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

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Extended Abstract

Introduction and Motivation

Recent survey results indicate that between 1989 and 1997 the number of firms classifying customers as key accounts (KAs) more than doubled (Gosman and Kelly 1999-2000). Across these firms, nearly 15% reported that KA customers accounted for more than 50% of their revenues (see also Ryals and Humphries 2007). The possible implications of such revenue dependency are obvious and the topic of key account management (KAM) has captured the interest of scholars who have described the increasing emphasis on KAM as “one of the most fundamental changes in marketing” (Homburg, Workman, and Jensen 2002, p. 38). However, most of the papers published on KAs are conceptual frameworks, and all of the existing empirical studies approach KA research from a macro-perspective (e.g., what makes a good KA, what are important areas of fit between the buying firm and the selling firm, etc.). As a result, we have some understanding regarding the intent of, and the motivation behind, KAM programs. However, we know almost nothing about what happens after the decision to establish a KAM program has been made, how strategic KAM programs are “sold” to the frontline
employees whose support is needed for successful implementation, or how KA managers actually perform their complicated boundary-spanning roles.

This dissertation takes a micro-approach and probes deep into the world of the KA manager by examining how KA managers simultaneously influence individuals within both the KA customer firm and 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 a KA manager should focus influence effort on salespeople within his/her own firm (i.e., pull-through strategy) or on individuals at the buying firm (i.e., push strategy) and on the interdependencies that arise between these two strategies over time. KA relationships characterized by this type of dual sales strategy are common in pharmaceuticals, consumer packaged goods, and distribution channels, and, as one senior analyst at a top-30 pharmaceutical company states, “[a KA 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).

**Background and Hypotheses**

I draw on Kelman’s (1958; 1962) 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). Kelman suggests two primary influence processes: 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 “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). However, these time-varying effects remain untested.

In marketing, scholars have commonly distinguished between persuasive (also referred to as noncoercive) and coercive influence strategies (e.g., Brown, Grzeskowiak, and Dev 2009; Frazier and Rody 1991; Joshi 2010; Payan and McFarland 2005), which influence agents use to tap into influence targets’ internalization and compliance processes respectively. Based on Kelman’s theory, I expect that a KA manager’s use of persuasive influence will have no initial impact on either push or pull-through effort but will eventually lead to greater effort over time. In contrast, coercive influence will produce high initial push and pull-through effort levels but will lead to declining effort levels over time. Furthermore, KA customers’ push effort will moderate the effectiveness of KA managers’ influence strategies used with salespeople. Specifically, KA customer push effort will amplify the positive effects of a persuasive influence strategy, and will attenuate the negative effects of coercive influence, on salesperson pull-through effort over time. In turn, both push and pull-through effort will have a positive impact (both direct and interactive) on implementation performance over time. The model relationships and hypothesized effort trajectories are depicted in Figure 1 and Figure 2.

**Data and Analysis**

The model will be tested using a unique data set that combines multisource, multilevel surveys with 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. I expect a near 100% response rate from these 71 KA manager-customer units and anticipate responses from approximately 1000 salespeople nested in these units. Objective monthly effort and performance data will be collected across 12 months starting at the launch of a new strategic KA initiative.

I expect that since effort and performance over time are nested within individual salespeople, and since salespeople are nested within KA manager-customer units, the independence assumptions necessary for single-level methods (e.g., linear regression, etc.) will be violated. In order to test the model simultaneously while accounting for this complex three-level nesting structure, I will develop and test a multilevel simultaneous growth model. This method will also allow me to model the curvature in the hypothesized effort trajectories.

**Dissertation Timeline**

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<tr>
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<tr>
<td>June 11, 2010</td>
<td>Dissertation proposal defended successfully.</td>
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<td>June 30, 2010</td>
<td>Survey data collection complete.</td>
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<tr>
<td>January 2011</td>
<td>Objective effort and performance data collection complete.</td>
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<td>Final data cleaning and analysis begins.</td>
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Figure 1: Conceptual Model and Hypotheses

Figure 2: Hypothesized Effort Trajectories

KAM_P = KA Manager’s Use of Persuasive Influence, KAM_C = KA Manager’s Use of Coercive Influence, and KAC = Key Account Customer.
References


