Influencing Key Account Strategy Implementation: Considering the Simultaneous Impact of Push and Pull-Through Over Time

Abstract

In recent years the number of firms classifying customers as key accounts (KAs) more than doubled, with nearly 15% reporting that KAs provide over half of their revenues. The possible implications of such revenue dependency are clear and the topic of KA management (KAM) has captured the interest of scholars. However, most KA research is conceptual and all of the existing empirical studies adopt a macro-perspective (e.g., how do top managers identify KAs, etc.). This dissertation takes a micro-approach by examining how KA managers simultaneously influence individuals in the KA firm and in the selling firm, despite not having the authority to direct these individuals. Furthermore, this dissertation focuses on the effectiveness of different influence strategies over time and considers whether KA managers should focus influence effort on individuals within the selling firm (i.e., pull-through strategy) or within the buying firm (i.e., push strategy) and on a key dynamic interdependency that arises between these two strategies over time.

Introduction

Key accounts (KAs; also called strategic accounts, national accounts, etc.) are customers in a business-to-business setting that (1) have been identified by the selling firm as large and important and (2) have dedicated resources available to them that are not offered to a firm's average accounts (Homburg, Workman, and Jensen 2002). Gosman and Kelly (1999-2000) found that the number of manufacturers classifying customers as KAs more than doubled between 1989 and 1997. Across these firms, nearly 15% reported that KA customers accounted for more than 50% of their revenue (see also Ryals and Humphries 2007). The potential implications of such revenue dependency are clear and, overall, the rapid growth and high dollar-value associated with KA management (KAM) supports Homburg et al.'s (2002) argument that "the increasing emphasis on KAM is one of the most fundamental changes in marketing" (p. 38).

One of the most interesting aspects of KAM is that KA managers not only have to influence their KA customer (i.e., a push strategy), but they must also influence individuals within their own organization to support the KA customer's needs (i.e., a pull-through strategy). This type of dual sales strategy, where the KA manager must satisfy both internal and external customers, is becoming increasingly common in various industries. For example, in pharmaceuticals (Fleischer 2010), a manufacturer can engage in a push strategy by entering into a contract with a managed care organization (MCO). The contract establishes the MCO as a KA, and the KA manager helps facilitate several top-down processes (e.g., internal reminders, educational programs, monitoring of competitive prescription writing, etc.) to push physicians at the MCO to give preferential treatment to the seller's products when writing prescriptions. Simultaneously, the KA manager engages in a pull-through strategy by working within his or her own firm to influence the sales force to call on the physicians at the MCO to help support the contract. As one senior analyst at a top-30 pharmaceutical company states: "[a contract] without the effective pull-through to back it up is equally as ineffective as trying to sell [without a contract]" (Fleischer 2010, p. 56).

A review of the marketing literature provides little insight into the role of KA managers as agents of simultaneous inter- and intraorganizational strategy implementation. Indeed, our knowledge of KAs is severely limited because previous research ignores three essential elements of KAM. First, KAM is not just a decision to be made by a single c-suite manager. Rather, it is a strategy to be implemented by every frontline employee in an organization. The vast majority of prior studies approach KA issues from a macro perspective, examining, for example, how top managers design KAM programs (Homburg et al. 2002) or how top managers segment KA customers (Rangan, Moriarty, and Swartz 1992). These studies utilize key-informant based research designs that are well-suited for understanding the motivation behind, and the intent of, KAM programs but contribute very little to the field's knowledge of how KAM programs actually develop and operate within and between organizations. It is essential that we broaden our perspective of KAM by examining how KA strategies are "sold" to an organization's frontline employees as well as to KA customers. Research suggests that top KA managers and lower level customer-facing employees frequently display differing attitudes and behaviors toward KA customers (Ryals and Humphries 2007). This is problematic since the success of a strategic KA initiative is dependent on the individuals who are asked to live it out on a daily basis.

Second, whereas "previous research has stressed the multiple interorganizational communications links characteristic of KAM…little attention has been paid to *intra*organizational communications issues" (Ryals and Humphries 2007, p. 322; emphasis in original). This point is concerning since customers view the internal communication and coordination *within the selling firm* in a KA relationship as a major source of problems, even more so than communication between the KA customer and the selling firm (Ryals and Humphries 2007). Weitz and Bradford (1999), in their discussion of important KA manager skills and abilities, agree that intraorganizational influence is essential to the success of a partnership. They also point out that KA managers' influence attempts are often intended to "gain the support of their firms' employees without having the authority to direct the employees' activities" (p. 250), a subtle truth

that potentially separates KAM from the domain of general management knowledge. Furthermore, KA managers' internally-directed influence attempts are not independent of their actions with the KA customer. In other words, push and pull-through strategies do not simply exist in a parallel fashion. Rather, the success of a pull-through strategy varies based on the outcomes of the push strategy, and the successful KA manager is one who understands and adapts to these dynamic interrelationships.

Third, given that KAM is a strategy to be implemented both inter- and intraorganizationally, it is surprising that we know nothing about how the *process* of KA strategy implementation unfolds over time, especially since KA relationships are partnerships focused on long-term development. Time obviously plays a critical role when studying how strategic initiatives are disseminated through an organization and how an organization's members adapt to such changes (Ahearne et al. 2010). While researchers are increasingly paying attention to the importance of strategic change implementation in general (Ye, Marinova, and Singh 2007), and specifically to the importance of time in implementation efforts (Ahearne et al. 2010), the "long lasting and laborious process" of KAM implementation remains "completely neglected" (Wengler et al. 2006, p. 108 and 110).

Overall, these research gaps demonstrate that the role of the KA manager as an agent of inter- and intraorganizational strategy implementation and interpersonal influence over time remains shrouded in darkness. This dissertation probes deep into the role of the KA manager in order to answer four important questions. First, how should KA managers go about simultaneously influencing a push strategy with individuals in the KA and a pull-through strategy with individuals in their own organizations? Second, how do their influence strategies play out over time? For example, are there certain strategies that KA managers should use to promote short-term implementation effort and other strategies that promote long-term effort? Third, in what ways are KA managers' push and pull-through efforts interdependent? Specifically, how are KA managers' intraorganizational influence efforts amplified or attenuated by push-related

outcomes. Fourth, what is the relative impact of KA managers' dual use of push and pull-through strategies? Should a KA manager strive for a balance between these two approaches, or is one more effective than the other? In pursuit of these answers, I also find it useful to develop and test a new variable – KA customer push effort stock – which represents goodwill that accumulates from effort at previous time periods and has relatively enduring effects on future performance.

The answers to these questions carry strong and obvious implications for KA managers in terms of improving their job performance and, more generally, for organizations attempting to roll-out KAM programs or other strategic initiatives. Additionally, results of this study are meaningful to sales executives and HR departments when developing training and assessment programs for KA managers. In fact, Weeks and Stevens (1997) found that KA managers believe their organizations fail to provide adequate training regarding the majority of skills and abilities needed to succeed in their roles. Two particularly relevant training topics that KA managers identified as needing substantial improvement were interpersonal influence skills and internal selling. As the neglect of this knowledge-gap has continued (Plouffe, Williams, and Wacliner 2008), not much has improved since Napolitano (1997) noted that most organizations perceive their KAM programs to be "failing miserably" (p. 8).

Kelman's Influence Process Theory

I draw on Kelman's (1958; 1961) influence process theory to develop hypotheses regarding how KA managers (generally referred to as influence agents) influence KA strategy implementation using push and pull-through strategies with KA customers and salespeople respectively (generally referred to as influence targets). Two of Kelman's influence processes have been heavily utilized in the marketing literature: internalization and compliance. Internalization occurs when "an individual accepts influence because the content of the induced behavior is intrinsically rewarding…and congruent with his value system" (Kelman 1958, p. 53) and is thought to gradually lead to successful influence over time (Kelman 1961). On the other hand, compliance occurs when an individual accepts influence from another person because s/he

expects to "gain specific rewards or avoid specific punishments" by conforming (Kelman 1958, p.53) and is thought to be useful in gaining behavioral conformity in the short-run but with diminishing effects over time (Kelman 1961).

Kelman's work has formed the theoretical foundation for work on interpersonal influence both within (e.g., Farmer et al. 1997; Kipnis, Schmidt, and Wilkinson 1980; Yukl and Falbe 1990) and between (e.g., Frazier and Summers 1984; McFarland, Challagalla, and Shervani 2006) organizations, but this work has not been used to understand how KA managers attempt to implement their strategies. Furthermore, Kelman's time-varying effects have been theorized but remain untested.

Model and Hypotheses

Most of the influence studies previously published in marketing and psychology look at single influence situations and collect survey data to assess what specific tactic an influence agent used in that unique situation. This approach yields a very large number of influence tactics (eleven according to Yukl et al. 2008), many of which tend to be highly correlated (Yukl et al. 1995) and differ from one another in only very subtle ways. Since I am interested in how KA managers attempt to influence intra- and interorganizationally over time (i.e., over multiple influence events), I am interested in assessing more stable, general patterns of influence behavior as doing so is more appropriate conceptually and more practical for a complex model of KA strategy implementation. I will refer to these more stable patterns of influence behavior as influence strategies. In marketing, scholars have commonly distinguished between persuasive (also referred to as soft-coercive) and coercive influence strategies (e.g., Brown, Grzeskowiak, and Dev 2009; Frazier and Rody 1991; Payan and McFarland 2005), which influence agents use to tap into influence targets' internalization and compliance processes respectively. A visual depiction of the variables and relationships in the model is presented in Figure 1. Figure 2 presents visual depictions of the hypothesized effort trajectories resulting from specific influence strategies.

Influencing Push and Pull-Through Effort

Persuasive influence strategy. Grounded in Kelman's influence process theory, I define a persuasive influence strategy as a general behavioral approach to influence where an influence agent's behaviors are intended to tap into the influence target's internalization process. Since internalization is a process characterized by public conformity and private acceptance where private acceptance is driven by the fit of the message content with the influence target's values, effort that results from internalization is motivated by the target's intrinsic belief in the value of the agent's recommendation (Kelman 1958; 1961).

When an agent adopts a persuasive influence strategy it seems likely that a target's resultant effort will be different on the first influence attempt than on the tenth or one-hundredth influence attempt. Indeed, scholars have noted that influence operating through the internalization process takes "considerable time" to convert into effort (Frazier and Rody 1991, p. 55). For example, Frazier and Summers (1984) state that "the effective use of this approach (persuasive influence) *over time* will provide real benefits to both the source and the target" (p. 45, emphasis added). They go on to discuss how quickly certain specific tactics should work relative to others (information exchange versus recommendations, p. 45). However, they do not develop formal hypotheses regarding these time-based effects, nor do they model the effect of time in their study.

Not surprisingly, the failure to properly account for time has produced some confusing and conflicting findings regarding the effects of persuasive influence. For example, research has indicated that tactics comprising a persuasive strategy have positive relationships with outcomes like interfirm agreement (Frazier and Summers 1984) and task commitment (Yukl and Tracey 1992). Presumably, these internalization-related outcomes would have led to effort had these studies included effort as a potential outcome. On the other hand, Falbe and Yukl (1992) find that tactics comprising a persuasive influence strategy also sometimes lead to resistance or compliance. These particular findings seem very contrary to Kelman's theory. However, it could be the case that these odd results are indicative of subjects' varying degrees of internalization (as

a function of time spent exposed to persuasive influence). Perhaps targets who are just beginning to experience persuasive influence, and therefore have not internalized the KA strategy at all, appear to resist the influence. Similarly, perhaps target's who appear to comply without commitment have been exposed to a moderate amount of persuasive influence and have therefore only internalized the influence message enough to give the agent's recommendations a try but not enough to express high levels of commitment.

I rely on Kelman's influence process theory and argue that these inconsistencies can be resolved by accounting for the effect of time. I hypothesize that for both KA customers and salespeople a KA manager's use of a persuasive influence strategy takes time to be internalized and translate into effort. Specifically, persuasive influence will have no initial effect on push or pull-through effort because no time has elapsed to allow for the internalization of the KA strategy. At the beginning of the implementation period, targets simply haven't had any time to process the KA strategy, weigh its pros and cons, or consider the KA strategy's fit with their personal values. Nor have they seen any results of the actual value of the KA strategy. However, over time persuasive influence will drive internalization and cause both push and pull-through effort to grow faster as targets are allowed time to process agent's messages and see the actual results and value of the KA strategy. Finally, as the KA strategy becomes fully-internalized, persuasive influence will translate into higher effort levels. I do not necessarily expect the effect of persuasive influence to be the same for both push and pull-through effort, but I have no a priori justification for hypothesizing specific differences in the effort trajectories, so I leave it as an empirical question of interest. Formally:

> H_1: During KA strategy implementation, KA managers using higher levels of persuasive influence, compared to those using lower levels, will result in KA customer push effort trajectories that exhibit (a) no differences in initial levels but (b) grow at a faster rate over time and (c) reach higher eventual levels.
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> H_2: During KA strategy implementation, KA managers using higher levels of persuasive influence, compared to those using lower levels, will result in salesperson pull-through effort trajectories that exhibit (a) no differences in initial levels but (b) grow at a faster rate over time and (c) reach higher eventual levels.

Coercive influence strategy. A coercive influence strategy is a general behavioral approach to influence in which the influence agent's behaviors are intended to tap into the influence target's compliance process. As such, an influence agent adopting a coercive strategy has no intention of altering the target's perceptions about the intrinsic value of his or her suggestions. Rather the goal is to extrinsically motivate the target using threats to obtain compliance in the absence of internalized acceptance or commitment. Using Kelman's (1958; 1961) terminology, the compliance process leads to public conformity without private acceptance.

Whereas a persuasive influence strategy will have no impact on effort initially, but will have a positive impact on effort over time, a coercive influence strategy should be useful in promoting initial, short-term effort. "Circumstances frequently arise where the source… requires prompt or immediate compliance from the target…[which] gives rise to the need for influence strategies which are not dependent on the target's perceptions of the inherent desirability of the intended behavioral response" (Frazier and Summers 1984, p. 46). In other words, when the influence agent doesn't have time to wait for the target to internalize the intrinsic value of the suggested action, s/he can utilize a coercive influence strategy to garner immediate behavioral support for his or her suggestions. However, Kelman suggests that behavior derived from a target's compliance process will decrease over time because compliant behavior ceases when the agent is not present to monitor the target. Furthermore, the pressure or threat associated with use of a coercive strategy essentially creates an artificially high level of initial effort, which declines over time as targets test for a lower-bound of effort required to avoid punishment.

As with the findings regarding the effects of a persuasive influence strategy, extant research findings do not shed much light on the issue. Unfortunately, existing studies haven't really considered dependent variables that would be expected outcomes of a target's compliance process (e.g., compliance, effort, etc). Frazier and Summers (1984) find that tactics comprising a

coercive strategy are negatively related to targets' agreement and satisfaction. Yukl and Tracey (1992) find similar results on targets' task commitment. These findings should come as no surprise, since these outcomes would be expected from influence operating through the internalization process but not the compliance process. It has been shown, however, that targets often retaliate to coercive influence with dysfunctional behaviors (Gaski 1984). This suggests that coercive influence not only leads to a failure to internalize the KA strategy but also prompts targets to reject the strategy. Nevertheless, scholars maintain that a coercive strategy will produce target effort under certain situational moderators (Frazier and Rody 1991; Payan and McFarland 2005).

I lean on Kelman's theory and argue that one such moderator that determines the effectiveness of a coercive strategy on target effort is time. Specifically, I hypothesize that for both KA customers and salespeople, a KA manager using higher levels of a coercive influence strategy will experience higher initial levels of push and pull-through effort because coercive influence should promote effort in the short-run (Frazier and Summers 1984). Especially in the context of a new strategic initiative, there should exist sufficient uncertainty regarding the importance of the new KA program. As a result, influence targets will feel that their alternatives are constrained, and they should increase their effort levels (Kelman 1961), at least initially. However, as targets become aware of the KA managers' limited ability to monitor their implementation behaviors, and as the novelty of the new initiative wears off, targets should become increasingly willing to resist the KA manager's suggestions and even retaliate by decreasing their effort (Gaski 1984). Therefore, coercive influence should lead to effort trajectories that decrease faster over time and reach lower eventual levels. Again, I do not expect a coercive strategy to produce the exact same effects on push and pull-through effort, but I leave these specific differences as an empirical question. Formally, I hypothesize:

> H_3: During KA strategy implementation, KA managers using higher levels of coercive influence, compared to those using lower levels, will result in KA customer push effort trajectories that exhibit (a) higher initial levels that (b) decline at a faster rate

over time and (c) reach lower eventual levels.

H_4: During KA strategy implementation, KA managers using higher levels of coercive influence, compared to those using lower levels, will result in salesperson pull-through effort trajectories that exhibit (a) higher initial levels that (b) decline at a faster rate over time and (c) reach lower eventual levels.

Impact of Push and Pull-Through Effort on Implementation Performance

In an effort to validate the importance of the preceding hypothesized relationships, link influence behaviors to important non-perceptual outcomes, and lay the foundation for later hypotheses regarding dynamic relationships between push-related outcomes and influence tactic effectiveness (i.e., next section), I hypothesize that KA customers' push effort, and salespeople's pull-through effort, will both have a positive impact on salespeople's implementation performance. The link between salesperson effort and performance has been well established in a variety of studies (Brown and Peterson 1994; Zoltners, Sinha, Zoltners 2001) but remains useful to the current study in order to simultaneously evaluate the relative impact of push and pull-through KA implementation strategies. Therefore:

H_5: Salespeople's current pull-through effort will have a positive impact on salespeople's current level of implementation performance.

However, the relationship between KA customer push effort and salespeople's performance may be less clear. Consider the example of a KA relationship between a manufacturer (the selling firm) and a distributor (the KA customer). It should be clear that when the KA customer puts effort into promoting the manufacturer's products internally to its sales force, the manufacturer's salespeople assigned to support the distributor will benefit in two important ways. First, when the KA customer engages in push effort by heavily promoting the KA strategy internally, the salesperson in that territory gets credit for the resulting sales. This happens even though the products arrive to the end-user on the KA customer's truck and regardless of the salesperson's direct involvement in the specific transaction. This first point represents a direct relationship between KA customer push effort and salespeople's implementation performance. Formally, I hypothesize:

H_6: KA customers' current push effort will have a positive impact on salespeople's current level of implementation performance.

Second, salespeople benefit from a KA customer's push effort because it improves the quality of their pull-through effort. When the KA customer is heavily engaged in push activities, salespeople are essentially calling on customers who are pre-sold, primed, and accepting of the salespeople's objectives. The difference between low and high KA customer push effort is analogous to the difference between calling on cold leads and calling on referrals. This second point represents an interaction between a KA customer's push effort and salespeople's pull-through effort, such that the KA customer's push effort amplifies salespeople's pull-through effort. Moving forward, I will refer to this effect as the *push enhancement* (PE) effect. Formally, I hypothesize:

H_7: KA customers' current push effort will amplify the relationship between salespeople's current pull-through effort and salespeople's current implementation performance.

Dynamic Relationship between PE and Effectiveness of Salesperson-Directed Influence

The preceding hypothesis (H7) defines the interaction between a KA customer's push effort and a salesperson's pull-through effort as the push enhancement (PE) effect. The following sections focus on the dynamic relationship between the PE effect and the effectiveness of a KA manager's salesperson-directed influence strategies. Specifically, I suggest that the strength of the PE effect in a previous time period (t-1) will impact the effectiveness of a KA manager's influence strategies in the current time period (t). In other words, when salespeople see that the KA customer's push effort is improving the quality of their effort, they will react differently to the KA manager's subsequent influence attempts. This dynamic relationship is depicted in Figure 1 by the dotted line at the bottom of the figure. The line is dotted to indicate that it is not an effect in the current time period.

PE effect moderating persuasive influence effectiveness. According to Kelman (1961), influence operating through the internalization process, as activated when a KA manager uses a

persuasive influence strategy, can be made more effective by: (1) increasing the degree of congruence between the suggested action and the target's values, (2) increasing the credibility of the agent, and (3) explicitly demonstrating how the target's effort will contribute to a desired end state. I believe that when a KA customer's push effort enhances a salesperson's effort—performance relationship (i.e., when the PE effect is strong) that these three levers will be differentially affected in later time periods.

Specifically, a strong PE effect should increase the degree of congruence between a KA manager's suggestions and a salesperson's values because the PE effect serves as a validation of the value of the KA strategy. Essentially, the receptivity of the salesperson's KA-related customers becomes another bullet point in a list of reasons that the strategy is worthwhile and deserves the salesperson's support. Since factual justification is critical to the effectiveness of persuasive influence (Yukl and Tracey 1992), we would expect salespeople's pull-through effort to increase over time when they see that the KA customers' push effort has enhanced the quality of their effort in previous time periods. In a related way, the PE effect also lends credibility to the KA manager's persuasive claims. Since credibility is "critical to the success of this basic approach" (Frazier and Summer 1984, p. 45) when salespeople see that they are being well-received by KA-related customers, the value of the KA program is enhanced and the KA manager's claims are supported. This too suggests that salespeople's pull-through effort will increase over time.

However, a strong PE effect may also serve to attenuate the effectiveness of a persuasive influence strategy on salespeople's pull-through effort over time by altering salespeople's conception of the means-ends relationship. It could be the case that when the PE effect is very strong, salespeople, even though they have otherwise internalized the value of the KA strategy, may feel that their effort is not needed for the KA strategy to be successfully implemented. In this scenario, they would likely feel that their time would be better spent on other tasks. From the salesperson's perspective, a strong PE effect could essentially be viewed as a quota reduction.

When a the PE effect is weak or null, the salesperson may feel that s/he must engage in higher levels of pull-through effort to fill in the effort gap and meet sales expectations. However, when a PE effect is strong the salesperson may anticipate that less of his or her pull-through effort is required to make the KA initiative a success.

Ahearne et al. (2010b) provide empirical precedent to support such a hypothesis. Specifically, they find that salespeople who believe that a new product is beneficial and desirable relative to existing competitive products put forth less effort than those with weaker product beliefs. Citing new institutional economic theory, they explain that such salespeople "believe that the new product will sell itself," and they therefore "rely on external sales and marketing support and word-of-mouth" to support the favored new product while they allocate their time to other tasks that are not as well-positioned to handle themselves (p. 772). In other words, the salespeople's positive beliefs about the new product lead them to believe their efforts are not actually required to sell it.

These conflicting effects on the key drivers of internalization effectiveness paint a somewhat unclear picture of what we should expect in this moderating relationship. On balance, however, it seems that a strong PE effect will have a positive impact on the majority of these levers. Therefore, I hypothesize an amplifying effect of PE on the relationship between persuasive influence and salespeople's pull-through effort. Specifically, when the PE effect is strong, salespeople's effort trajectories should exhibit steeper positive growth rates over time and higher eventual levels. Formally, I hypothesize:

> H_8: PE effect will moderate the relationship between KA manager persuasive influence and salespeople's pull-through effort over time, such that when the PE effect is strong salespeople's effort trajectories will exhibit (a) steeper positive growth rates and (b) higher eventual levels.

PE effect moderating coercive influence effectiveness. According to Kelman (1961), influence operating through the compliance process, as activated when a KA manager uses a coercive influence strategy, can be made more effective by: (1) clearly demonstrating the

magnitude of negative effects of noncompliance, (2) increasing the degree to which the target perceives that noncompliance leads to punishment, and (3) limiting the viable alternatives available to the target (see also Frazier and Rody 1991 and Payan and McFarland 2005). I believe that a strong PE effect will trigger all three compliance levers in such a way that buffers the negative impact of coercive influence (i.e., makes a coercive strategy more effective) on salesperson pull-through effort over time.

Specifically, a strong PE effect should serve to make the potential loss associated with noncompliance more salient because salespeople will have observed that their effort with KA-related customers results in more fruitful sales interactions. A salesperson's decision moves away from a simple choice between equal customers (KA and non-KA) and becomes a question of whether they want to ignore high quality sales opportunities. Clearly, salespeople will want to capitalize on the KA-related customers rather than miss these opportunities. Furthermore, when salespeople see that the KA customer is laying the groundwork for the KA strategy and that customers are receptive to the KA strategy, they should perceive that their effort is expected by the KA customer as well as the KA manager. When expectations of compliance come from multiple sources, the legitimacy of the KA strategy is strengthened and salespeople should become increasingly aware of the negative effects of noncompliance. Indeed, the perceived legitimacy of the agent's suggestions is thought to be the most frequent reason for targets' compliance (Yukl and Falbe 1991; Yukl and Tracey 1992). Furthermore, a strong PE effect should indicate to salespeople that everyone else involved in implementing the KA strategy is working hard, and it should therefore be clear to the salespeople that a lack of effort on their part will be visible to others, and the perceived likelihood of being punished should increase. Such a scenario creates a strong situation that effectively limits the salespeople's legitimate alternative courses of action, and compliance should become more effective when alternatives are reduced (Frazier and Rody 1991). Even if the salespeople do not want to put forth additional pull-through effort, they must in order to blend in and avoid making themselves an easy target for punishment.

Accordingly, all three compliance levers suggest that a strong PE effect should buffer against the negative effects of a coercive influence strategy over time.

There is another possible rationale for expecting a strong PE effect to buffer the negative effects of a coercive strategy over time. It is conceivable that as time progresses, PE at an earlier time period could trigger salespeople's internalization process as well. This influence process switch could occur because a strong PE effect provides a compelling reason for the salesperson to consider the value of the KA strategy and lends credibility to the KA manager. When the PE effect is weak, the salesperson may feel that the KA manager is using coercive influence behaviors because s/he is a bully and wants to get his or her own way. However, when the PE effect is strong, KA managers' credibility may be bolstered, and salespeople may rationalize the KA manager's use of a coercive strategy by believing that the KA manager only uses pressure and threats because the implementation of the KA strategy is in fact a very important and valuable initiative. Such a scenario would have a positive impact on Kelman's (1961) three internalization levers. In this case, the salesperson may view the harsh, coercive behaviors as justified and the normally negative effect of coercive influence on salespeople's pull-through effort will be lessened. Therefore:

> H_9: PE effect will moderate the relationship between KA managers' coercive influence and salespeople's pull-through effort over time, such that when the PE effect is strong salespeople's effort trajectories will exhibit (a) slower rate of decline and (b) higher eventual levels.

Push Effort Stock and Implementation Performance

Finally, I advance two additional, exploratory hypotheses that arose from considering the longitudinal nature of this study. Scholars in marketing and economics have long discussed the concept of goodwill stock (also called goodwill asset, brand goodwill, etc.), which can be defined as an intangible asset that develops from "cumulative advertising" (Hollander 1949, p. 79). The basic concept underlying the value of considering goodwill stock is that a firm receives a benefit in a given time period from advertising effort in that same time period but also receives a benefit,

above and beyond the effect advertising effort in any single time period, which results from the cumulative effect of advertising effort undertaken in all previous time periods. This effect of cumulative advertising effort is the firm's goodwill stock and is useful to buffer against short-term reductions in advertising effort, although this effect diminishes over time.

In this study, a KA customer's accumulated push effort could exhibit similar effects on salespeople's implementation performance. Therefore, I define push effort stock as the cumulative KA customer push effort. Perhaps push effort stock will impact implementation performance above and beyond current time period effort? If this is the case, KA managers could rely on KA customers' push effort stock to buffer against losses from short-term push effort reductions. Such a proposition has not been considered in the marketing literature and offers considerable theoretical value. As part of an exploratory effort, I will test for both a direct effect of push effort stock on salespeople's implementation performance and an interaction between push effort stock and salespeople's pull-through effort.

H_{10}: KA customers' cumulative push effort over time (i.e., "push effort stock") will have a positive impact on salespeople's current implementation performance.

H_{11}: KA customers' cumulative push effort over time (i.e., "push effort stock") will amplify the relationship between salespeople's current pull-through effort and salespeople's current implementation performance.

Method

Sample

The model will be tested using a dynamic hierarchical structural model that utilizes a unique data set consisting of surveys and longitudinal objective effort and performance data from company records. This data will be collected from the distribution sales division of a large U.S. based Fortune 500 Company in the cleaning and sanitization industry. The distribution sales division of this firm is responsible for the relationship with a KA customer (a distributor) that is responsible for just over 50% of the firm's revenue. Furthermore, the KA customer is segmented geographically into 71 business units, each serviced by a dedicated KA manager. The KA

manager is responsible for working with his or her specific KA business unit to encourage their KA strategy push effort. Additionally, the KA manager must work with the salespeople in his or her own firm to encourage their pull-through effort with the KA customer's customers.

The firm's salespeople have regular (i.e., not related to the KA) selling duties for which they are evaluated and rewarded, but the channel sales through the KA customer's customers in their territory also contribute to their performance. In other words, they must choose how much effort to allocate between their regular selling duties and their pull-through effort with the KA. Similarly, the KA business unit must choose how much effort they put into pushing the selling firm's products, compared to all other products that they sell.

Within the selling firm, I will collect survey data from the KA managers. Firm records will provide objective measures of KA customers' push effort, salespeople's pull-through effort, and implementation performance. Specific measures and operationalizations are discussed below.

Measures

Persuasive and coercive influence strategy. A persuasive influence strategy is a general behavioral approach to influence where an influence agent's behaviors are intended to tap into a target's internalization process. Specific tactics that fall into this more general behavioral strategy include *rational persuasion* and *inspirational appeal*. A coercive influence strategy is a general behavioral approach to influence where an influence agent's behaviors are intended to tap into a target's compliance process. Specific tactics that fall into this more general behavioral strategy include *pressure* and *legitimating*. Scales for these tactics will be adapted from Yukl et al. (2008).

Both influence strategies will be measured at the beginning of the KA strategy implementation and treated as a time-invariant predictor. Also, given that scholars have suggested that influence targets are poor sources for influence-related information (Yukl and Falbe 1990), influence strategies will be self-reported by the KA managers. Each item will be asked twice, first in terms of the influence strategy adopted interorganizationally and used with the KA customer and then in terms of the strategy adopted intraorganizationally and used with the salespeople.

Key account customer push effort. KA customer push effort is a time-varying metric that will be drawn from the selling firm's records on a monthly basis. The selling firm tracks several metrics related to each KA business unit. This particular metric is a unique measure of the percentage of the KA customer's distribution capacity that has been set-up to accommodate the selling firm's products. In other words, in order to make the push strategy work, the KA business units must perform set-up activities that allow their trucks to stock and deliver the seller's products. Preliminary interviews with managers at the selling firm indicate that the more push effort the KA customer exerts, the higher this percentage. I will use this unique, objective measure to tap into the KA customer's push effort.

Salesperson pull-through effort. Salesperson pull-through effort is a time-varying metric that will be pulled from the selling firm's records on a monthly basis. The metric indicates the percent of each salesperson's total sales calls that are made to KA-related accounts.

Salesperson implementation performance. Monthly salesperson implementation performance will be pulled from firm records. Specifically, the selling firm tracks KA-related sales for each individual salesperson.

Covariates. I will also pull age and experience information from company records.

Analytic Approach

I expect that since effort and performance over time are nested within individual salespeople, and since salespeople are nested within KA managers/customers, the independence assumptions necessary for single-level methods (e.g., linear regression, etc.) will be violated by the model. In order to test the model simultaneously while accounting for this complex nesting structure, I develop a dynamic hierarchical structural model. The following equations represent the various components of the model. I observe the behavior of KA managers i $(i = 1, 2, \ldots, I)$ and the push effort of KA customer i during time period t (t =1, 2, ..., T). There is a corresponding relationship between each KA manager and customer. That is, a pair of KA manager i and

customer *i* forms a unit *i*. Each KA manager is in charge of several salespeople. I also observe salesperson j_i ($j_i = 1, 2, \dots, J_i$)'s pull-through effort and performance during each time period.

I model KA customer i'push effort during time period *t* as a function of time.

$$KACPUSH_{it} = a_i^{(1)}\left(\frac{2}{e^{c_i^{(1)}*t}+1}\right) + b_i^{(1)}\left(\frac{e^{c_i^{(1)}*t}-1}{e^{c_i^{(1)}*t}+1}\right) + \varepsilon_i^{(1)}$$

where the superscripts in the brackets identifies the equation, and $a_i^{(1)}$ represents the effort level when t=0 (i.e., the intercept), $b_i^{(1)}$ represents a stable level of effort at the end of the implementation period, and $c_i^{(1)}$ represents the speed at which effort approaches the stable end level. All coefficients $a_i^{(1)}$ $b_i^{(1)}$ and $c_i^{(1)}$ are assumed to be positive and are influenced by the KA manager's behavior:

$$a_i^{(1)} = \beta_{a0}^{(1)} + \beta_{a1}^{(1)}KAMEP_i + \beta_{a2}^{(1)}KAMEC_i + e_{ia}^{(1)}$$

$$b_i^{(1)} = \beta_{b0}^{(1)} + \beta_{b1}^{(1)}KAMEP_i + \beta_{b2}^{(1)}KAMEC_i + e_{ib}^{(1)}$$

$$c_i^{(1)} = \beta_{c0}^{(1)} + \beta_{c1}^{(1)}KAMEP_i + \beta_{c2}^{(1)}KAMEC_i + e_{ic}^{(1)}$$

where $KAMEP_i$ is KA manager *i*'s externally directed persusive influence and $KAMEC_i$ is KA manger *i*'s externally directed coercive influence. Regarding hypotheses, I expect:

H_{1a}: $\beta_{a1}^{(1)} = 0$, H_{1b}: $\beta_{c1}^{(1)} > 0$, and H_{1c}:$\beta_{b1}^{(1)} > 0$

H_{3a}: $\beta_{a2}^{(1)} > 0$, H_{3b}: $\beta_{c2}^{(1)} < 0$, and H_{3c}: $\beta_{b2}^{(1)} < 0$

I model salesperson j_i's pull-through effort during time period t ($SPPULLT_{ij_it}$) with the following equations:

$$SPPULLT_{ij_it} = a_{ij}^{(2)}\left(\frac{2}{e^{c_{ij_it}^{(2)}*t}+1}\right) + b_{ijt}^{(2)}\left(\frac{e^{c_{ij_it}^{(2)}*t}-1}{e^{c_{ij_it}^{(2)}*t}+1}\right) + \varepsilon_{ij_it}^{(2)}$$

where $SPPULLT_{ij_it}$ sales person j_i's is pull-through effot during period *t*. Coefficients $a_{ij_i}^{(2)}$, $b_{ij_i}^{(2)}$, and $c_{ij_i}^{(2)}$ share the same meanings and assumptions as in the previous equation and are functions of the salespersons individual control variables:

$$a_{ij_i}^{(2)} = \beta_{ia0}^{(2)} + \sum_{k=1}^{K} \beta_{ak}^{(2)}\left(INDCTRL_{ij_ik}\right) + e_{aij_i}^{(2)}$$

$$b_{ij_it}^{(2)} = \beta_{ib0t}^{(2)} + \sum_{k=1}^{K} \beta_{bk}^{(2)}\left(INDCTRL_{ij_ik}\right) + e_{bij_i}^{(2)}$$

$$c_{ij_it}^{(2)} = \beta_{ic0t}^{(2)} + \sum_{k=1}^{K} \beta_{ck}^{(2)}\left(INDCTRL_{ij_ik}\right) + e_{cij_i}^{(2)}$$

where $INDCTRL_{ij_ik}$ $(k = 1, 2, \dots, K)$ are sales person j_i's control covariates (age, experience, etc.). The intercepts $\beta_{ia0}^{(2)}$, $\beta_{ib0t}^{(2)}$, and $\beta_{ic0t}^{(2)}$ are influenced by the KA manager's behavior:

$$\beta_{ia0}^{(2)} = \gamma_{a0}^{(2)} + \gamma_{a1}^{(2)} KAMIP_i + \gamma_{a2}^{(2)} KAMIC_i + u_{ia}^{(2)}$$

$$\beta_{ib0t}^{(2)} = \gamma_{b0}^{(2)} + \gamma_{b1}^{(2)} KAMIP_i + \gamma_{b2}^{(2)} KAMIC_i + \left(KACPUSH_{it-1} * SPPULLT_{ij_it-1}\right)\left(\gamma_{b5}^{(2)} KAMIP_i + \gamma_{b6}^{(2)} KAMIC_i\right) + u_{ib}^{(2)}$$

$$\beta_{ic0t}^{(2)} = \gamma_{c0}^{(2)} + \gamma_{c1}^{(2)} KAMIP_i + \gamma_{c2}^{(2)} KAMIC_i + \left(KACPUSH_{it-1} * SPPULLT_{ij_it-1}\right)\left(\gamma_{c5}^{(2)} KAMIP_i + \gamma_{c6}^{(2)} KAMIC_i\right) + u_{ic}^{(2)}$$

where $KAMIP_i$ is KA manager *i*'s use of an *internally directed* persuasive influence, and $KAMIC_i$ is KA manager *i*'s use of an *internally directed* coercive influence. Regarding hypotheses, I expect:

H_{2a}: $\gamma_{a1}^{(2)} = 0$, H_{2b}: $\gamma_{c1}^{(2)} > 0$, and H_{2c}:$\gamma_{b1}^{(2)} > 0$

H_{4a}: $\gamma_{a2}^{(2)} > 0$, H_{4b}: $\gamma_{c2}^{(2)} < 0$, and H_{4c}: $\gamma_{b2}^{(2)} < 0$

H_{8a}: $\gamma_{c5}^{(2)} > 0$ and H_{8b}: $\gamma_{b5}^{(2)} > 0$

H_{9a}: $\gamma_{c6}^{(2)} > 0$ and H_{9b}: $\gamma_{b6}^{(2)} > 0$

Finally, the model for salesperson implementation performance is represented by the following equations:

$$SPIMPERF_{ij_it} = \pi^{(3)}_{ij_i0} + \pi^{(3)}_{ij_i1} KACPUSH_{it} + \pi^{(3)}_{ij_i2} SPPULLT_{ij_it} + \pi^{(3)}_{ij_i3} (KACPUSH_{it} \cdot SPPULLT_{ij_it}) + \pi^{(3)}_{ij_i4} PUSHSTOCK_{i(t-1)} + \pi^{(3)}_{ij_i5} (PUSHSTOCK_{i(t-1)} \cdot SPPULLT_{ij_it}) + \varepsilon^{(3)}_{ij_it}$$

where $PUSHSTOCK_{i(t-1)} = \sum_{\tau=1}^{t-1} \rho^{t-\tau} \cdot KACPUSH_{i\tau}$ and the coefficients at Level 1 become a function of individual level covariates $INDCTRL_{ij_ik}$

$$\pi^{(3)}_{ij_im} = \alpha^{(3)}_{im0} + \sum_{k=1}^{K} \alpha^{(3)}_{mk} \left(INDCTRL_{ij_ik}\right) + e^{(3)}_{mij_i}, m = 0,1,2, \dots ,5$$

and the intercepts $\alpha^{(3)}_{im0}$, $(m = 0,1,2, \dots ,5)$ are functions of KA level control covariates $KACTRL_{il}$ (to be determined).

$$\alpha^{(3)}_{m0} = \beta^{(3)}_{m0} + \sum_{l=1}^{L} \beta^{(3)}_{ml} (KACTRL_{il}) + u^{(3)}_{im}, \ \ m = 0,1,2, \dots ,5$$

I expect:

H_5: $\beta^{(3)}_{20} > 0$, H_6: $\beta^{(3)}_{10} > 0$, H_7: $\beta^{(3)}_{30} > 0$, H_{10}: $\beta^{(3)}_{40} > 0$, H_{11}: $\beta^{(3)}_{50} > 0$

Figure 1: Conceptual Model

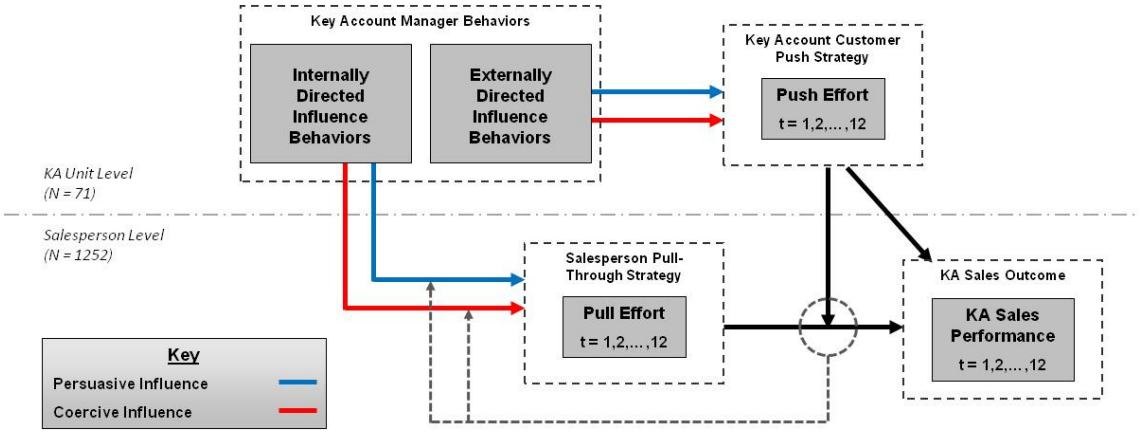
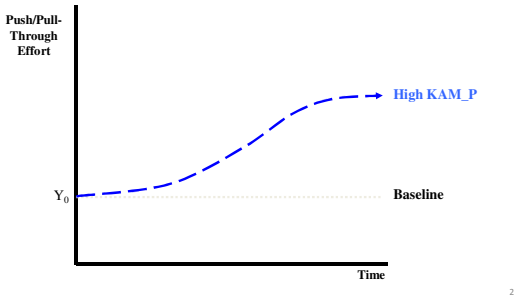
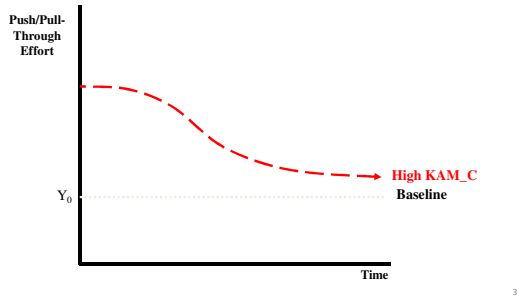


Figure 2: Hypothesized Effort Trajectories

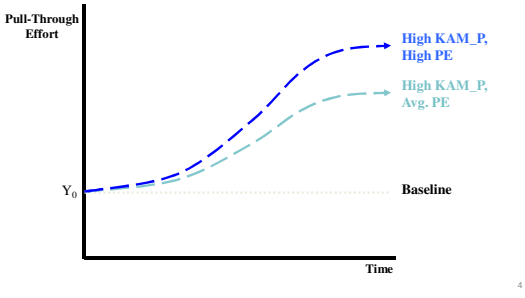
KAM Persuasive Influence (H1 &H2)



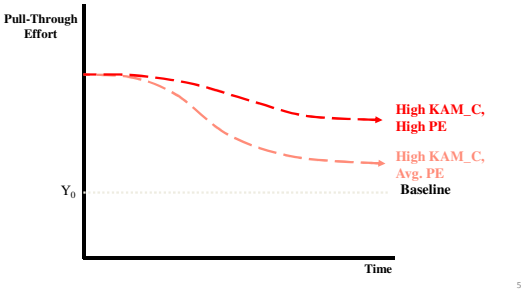
KAM Coercive Influence (H3 &H4)



Moderating Effect of PE on Persuasive Influence—Pull-Through Effort Relationship (H8)



Moderating Effect of PE on Coercive Influence—Pull-Through Effort Relationship (H9)



KAM_P = KA Manager's Use of Persuasive Influence, KAM_C = KA Manager's Use of Coercive Influence, and PE = Push Effort Enhancement.

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