achieve their different goals, an exercise of power may take place which develops power-dependence relationship. Accordingly, the probability of showing opportunistic behavior increases which can be minimized through relational investment in non-redeployable assets. Following these investments, propensity of commitment develops and parties began to show high trust to each other. Subsequently, a reciprocal environment ensures 'relationship' as exchange relation maintaining mechanism in the business-to-business context. Detail discussions on these issues are given in the following sub-sections.

5.1. Power Dependency and Opportunism

In the exchange relationship one party can depend on another for a variety of reasons including power. In practice, this power includes reward and coercive power; persuasion power; image power and authority power (Dwyer & Tanner, 2002). Emerson (1962) exerts that power resides implicitly in the other's dependency. He mentions that social relations commonly entail ties of mutual dependence between the parties. This mutual dependency may generate some control on one party by another which develops power-dependence relationship. Here dependence of one party upon another is (1) directly proportional to first party's motivational investment in goals mediated by second party, and (2) inversely proportional to the availability of those goals to first party outside of the both parties' relation (Emerson, 1962). Cook (1977) states that use of power by the actor with the power advantage to obtain increased rewards across time increases his dependence upon the other party to the exchange. This is because actor may invest more in relational assets or the other party who has more alternative to choose from. In the buyer-seller dyad, this power dependence relationship develops uncertainty for that party which is in less advantageous state in the asymmetric relationship.

In connection to the asymmetric power Whitmeyer (2001) contents that it is the extent to which an actor or a set of actors can affect some social phenomena that could appear in the form of behavior or outcomes (Belaya et al., 2009). Casciaro and Piskorski (2005) mention that in the power imbalance condition more powerful actor finds it easier than less powerful party to dictate the terms of relationship by threatening to withdraw from the exchange. In this regards, Friedkin (1986) and Piskorski and Casciaro (2004) mention that the most likely result of this power imbalance is that more powerful actor will appropriate a larger portion of the overall benefits accruing from the exchange. Additionally, as both parties are exposed to risk and opportunistic behavior from their counter-part, deployment of relational assets are pivotal to cement and preserve the relationship.

5.2. Relational Investments

As stated by Fischer and Bristor (1994), "social exchange theory explicitly predicts social relationships to be based on each partner's motivational investment and anticipated social gain." High level of investment in relationship-specific assets bonds suppliers more closely to their accounts, creates mutual dependence, aligns their interests and encourages mutual adjustment (Weiss & Kurland, 1997). Anderson and Weitz (1989) term these investments as idiosyncratic investments which are specific to a channel relationship difficult or impossible to redeploy to another channel relationship; therefore, they lose substantial value unless the relationship continues. Whereas other suppliers can invest in non-transaction specific assets to obtain the buyer's business, transaction-oriented assets are harder to duplicate (Porter, 1985) and both these assets create buyer dependence (Pillai & Sharma, 2003) which in turn helps to achieve the desired goals (Frazier, 1983; Ganesan, 1994).

Thus, a lock-in situation is created when the deployment of mutual specific assets taken place, because both the parties are exposed to risk and opportunistic behavior (Burki & Buvik, 2010). This symmetric deployment of specific assets develops balanced dependence structure that serves the interests of both parties and also preserves the relationship (Buvik & Haugland, 2005). Accordingly, positive economic and social outcomes over time are assured which increase the partners' trust of each other and commitment to maintaining the exchange relationship (Lambe et al., 2001).

5.3. Commitment and Trust

5.3.1. Commitment

Commitment is the pledge of exchange parties in the business-to-business relationship. Cook and Emerson (1978) characterized commitment as a central variable in distinguish social exchange from economic exchange. In the exchange relationship commitment can be defined as an exchange partner believing that an ongoing relationship with another party is worth working on to warrant maximum efforts at maintaining it (Morgan & Hunt, 1994). These efforts may come in the form of both parties' investment in relational assets which develop credible commitment between the parties involved (Blau, 1964; Cook & Emerson, 1978) and this mutual commitment acts as foundation for the relationship (Berry & Parasuraman, 1991). At the commitment stage shared values and decision making structures support joint investment into the relationship. When parties follow through on commitments, they enhance trust and strengthen relationships.

5.3.2. Trust

As an element of social exchange trust can be defined as "the firm's belief that another company will perform actions that will result in positive outcomes for the firm, as well as not take unexpected actions that would result in negative outcomes for the firm" (Anderson & Narus, 1990). Creating trust is an important aspect of social exchange because social exchange is governed to a large degree by social "obligations" rather than by contracts (Blau, 1968). Thus, trust ultimately acts as glue that holds a relationship together over the long-run. It also reflects the extent of one party's confidence in another party's integrity. Similarly, it reduces the risk of opportunistic behavior from partner, lowers transaction costs and develops a long-term orientation (Anderson & Weitz, 1989; Ganesan, 1994; Williamson, 1979).

5.4. Reciprocal Exposure and Development of 'Relationship' as Governing Mechanism

In the social exchange relationship as parties trust each other through their commitment into the relationship, both parties engage in perennial transactions over time. These recurrent transactions in the long-run ensure reciprocity between buyer and seller. Chris and Graham (2007) mention that every long-term relationship includes some give-and-take between the parties; one make allowances and grants in favors to the other in exchange for the same treatment when its own need arises. Similarly, positive exchange interactions over time also produce relational exchange norms that govern the exchange partners' interactions (Lambe et al., 2001)

As power is avoided in the social exchange relationship, therefore, existence of norm is essential that act as non-contractual governance mechanism of the exchange relationship. Thibaut and Kelley (1959) mention that social exchange relies on norms because they provide mutually agreed upon means of controlling behavior without the difficulties created by using power. They also describe that both weaker and stronger parties are benefited from norms because they introduce some form of regularity and control without the use of contracts or legal mechanisms. Homans (1958) posits that in a group setting, the more one conforms to norms the more rewards and interaction one will receive from other members of the group or network. Thus, it increases the efficiency of relationships because by agreeing to the manner in which interactions take place, the degree of uncertainty may be reduced (Lambe et al., 2001).

Lee et al. (2010) state that researchers have acknowledged that relationships in an industrial setting goes beyond "arms-length" relationships as a successful long-term relationship rely heavily on social exchange behavior such as trust and commitment. Over time, as parties show their commitment to the relationship through relational investment in a trusted environment and as positive outcomes accrue for parties, a bonded relationship establish that acts as non-contractual governance mechanism. Lambe et al. (2001) explain that the critical governance mechanism in relational exchange is the 'relationship' between the exchange parties. Thus, such relationships provide a governance mechanism built on the foundation of trust, commitment, and exchange norms that replace or supplement more formal governance mechanisms such as contracts (Gundlach & Murphy, 1993; Heide & John, 1992).

6. Section V: Perspective of Social Exchange Theory in Key Account Management Approach

The main assumption behind social exchange theory is that actors behave in ways that increase outcomes they value positively and decrease those they value negatively in the relationship (Rodriguez & Wilson, 2002). From the key account management context, the model views the exchange relationship between key account customers and supplier as "actions contingent on rewarding reactions from others" (Blau, 1964).

The work of Mills and Clark (1982) mentions that exchange relationships demand repayment within a particular time period, involve exchanges of economic or quasi-economic goods and are motivated by personal self-interest. For example, in the context of key account management relationships, a company makes a contribution to its key account, via its key account management strategy. These contributions may be relational assets, better performance through internal coordination, senior management supports and involvement and so on. In turn, an expectation forms for the return of a contribution at a later time which may include profits, enhanced relationship, business continuity or repeat order and development of trust. Key account receiving a valued contribution develops a sense of obligation and reciprocates with appropriate attitudinal and behavioral responses in the form of relational intimacy, investment in relational assets, or maintaining relationship for long.

Key account management is known as customer focused marketing strategy targeted at the companies most important customer (Gosselin & Bauwen, 2006) and relationship literatures explore that customer focused relational strategy ensures dyadic outcomes like coordinated and complementary actions between exchange partners in their efforts to achieve mutual goals (Anderson & Narus, 1990; Homburg et al., 2003; Morgan & Hunt, 1994; Palmatier et al., 2006). Additionally, Spekman et al. (1997) explore that exchange participants begin to expect that their partners will participate in cooperative behaviors that benefit the firms. This coordination offers buyer a sense of co-ownership of the process and will foster a greater degree of commitment to the supplier (Anderson & Narus, 1990), who is now more truly a partner in the relationship (Homburg et al., 2003). As these cooperative behaviors become common, expected and acceptable either implicitly or explicitly, cooperation becomes a norm.

In practice, in the exchange relationship suppliers serve the key account customers with their best efforts in the form of better quality products, investment in relational assets, intra-organizational coordination and others in an implicit anticipation of maximizing revenue earnings, development of trust and commitment for better relationship, sharing valuable information, reduction of conflict and so on. If companies do not expect to get these benefits from the key accounts to justify the time, energy and money they spent, they are less likely to willingly take part in the social exchange by helping the key account customers. It is evident that companies have no guarantee that the key accounts will reciprocate as expected. It is a matter of supplier companies' believes in the key account customers' business continuation intentions. If key account customers justify these believes by reciprocating as expected in the form of benefits expected, the reciprocity is likely to lead to ever expanding social exchange between the two. On the other hand, failure to do so will be treated as a social offense and will probably lead to reduced future social exchanges between the two (Blau, 1964).

7. Section VI: Implications and Conclusion

From this study, implications can be presented from triangular perspective. The expanded notion of key account management approach provides us information about what it is, how it is managed and for what it is necessary. A detailed discussion on social exchange theory reveals its functional arena by which we can easily understand its applicability. Finally, social exchange theory is shown as underpinning for the key account management approach to practice.

The expanded notion of key account management approach implies that it is not a discrete performance rather a systematic process that is followed to serve the key customer. As customers have their own comparison and alternative choices a careful identification, selection and aiming the suitable key accounts are necessary. This is also essential because the deployment of resources and the propensity of opportunistic behavior from buyer part is prevalence. Finally, as social exchange theory is unable to show the path of relationship dissolution (Dwyer et al., 1987) supplier should keep attention on overall principles for which key account management approach is undertaken.

The examination of social exchange theory develops several implications for the fruitful management of key account in business-to-business relationship. It illustrates how relational norm is central to manage the company's most important customers and demonstrates how this norm can be developed in buyer-seller key account relationship. As both parties are in contrast in serving their purposes, thus, alignment is needed and can be developed between them by assuring the parties' commitment into the relationship. In this connection more commitments are coming when both parties are investing in the relational non-redeployable assets. This commitment, in turn, ensures trust whose direct result is the development of relational norm. Here, the ways must be found out to ensure this trust developing reciprocal investment. In the buyer-seller relationship, it is a thorny process that deserves further investigation.

Although in the social exchange theory clear-cut benchmark is absent for objective evaluation of comparison level and comparison level for alternatives (Wulf & Odekerken-Schröder, 2001), by applying the notion of comparison level and comparison level of alternatives relationship norm can be assessed. In this regard supplier provides various benefits through its key account management approach that meet the buyer expectation (comparison level) and if these values are superior to other suppliers (comparison level of alternative) then a tie-up situation is developed which requires less use of coercion to get the key accounts performing desired actions. Eventually, 'relationship' norm is formed by maintaining the exchange relationship over time.

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