CRANFIELD UNIVERSITY

School of Management

PhD Thesis

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Key Account Management in an Arab Context

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December 2011

This thesis is submitted in partial fulfilment of the requirements for the degree of Doctor of Philosophy
ABSTRACT

This study sought to contribute to the literature on key account management (KAM) relationships. In doing so, it aimed to address a number of gaps in the existing literature, particularly a noticeable lack of research into key account management in developing economies, as opposed to developed economies. More specifically, the study sought to examine the dynamics of key account management relationships in an emerging economy in the Arab World. The main research question to address was: How is KAM relationship management applied in an Arab context?

The research utilised 50 cross-sectional semi-structured in-depth interviews to achieve the study’s aim. More specifically, the study was based upon a sample of recipients involved with key accounts from supplier organisations which operated in different sectors and had different ownership – local and foreign. Primary data was gathered through in-depth semi-structured interviews primarily with key account managers, and with company directors, marketing and sales managers, and selling/support teams.

In general, the findings revealed that there are informal and formal aspects of KAM relationships in an Arab context that complement each other. These have some similarities and differences with the Western context. In particular, similarities appeared mainly along the formal aspects such as, roles and duties of key account managers (KAMgrs), identification and selection criteria of key accounts, special treatment and activities carried out with key customers; the actors involved including senior managers and support teams; and the resources utilised. However, differences existed in the selection and the recruitment criteria and some competencies that were Arab specific, the degree of involvement of senior managers differ significantly from what is noted in
the KAM literature. As for the informal aspect, that is manifested in Wasta and family connections, trust, and personal involvement, which makes the KAM relationship management approach in an Arab context uniquely different and plays a major role in how customers are acquired and retained and the overall management of key customers. Furthermore, evidence shows that there is a tendency to transfer Western KAM practices to the Arab world, with some adaptation to take into consideration the country-specific and contextual factors.

Overall, it is argued, that the study’s findings contribute to existing knowledge in a number of ways. First, they extend our knowledge into key account management in an Arab context and confirm the importance of both the formal and informal aspects in managing KAM relationships. They also add weight to the view that in Arab cultures personal and affective/emotional dimensions of the relational factors are given more importance, compared to the impersonal and calculative aspects that are more emphasised in the West. The findings contribute to existing knowledge regarding KAM segmentation and the importance of the personal profile in an Arab context vis a vis the business profile, and they validate the view that a process of crossvergence of management practices is occurring across borders. The findings, however, challenge the view that KAM can be rolled out unchanged into any international context. They also discover the competencies required for Arab KAMgrs. Finally the findings contribute to existing knowledge by discovering the benefits of Wasta for key account managers.
CONTENTS

Abstract i
Contents iii
List of Figures and Tables vi
List of Abbreviations vii
Acknowledgments ix

CHAPTER ONE: INTRODUCTION
1.1 Foreign Investment Developing Economies and KAM 1
1.2 Gaps in the KAM Literature 5
1.3 Aims & Objectives of the Study 6
1.4 Outline of Research Methodology 7
1.5 Structure of the Thesis 7

CHAPTER TWO: THE ARAB BUSINESS ENVIRONMENT
2.1 Introduction 10
2.2 Arab World: Background 10
2.3 Social-Cultural Influences 14
2.4 Moderating Cultural Variables 23
2.5 Conclusion 34
CHAPTER THREE: KEY ACCOUNT MANAGEMENT

3.1 Introduction 38
3.2 Evolution of KAM 39
3.3 Definition of KAM 41
3.4 Theoretical Context and Framework of KAM 51
3.5 Dimensions of KAM 59
3.6 External Determinants of KAM 80
3.7 Business-to-Business Marketing in an Arab Context 83
3.8 Research Question 91
3.9 The Descriptive Framework 91
4.0 Conclusion 94

CHAPTER FOUR: METHODOLOGY

4.1 Introduction 98
4.2 Research Philosophy 98
4.3 Research Design & Data Collection 101
4.4 Data Analysis 115
4.5 Data Analysis in this Study 120
4.6 Ethical Considerations 126
4.7 Summary 127

CHAPTER FIVE: INFORMAL KAM RELATIONSHIPS

5.1 Introduction 129
5.2 Relational Antecedents 130
5.3 Informal Aspects of KAM 170
5.4 Conclusion 179
# CHAPTER SIX: FORMAL KAM

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1 Introduction</td>
<td>182</td>
</tr>
<tr>
<td>6.2 Activities</td>
<td>183</td>
</tr>
<tr>
<td>6.3 Allocation of Resources</td>
<td>204</td>
</tr>
<tr>
<td>6.4 The KAM Organisation Actors</td>
<td>214</td>
</tr>
<tr>
<td>6.5 Conclusion</td>
<td>242</td>
</tr>
</tbody>
</table>

# CHAPTER SEVEN: DISCUSSION

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1 Introduction</td>
<td>247</td>
</tr>
<tr>
<td>7.2 Informal Aspects of KAM</td>
<td>247</td>
</tr>
<tr>
<td>7.3 Similarities &amp; Differences in KAM Practices</td>
<td>263</td>
</tr>
<tr>
<td>7.4 Modified Conceptual Framework of KAM</td>
<td>274</td>
</tr>
<tr>
<td>7.5 Conclusion</td>
<td>275</td>
</tr>
</tbody>
</table>

# CHAPTER EIGHT: CONCLUSIONS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1 Introduction</td>
<td>279</td>
</tr>
<tr>
<td>8.2 Aim &amp; Objectives</td>
<td>279</td>
</tr>
<tr>
<td>8.3 Summary of the Key Findings</td>
<td>280</td>
</tr>
<tr>
<td>8.4 Research Contributions</td>
<td>285</td>
</tr>
<tr>
<td>8.5 Limitations &amp; Future Research Avenues</td>
<td>291</td>
</tr>
</tbody>
</table>

# REFERENCES

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>294</td>
</tr>
</tbody>
</table>

# APPENDICES

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>335</td>
</tr>
</tbody>
</table>
LIST OF FIGURES AND TABLES

Figures

Fig 1.1 Largest Recipients of FDI in the MENA Region (2005/2006) 3
Fig 3.1 KAM Relationship Stages and Labels 51
Fig 3.2 KAM Framework 58
Fig 3.3 Descriptive Framework of KAM 93
Fig 4.1 Components of Data Analysis: Interactive Model 120
Fig 4.2 Research Objectives & Related Themes 121
Fig 4.3 Constant Comparative Method of Data Analysis 123
Fig 5.1 Conceptual Framework of KAM in an Arab Context 130
Fig 5.2 Benefits of Wasta 136
Fig 6.1 Conceptual Framework of KAM in an Arab Context 183
Fig 6.2 A-ZT Accounts Sectors 187
Fig 7.1 Conceptual Framework of KAM in an Arab Context 275

Tables

Table 2.1 Comparison of Arabic & UK Values according to Hofstede 25
Table 3.1 Process and Functional Oriented Definitions of KAM 43
Table 3.2 Strategic Definitions of KAM 44
Table 3.3 KAMgrs Desired Competencies & Characteristics 69
Table 3.4 Skills and Qualities of the ideal KAMgr 70
Table 4.1 Fundamental Differences between Quants & Quals 102
Table 4.2 Summary of Sample Companies & Codes 112
Table 6.1 Summary of Activities 184
Table 6.2 Classification of Business Customers 185
Table 6.3 Identification Criteria of Key Accounts 186
Table 6.4 Key Account Manager Titles 240
Table 7.1 Comparing Wasta, Guanxi & Social Capital 249
Table 7.2 KAM in an Arab Context vis-a-vis KAM in the West 261
Table 7.3 Elements & Level of KAM Implementation 263
Table 7.4 Similarities & Differences of Western & Arab KAMGr 272
Table 8.1 Research Contributions 291

LIST OF ABBREVIATIONS

ARPU Average revenue per user
CEO Chief Executive Officer
CMO Chief Marketing Officer
CRM Customer Relationship Management
CV Curriculum Vitae
FDI Foreign Direct Investment
GAM Global Account Management
GCC Gulf Cooperation Council
HSE House and Small Enterprise
IKAM International Key Account Management
IT Information Technology
KA Key Account
KAM Key Account Management
KAMgr Key Account Manager
LCA Large Corporate Accounts
LDC Less Developed Country
<table>
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<tr>
<th>Acronym</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>MENA</td>
<td>Middle East and North Africa</td>
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<tr>
<td>MNC</td>
<td>Multinational Corporation</td>
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<td>RM</td>
<td>Relationship Manager</td>
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<td>SMB</td>
<td>Small Medium Business</td>
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<td>SMEs</td>
<td>Small Medium Enterprises</td>
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<td>SOHO</td>
<td>Small Office Home Office</td>
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<tr>
<td>VIP</td>
<td>Very Important Person</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNCTAD</td>
<td>Conference on Trade and Development</td>
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</tbody>
</table>
ACKNOWLEDGMENTS

This has been a wonderful learning experience and a journey that I have enjoyed. Having said that, it would not have been possible for me to start and finish this journey without the people who have supported and accompanied me at every step of the way.

Firstly, I would like to thank my supervisors Professor Lynette Ryals and Dr Iain Davies for their support and guidance throughout the PhD process. Through their helpful feedback and continuous encouragement I was able to face the challenges of this journey. In addition, I would like to extend my gratitude to my PhD review panel members (Dr Colin Pilbeam, Professor Hugh Wilson, and Professor Michael Dickmann). They have been a big help and provided invaluable advice always.

My thanks are also extended to my colleagues at IESEG School of Management. Dr David Newlands and his wonderful family (Karen, Rachel and Michelle) who have treated me as part of their family and who have helped me always when things got tough and kept my spirit high; and to my dear colleague Dr Ian Speakman who fully supported me and encouraged me to complete my PhD.

Finally, I would like to thank my family for their huge support. In particular, I need to thank my mother Basmeh and my sister Samar for their enormous support and love. I dedicate this work to my late father Ziyad, with love.
CHAPTER ONE: INTRODUCTION

This study focuses on key account management (KAM) relationships in the Arab World. Initially, this introductory chapter provides the twofold rationale for this focus, namely: the importance of the developing/emerging economies for foreign investors; and the existence of a number of weaknesses/gaps in the current literature on key account management. This is followed by a detail of the overall aim of the study and supporting objectives, along with a brief explanation of the research methodology utilised. The final section outlines the structure of the remaining parts of this thesis.

1.1 FOREIGN INVESTMENTS, DEVELOPING ECONOMIES AND KAM

Against a backcloth of globalisation and internationalisation, it is argued that the period since the mid-1980s has witnessed profound changes in the world economy which led to essential developments in international and multinational companies’ international activities and strategies (UN, 1993). Such changes in the world economy, especially the opening up of new markets due to the liberalisation of financial markets, deregulation and privatisation of state owned enterprises (Bartlett & Ghoshal, 1998; Kotabe & Helsen, 2008; Keegan & Green, 2008) have created vast opportunities for foreign investment companies and multinational corporations (MNCs) to expand their worldwide operations particularly in transition and developing economies, including the Arab World.
The Arab World is an area of growing economic significance with central geographic location and large market size offering foreign investors and multinational companies many opportunities across many business sectors (Al-Jafary & Hollingsworth, 1983; UN, 2000; Budhwar & Mellahi, 2006). The region has a key strategic importance due to its large reserves of oil of around 65% of the world’s known oil reserves (Budhwar & Mellahi, 2006). For example, Saudi Arabia alone has 25% of the World’s known oil reserves (Al-Jafary & Hollingsworth, 1983).

Moreover, in recent years the region has been experiencing a high economic growth rate reaching 6.3% in 2006 and 6.1% in 2008 (www.go.worldbank.org; RBS, 2012), and has been experiencing a period of supreme wealth accompanied by a strong devotion of the countries in the region to diversify their economies (Lingenfelter et al., 2005). As a result, the Arab region has become fertile for increased Foreign Direct Investment (FDI). In 2005, Foreign Direct Investment (FDI) inflows in the MENA region grew by 92.8% to reach US$ 47.2 billion in 2005, compared to an increase of 28.9% worldwide.

Many countries in the region are diversifying and developing their economic sectors and, hence, are continuously requiring FDI to achieve their aims. For example, Qatar has one of the fastest growing economies in the world with 9.7% and has attracted FDI of nearly $1.5 billion in 2005 (RaboBank, 2008; Hussein, 2009). Based on UNCTAD (2007) the distribution of FDI to the in the MENA region is illustrated in Figure 1.1 below.
This exceptional economic progress and increase in FDI in the area has been attributed to global oil demand and increase in oil prices that attracted FDI in oil and gas and in related manufacturing industries; strong economic growth; rebounding of trade and tourism industries; and improved investment and business environment in the region in general, that continued in 2007. This could also be attributed to the structural reforms such as privatisation and liberalisation policies undertaken by several countries including Egypt, Jordan and Morocco (UNCTAD, 2006, 2007; Lingenfelter et al., 2005). Moreover, the Arab World has been less affected than other regions, such as Europe or Central Asia, by the recent Western financial crisis in 2008 (Orozco & Lesaca, 2009; Al-Ismaily et al., 2010; World Bank, 2012). Indeed, this financial crisis seems to have enhanced Arab countries’ strategic significance as their “petrodollars”, which have been traditionally deposited in Western Banks (UNCTAD, 2006: 20), are severely needed to assist in overcoming the financial crisis in the West and restoring the
financial balance worldwide. For example, Qatar which seems to have invested more than £10 billion (GPB) into London has also, with its petrodollars, bailed out Barclays Bank in 2008 (Hobson, 2011).

Business structures in the Arab World are shaped by both economic conditions and opportunities, and the values and beliefs of the people involved in managing the business enterprises in these countries (Wilson, 2006; Kantor et al., 1995). Despite the differences in economic, social, political and systems of government and administration of Arab nations, evidence shows that they are racially and culturally homogeneous (Kantor et al., 1995; Bakhtari, 1995; Hutchings & Weir, 2006a; Kalliny et al., 2006; Mohamed & Mohamad, 2011), and ‘share many commonalities in their societal norms and practices, reflecting their historical, religious and socio-cultural characteristics’ (Kabasakal & Bodur, 2002: 40). Although not all Arabs are Muslim, research evidence, for example, indicates that most Arab managers appear to share some basic values that reflect Islamic and tribal traditions (Ali, 1995: 14). Consequently, and due to the significance of the Arab World to the West, it is argued that a better understanding of values, attitudes, culture and managerial practices of the Arab World has become increasingly important to the effectiveness of foreign business operations and multinational corporations in these countries (Al-Twaijri, 1989, Al-Omari, 2003). In particular, business relationships and how they are established and maintained in the Arab World may represent a major challenge for these Western MNCs and therefore merit a clearer understanding of how they function (Trompenaars & Wolliams, 2004).
On the other hand, other changes in the world economy such as intensified global competition, growing customer concentration arising from increased deals of mergers and acquisitions; increased customer emphasis on centralised strategic purchasing; growing customer demands for more services and better communication; and increased desire to develop partnerships have driven companies to adopt and develop Key Account Management strategies (KAM) to increase their competitive advantage (McDonald et al., 1997; Sharma, 1997; Weilbaker & Weeks, 1997) through strategically managing long-term relationships with the strategic and most important customers in the business-to-business market (Ojasalo, 2001; Gosselin & Heene, 2000; Davies & Ryals, 2009). At the same time, the scant literature on key account management in the Arab World indicates that there is also a growing importance of key account management practices in the Arab World partly due to increased competition arising from changes in government policies that led to the deregulation and liberalisation of these economies and the opening up of their markets to foreign and Western investors (Baddar, et al., 2010; Al-Husan & Brennan, 2009).

1.2 GAPS IN THE KAM LITERATURE

Despite the widespread use of key account management (KAM) worldwide and the growing attention it has been attracting from both academics and practitioners a number of limitations in the literature can be identified. Particularly, four weaknesses can be distinguished. First, there is little empirical research and literature dealing with the nature of KAM and how it is implemented within and across borders (Davies & Ryals, 2007, 2009; Wengler et al., 2006; Gosselin & Bauwen, 2006; Boles et al., 1999; Millman & Wilson, 1996; Homburg et al., 2002).
Secondly, there is a dearth of empirical research addressing the informal aspects of KAM (Zupancic, 2008; Tzempelikos & Gounaris, 2011). Thirdly, there is relatively little research on KAM in developing economies (LDCs) and, in particular, in the Middle East and Arab countries as opposed to developed ones (Al-Husan & Brennan, 2009), despite the fact that foreign investors and multinational companies (MNCs) are increasingly expanding their operations in LDCs (UN, 1993, 1997) and ‘given the growing economic and political importance’ of the Middle East region and its ‘religious ideologies’ (Ralston 2008: 39). Fourthly, there are no studies which investigate the nature and dynamics of buyer-seller relationships within the context of KAM in Arab countries (Al-Husan & Brennan, 2009; Baddar et al., 2010).

1.3 AIM AND OBJECTIVES OF THE STUDY

The study’s overall aim was:

- To explore and understand how key accounts are managed in an Arab context.

The study’s sub-aim:

- To explore differences between KAM in an Arab context vs. the forms and approaches to KAM adopted in the West according to the literature.

To achieve the above aims, three key objectives were identified:

Objective 1: to review the literature on key account management

Objective 2: to investigate the informal aspects utilised in the management of key account relationships in Jordan.

Objective 3: to investigate the formal aspects utilised in the management of these KAM relationships
1.4 OUTLINE OF RESEARCH METHODOLOGY

Secondary and primary data were both utilised to achieve the aim and objectives of the study. The secondary research focused on the literature on key account management practices and implementation processes both at the formal and informal dimensions. This review contributed to the formulation of the research question and assisted the researcher to specify the type of data to be collected and organisations and respondents to be approached.

In this study a subjective/ constructionist and interpretive epistemological position was adopted to understand the phenomenon under investigation, namely relationships and how they are managed in key account management, which can be achieved from the interpretations of the individuals within a specific context. Accordingly, a qualitative research design was utilised to achieve the study’s aim and objectives. More specifically, 50 semi-structured, interviews were conducted in Jordan with supply side Key Account Managers, Key Account Directors and Sales Managers, from eight Western and Arab owned companies in, financial service, technology and telecommunications, and a further company in the heavy industry. The interviews were mainly tape recorded, and on average lasted between 30-90 minutes. The taped interviews were verbatim transcribed, coded and analysed using an inductive thematic approach.

1.5 STRUCTURE OF THIS THESIS

The remainder of the thesis consists of seven chapters. The next chapter provides an overview of the Arab business environment and the importance of doing business in the
Arab World. It reveals that tribal/family-oriented working relations and Islamic cultural values are significant markers of a distinct business environment.

Chapter 3 provides a systematic review of key account management literature. This reveals four main themes in the existing literature: KAM formal aspects that are used in KAM including the activities implemented to manage the business relationships, the actors involved, and the resources utilised in the activities. Secondly, the informal aspects of KAM that can be utilised to influence the strength of the relationship with key customers. Fourthly, the factors that influence the design, approach and implementation of KAM. Fifthly, the growing literature on global account management (GAM). The existing literature relating to each of these themes is therefore explained. For the purpose of this thesis, this is followed by a discussion of the literature on Arab relationship marketing. The concluding section of the literature review chapter discusses the implications for the study’s underlying rationale and design and presents the research question arising from the literature review.

Chapter 4 moves on to detail the study’s research design and the considerations that informed it. It explains that a qualitative research design was adopted and 50 in-depth semi-structured interviews were conducted to collect data to explore and understand the nature of key account management in an Arab World. This involved obtaining the perceptions on both the formal and informal aspects of managing the relationship with key customers and the considerations that influenced them.
Chapters 5 and 6 subsequently reported the findings obtained on the informal aspects of KAM, and the formal aspects of KAM respectively. In terms of the informal aspects, this involved explaining the relational factors and social interactions that were perceived to be appreciated by key customers and necessary for building and developing successful long-term relationships with key customers. In terms of the formal aspects, this involved explaining the different activities utilised in managing the relationship, the resources employed, and the actors involved in managing the relationship with key customers, and the considerations that informed their implementation, mainly from the perspectives of key account managers, and other managerial staff at the supplier companies.

Chapter 7, then, compares and contrasts the findings obtained from the preceding two chapters and discusses their theoretical implications. It notes marked similarities in terms of the formal aspects of KAM but with varying degrees across the different sectors. At the same time, the chapter reveals differences with regard to the informal aspects compared to the West, particularly with regard to the emphasis on personal relationships and networks through Wasta connections and social bonding through close personal interactions and emotional/affective involvement, vis a vis the focus on the impersonal and more economic and neutral bonding in the West.

Finally, Chapter 8 pulls together the key findings of the study and considers their theoretical and practical contributions for exiting knowledge on key account management, outlines the study’s limitations and identifies the potential avenues for future research.
CHAPTER TWO: ARAB BUSINESS ENVIRONMENT

2.1 INTRODUCTION

The Arab World is strategically important due to its large oil reserves, central geographic location, size of its market and huge investment opportunities available to Western investors. The overall aim of this chapter is to outline the nature of business environment and its implications for industrial marketing and business relationships in the Arab World. To do this, five related issues are explored. Initially attention is paid to the factors that led to the economic significance of the Arab World. This is followed by a consideration of the socio-cultural factors that affect business in these countries. Attention then turns to the cultural dimensions that affect business structures, followed by a discussion of cultural practices that characterise business and Arab management practices. Finally, the last section examines how these factors are manifested in industrial marketing in the Arab World.

2.2 THE ARAB WORLD: BACKGROUND

The Arab World refers to Arab-speaking countries stretching from Morocco in North Africa to Oman on the Arabian Sea covering over 400 miles in distance and with a population of 359 million people (Chaaban, 2010). The Arab World stretches over an area known as the Middle East and North Africa Region (MENA), and it consists of twenty two countries, namely: Yemen, Saudi Arabia, Oman, Qatar, Kuwait, United Arab Emirates, Bahrain, Iraq, Jordan, Syria, Palestine, Lebanon, Egypt, Libya,
Morocco, Tunisia, Algeria, Mauritania, North of Sudan, Somalia, Djibouti, and Comoros Islands (TRADOC DCSINT Handbook, 2006; Budhwar & Mellahi, 2006; Chaaban, 2010).

The Arab World is of growing geopolitical and economic significance to the Western world and foreign investors for four main reasons. First, the Arab world has a distinguished strategic location at the centre of the world which links the three continents of the Ancient world, Asia, Africa and Europe, and it is surrounded by important waters, straits and canals. Secondly, the Arab world has a large market size with a population of 359 million people. Thirdly, the region has a crucial strategic importance due to its mineral resources and reserves of oil of around 65% of the world’s known oil reserves. For example, Saudi Arabia alone has 25% of the World’s known oil reserves (Al-Jafary & Hollingsworth, 1983; UN, 2000; Budhwar & Mellahi, 2006). In terms of the stock of proved reserves of crude oil, five Arab countries are included in the first 12 leading countries with the largest reserves in the world as follows: Saudi Arabia ranked number one (the highest in the world), followed by Iraq, Kuwait, United Arab Emirates, Libya and Qatar – ranked 5, 6, 7, 9 and 12 respectively, while the United States is ranked 13 (www.cia.gov).

Fourthly, in recent years the region has been experiencing a high economic growth rate reaching 6.1% in 2008 (Hanouz & Khatib, 2010; www.go.worldbank.org), a period of great wealth, and a strong devotion of the countries in the region to diversity their economies that requires Foreign Direct Investment (FDI) to achieve their aims. For example, the United Arab Emirates (UAE), which is one of the fastest growing
countries in the area, was the largest recipient of FDI in the MENA region in 2005 with US$ 12 billion, showing growth of 43%, while Egypt came third with US$ 5.4 billion, followed by Saudi Arabia with 4.6 billion, and then Morocco with US$ 2.9 billion (UN, 2006). In 2006 Saudi Arabia, which has the strongest economy in the region and one of the strongest economies in the world, was the second largest recipient of FDI in the region with $18 billion (a 51% increase over its 2005 levels), followed by the UAE, and both of these countries are still offering vast opportunities for foreign investors (UNCTAD, 2007).

However, following the prosperous period from 2002 till 2008, as a result of the ‘third oil boom’ (Orozco & Lesaca, 2009: 2), in 2009 growth in the Arab world slowed during the global economic crisis with average growth rates falling from 6.1% in 2008 to 2.2% in 2009. Nevertheless, as most Arab countries had weaker financial and trade links with global markets, they were less affected by the downturn than other regions, such as Europe or Central Asia. In 2010 the growth rate in Arab economies picked up and grew by around 4%, almost double the world average (Orozco & Lesaca, 2009; Al-Ismaily et al., 2010; World Bank, 2012). Even during the recent political turmoil, it must be noted that the economic impact of the recent uprising in the Arab world on the Arab countries themselves has shown clear divergence. The 2011 regional review report by the Institute of International Finance (IIF) suggests that Arab oil exporters (except Libya and Yemen) have seen a rise in revenues and a pickup in growth. For example, in the group of Arab oil exporters, Iraq and Qatar are projected to record double-digit growth.
In GCC countries\textsuperscript{1}, average growth increased from 5.1\% in 2010 to 6.68\% in 2011 (Thabet, 2012), buoyed by higher oil production and large increases in government spending, contributing to a projected rise in the combined external current account surplus of the GCC from $129 billion in 2010 to $292 billion in 2011. For the oil-importing countries and countries affected by the political turmoil, and which were expected to experience slower growth and weaker fiscal and external outcomes, they are buffered by adequate reserves and therefore not expected to suffer serious external vulnerabilities (Abed et al., 2011). It must be also be taken into consideration that in the transition and subsequent period, governments in these countries are urged to focus on introducing reforms that address the need for higher growth and job creation, and on creating legal and institutional environment that will help in fostering entrepreneurship, investment and market-driven growth (Abed et al., 2011), which may represent further investment opportunities for Western and foreign firms in these countries.

In general, business structures in the Arab World are shaped by both economic conditions and opportunities, and the values and beliefs of the people involved in managing the business enterprises in these countries (Wilson, 2006; Kantor et al., 1995). Despite the differences in economic, social, political and administrative systems of Arab nations, evidence shows that they are racially and culturally homogeneous (Kantor et al., 1995; Bakhtari, 1995; Hutchings & Weir, 2006a; Kalliny et al., 2006), and ‘share many commonalities in their societal norms and practices, reflecting their

\textsuperscript{1} The main Arab countries can also be divided into three distinct groups: (i) Gulf Cooperation Council (GCC): Saudi Arabia, the UAE, Kuwait, Qatar, Oman, and Bahrain; (ii) non-GCC oil exporters: Algeria, Iraq, Libya, Sudan, and Yemen; and (iii) oil importers: Egypt, Jordan, Lebanon, Morocco, Tunisia, and Syria (Abed et al., 2011).
historical, religious and socio-cultural characteristics’ (Kabasakal & Bodur, 2002: 40). In a similar vein, Yasin et al. (1989: 36) argues that ‘the Arab Middle East, although consisting of many different nations representing different objective cultures, is considered to have a common subjective culture due to a common language, religion, and value system’. Thus, it is advocated, for example, that although not all Arabs are Muslim, research evidence indicates that most Arab managers appear to share some basic values that reflect Islamic values and tribal traditions (Ali, 1995: 14). As a result, and due to the strategic importance of the Arab World to the West, it is argued that a better understanding of values, attitudes, culture and managerial practices of the Arab World has become increasingly important to the effectiveness of foreign business operations and multinational corporations in these countries (Al-Twaijri, 1989, Al-Omari, 2003); particularly also that business relationships and how they are established and developed in the Arab world can be a key challenge for these Western MNCs (Baddar et al., 2010; Trompenaars & Wolliams, 2004).

### 2.3 SOCIO-CULTURAL INFLUENCES

Evidence shows, that culture is one of the major factors that affect the business structure and society in the Arab World (Kantor et al., 1995). Research examining Arab Middle Eastern economic systems and business relationships has identified family-oriented working relations and Islamic cultural values as markers of a distinct business environment (Metcalf, 2007).

More specifically, this evidence suggests that the Arab world has a business culture based on strong family networks, or “Wasta” connections, supported by Islamic ethics
and values (Hutching & Weir, 2006a: 143). Consequently, in order to effectively assess and understand how relationships are created and networks formed in developing countries, particularly in Arab countries, it is essential to understand the wider social and cultural contexts that prevail in these countries, and how these two indigenous and interrelated Arab cultural and social forces, namely Islam and the tribe/family, shape the Arab business culture. These two factors will be discussed below under: tribal and family traditions; and Islam.

2.3.1 Tribal and Family Traditions

The Arab social structure is based on the Bedouin/tribal tradition and structure. This social structure comprises of three main levels. The first level consists of the tribe itself (Quabileh) which could include several sub-tribes and could be as big as around 30,000 to 40,000 tribe members. The second level consists of the clan, while the third level consists of the nuclear family and extended family. The tribal/Bedouin environment emphasised patience, group cohesion, cooperation, trust, and allegiance within their same tribe, therefore, all relations and loyalties are centred on family or tribe units (Sabri, 2011).

More specifically, the tribe members are bound by ties based on patrilineal, matrilineal and affinity relationships, which make the Arab people extensively networked and strongly loyal to the family and tribe which protect them and provide them with unique advantages. In return, in this tribal system every tribe member is under obligation to take care of the interests of their fellow tribe, clan and family members (Solberg, 2002).
The position of individual members depends on the status and influence of the family or sub-group that he/she belongs to in the tribe. Patriarchal and hierarchical relations are represented by the absolute power and loyalty extended to the Sheikh or the Amir who is the head of the clan or tribe. The Sheikh is a man of honour, whose word is his bond and who assumes responsibility for his and his clan members acts, hence every member in the clan or the tribe adheres to his commands (Cunningham & Sarayrah, 1994).

At the family level, the father has complete power and is responsible for the family’s life and well-being, and in return all members of the family must obey him and respect his wishes (Sabri, 2011). In turn, the head of the family has loyalty relation to the Sheikh. The head of the tribe has the right to favour one part of the tribe for a special treatment at the expense of another tribal member or a third party not belonging to the tribe (Solberg, 2002) – ‘a typical tribal practice of pleasing favoured rivals like sons and relatives’ (Ali, 1990: 15). In relation to this, for example, Solberg (2002) and Rice (1999) explain that the Arab businessman does not have the same freedom of contract as a Western businessman, as his actions are restrained by his obligations to his family and their honour and, as a result, will not substitute his commitment that is rooted in close family ties with foreign or outer group business people. It is also argued 'tribalism' is integrated into the political and economic systems of Arab countries. Despite political constraints, business organizations across the Arab nations have flourished and capitalized upon the family, the tribe and the individual. The 'tribal' orientation is manifested in such things as the commitment of managers and individuals to the family and tribe members over business objectives, centralisation of power in the hands of the
top man (top chief), love of prestige by social class, reciprocity, face saving\(^2\) and relationship with others which are based on trust and loyalty (Sabri, 2011).

The family which forms the basis of business organisation in the Arab world is also the primary channel of “Wasta”. Literally, Wasta means to employ an ‘intermediary—usually a person of high social status and accepted rank— to achieve one’s ends’ (El-Said & Harrigan, 2009: 1238), and in modern language Wasta means a connection or ‘the influence a person has through personal and family networks’ (Neal, 2010: 253).

Traditionally, informal social-based networks and relationships – in the form of family, kinship and clan – have always played an important role in the Arab’s social life, even during the times of the different empires that ruled the region including the Greek, Roman, Byzantine and Ottomans, and more recently the rule of Western allies like England and France in the Twentieth century. People resorted to Wasta as a mechanism to solve local and community disputes, to facilitate the management of scarce resources, and to negotiate with central authorities of the different empires and foreign rulers. Through Wasta, local citizens also not only bonded together along social and geographic dimensions (same tribe, clan, region, or people of the same background), but also bridged across others. For example, members of certain clan resorted to Wasta to intermarry from other clans and tribes, solve disputes, cope with the harsh desert environment and scarce resources, and build social and economic alliances with other groups and tribes. Thus, Wasta played an important social security and safety net role and substituted for a lack of a formal institutional welfare system (El-Siad & Harrigan, 2009).

\(^2\) ‘Face refers to the respect, pride, and dignity of an individual as a consequence of his or her position in society’ (Tse et al., 1988).
2009; Al-Ramahi, 2008). Consequently, Wasta is considered to be a ‘significant form of social capital in the Arab World’ (El-Said & Harrigan, 2009: 1235).

More specifically, and as Rice (2003) argues, the strong group loyalty and cohesiveness (Ali, 1993) is a potential source of beneficial “social capital”—the resources derived from the network of relationships in a workgroup or organization (Napahiet & Ghoshal, 1998), and in the Arab world these social networks are referred to as “Wasta” (Tlaiss & Kauser, 2011). Like its cultural equivalent, guanxi in China, Wasta uses social networks to influence the distribution of advantages and resources (Mohamed & Hamdi, 2008).

To date Wasta continues to pervade the culture of all Arab countries and all aspects of their business, economic, political and social life. Wasta is maintained due to weak institutional structures in the Arab World and because it is intrinsically tied to trust and social structures and family connections (Mohamed & Mohamad, 2011; Hutchings & Weir, 2006b).

Although originally based upon family loyalty, Wasta relationships have expanded to encompass the broader community and friends and acquaintances (Hutchings and Weir, 2006a). This is because Arabs not only have an obligation to their family but also an obligation to save and maintain face for their family and their extended network. Norms of reciprocity play an important role in Wasta because these social networks foster values and attitudes that nourish and sustain certain rules of conduct based on “mutual trust and obligation”, which lead to reciprocity, and increase the volume and value of interacting among individuals and groups (El-Said & Harrigan, 2009: 1236). This
reciprocity also extends beyond family and kinship ties to non-kinship ties, such as friends and acquaintances, in which people are expected to assist each other as if they are fulfilling obligations to their family members (Hutching & Weir, 2006; El-Said & Harrigan, 2009).

In general, the literature reveals that respect for parents and elders, honesty, honour, hospitality, generosity, loyalty, justice, face saving and status-consciousness are very important values in traditional Arab culture, which stem mainly from the Bedouin tribal heritage (Simth et al., 2005; Al-Omari, 2003; Kalliny et al., 2006; Robertson & Al-Khatib, 2001). For example, Almaney (1981) found that Bedouin traits exert influences on the behaviour of all Arabs irrespective of education level, economic status, political philosophy, or religion (Rice, 2003).

Furthermore, Al-Omari (2008: 119) maintains that whilst tribalism, at the wider picture, seems to be relatively weakening throughout the Arab world compared, for instance, to 100 years ago, they are still ‘powerful social institutions’ which continue to play a major role in many functions of the society, including politics and the appointments in public offices, lobbying government agencies and resolving conflicts. It is also argued that Arab societies are traditional and evidence shows that despite of the influx of foreign workers and Western expatriates, especially to the Gulf Cooperation Council states (GCC), and exposure of local nationals to Western business methods and values, modernisation and industrialisation of Arab societies are still bound to their tribal traditions (Whiteoak, et al., 2006). For example, Ali & Al-Kazemi (2006) maintain that the Kuwaiti society is still tribal in nature where tribal and religious customs and norms
govern relationships among people including work and business relationships. Other researchers have also argued that tribal values still govern relationships, work and business life and management styles in other Arab countries such as Qatar (Abdalla, 2006); Saudi Arabia (Mellahi, 2006); United Arab Emirates (Suliman, 2006); Jordan (Branine & Analoui, 2006); and Tunisia (Yahiaoui & Zoubir, 2006).

As a result, it is argued that understanding the role of the tribe and the different members of the tribe then becomes a key to analysing Arab organisations, buyer behaviour and business relationships. This importance is highlighted by Weir (2003: 71) who argues that in Arab countries ‘political boundaries and the managerial philosophies are surface phenomenon compared to the deeper, infra-structures of belief, family, kin and obligation’. Furthermore, it is also argued that understanding of the social and interpersonal networks and the regional use of “Wasta” which fundamentally stem from the tribal and collective Arab social system is paramount for the establishment of effective business relationships. The concept of Wasta is explored in more detail in Chapter 3.

2.3.2 Islam

One of the major sources of cultural values and most influential forces in the Arab world that shapes and regulates individual and group behaviour, views and attitudes is Islam and Islamic work ethic (Kalliny & Gentry, 2007; Shahin & Wright, 2004; Obeidat et al., 2012). Islam strongly influences not only social behaviour but also politics and business in Arab countries (Ali, 1992; Bakhtari, 1995; Robertson et al., 2002; Lewis,
2006). The emergence of Islam represented the establishment of a new community where many of the concepts, values and conditions of the Arabs were radically transformed. Islam’s greatest achievement is considered to be the uniting of Arabs and Arab tribes into a single dynamic nation (Sabri, 2011).

Islam is perceived by its adherents to be a complete way of life (Rice, 2003). The Qur’anic principles and the prophet’s prescriptions serve as a guide for Muslims in conducting their business and family affairs (Ali & Azim, 1996). The Qur’an has been a unifying force that strongly influences societal practices and acts as a driver towards creating a common culture in the Arab World. The Islamic religion has not only influenced social values and practices but also the legal system of Arab Countries in which Islamic Law - Shari’a, has served as a major ‘religio-administrative force for centuries’ (Kabasakal & Bodur, 2002: 45).

Hutchings & Weir (2006b: 278) identified three factors that are core to business and society in the Arab world. ‘First, the global philosophy of Islam is based on practice rather than dogma. Secondly, there is an expectation that good practice of Islam is what all Muslims do. Thirdly, Muslim societies are wholly networked and all business activities revolve around these networks’.

The Holy book of “Qur’an” and the “Sunna” traditions (the recorded sayings and behaviour of Prophet Mohammed) represent the Muslim code of behaviour as they include comprehensive guidelines on all aspects of human life. Evidence can be found in the Holy Qur’an which devotes a major portion of its text to rules of conduct and
social and economic matters including trade and business relationships between buyers and sellers, relationships between employers and employees, and lenders and borrowers. For example, Islam instructs its believers to have business and work relationships that are based on honesty, trust, cooperation and teamwork, consultation, and upholding of promises and fulfilment of contracts. Islam also urges believers to plan in advance and only put their trust in God (Abuznaid, 2006; Rice, 1999).

Islam also provides a very delicate balance between the rights and duties of both individuals and the group, in which it is emphasised that the individual’s rights should not be at the expense of the group and that individual choices and interests, must always be subordinated to the long-term interests of the collectivity. Indeed, tribal values of family and social solidarity were reinforced by Islam’s strong emphasis on the significance of family, social solidarity (takaful al Ijtima’i) and mutual assistance (El-Said & Harrigan, 2009). In Islam, society and / or the family, not the state, is the primary institution. Preserving strong family and kinship bonds is of paramount importance and there are clear instructions regarding this. The importance of the family may be partly reflected in the intense commitment of Islam to brotherhood/sisterhood and unity (Rice, 1999), which demands that Muslims cooperate with each other and take care of their family members, relatives and each other in general. The interdependence between family and religion is also highlighted by Ata (1984) who argues that the most important mechanism through which religion exercises its influence on the individual is the traditional particular extended family. In a similar vein, Abuznaid (2006: 126) points out that ‘Islamic values supported the family system, and being a religious institution, family and religion eventually supported each other’.
Others argue that the internalization of Islamic concepts strengthens the qualities of honesty, trust, solidarity, loyalty and flexibility (Sabri, 2011). Tayeb (1997), in her turn, reported that Sherif (1975) identified nobility, patience, self-discipline, good appearance, abstinence, resolve, sincerity, truthfulness, servitude and trust as major Islamic value, while Endot (1995) identified 11 basic values of Islam that lead to a “respectable nation”: trustworthiness, responsibility, sincerity, discipline, dedication, diligence, cleanliness, co-operation, good conduct, gratefulness and Moderation (cited in Tayeb, 1997).

Overall, it is argued that for Arabs there is little or no separation between the secular life and the religious life, and that it is necessary to understand the religion to understand the Arab business environment (Schuster & Copeland, 1996 cited in Rice 2003).

2.4 MODERATING CULTURAL VARIABLES

Researchers have been attempting to cluster countries into similar cultural groupings for the purpose of studying similarities and differences (Ronen & Shenkar, 1985; Al-Twaijri & Al-Muhaiza, 1996; Hofstede, 1980). The cultural factor is very pertinent to this study since research evidence indicates that there is a large cultural distance between Western and Arab countries, which may hamper the transfer of practices to acquired companies in Arab countries (Child et al., 2001), and which may also explain the differences between Arab and Western practices and the approach to the management of key account customers. Secondly, an understanding of the cultural dimensions helps to ‘raise the implicit cultural differences to a conscious level’
(Romani, 2005: 163), and to recognise the cultural aspects of relationships in different countries. Consequently, in this section the cultural dimensions of culture and their implications for Arab behaviour, perception and thinking are discussed.

It must be noted that several different dimensional frameworks and typologies of societal/cultural/value orientations or culture dimensions have been developed to study culture and understand cultural differences across nations (e.g. Hofstede, 1980, 2001; Schwartz, 1999; Trompenaars & Hampden-Turner, 1997; Kluckhohn & Strodtbeck, 1961; House et al., 1999). The most widely recognized and extensively applied culture dimensions are the ones suggested and explained by Hofstede (Dickson et al., 2003; Chiang, 2005). Whilst Hofstede’s dimensions have been criticised and debates relating to its methodological and theoretical considerations remain, there is considerable empirical evidence that refutes many of the supposed weaknesses (e.g. Laurent, 1983; Smith, 1996), and indicating that the constructs are theoretically sound and empirically valid (Bhagat & McQuaid, 1982; Sorge, 1983). Hofstede’s dimensions have been extensively studied and it is widely argued that Hofstede’s framework provides a coherent theory for explaining national variation in culture (Redding, 1994; Sondergaard, 1994; Chiang, 2005; Dickson et al., 2003). Consequently, Hofstede’s framework/dimensions will be used primarily in this study (referring to others when appropriate) to explain and predict how and why Arab people behave as they do. This is discussed in the following section under the heading cultural dimensions.
2.4.1 Cultural Dimensions

Researchers argue that the variance between Arab value systems and Western value systems such as the USA and the UK (an example of Anglo-Saxon cultures), has the potential of influencing the conduct of business differently in these environments. For example, Hofstede (1980) in his seminal and original study of cultural values ranked the values of different cultures along four dimensions and included a sample of seven Arab countries, namely: Saudi Arabia, Kuwait, United Arab Emirates, Libya, Lebanon, Egypt, and Iraq. Along Hofstede’s dimensions, this Arab group/cluster scored highly on power distance and uncertainty avoidance, low on individualism and relatively moderate on masculinity.

In contrast, the UK and USA scored low on power distance and uncertainty avoidance, high on individualism although similarly on masculinity. This indicates substantial differences between the UK and Arab countries as shown in Table 1. below, which demonstrates the comparative scores for the UK, USA and the Arab cluster.

Table 2.1: Comparison of Arabic and UK values based upon Hofstede’s Dimensions (Source: Hofstede 1980)

<table>
<thead>
<tr>
<th>Value Dimension</th>
<th>Arabic Countries</th>
<th>UK</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Distance</td>
<td>80</td>
<td>35</td>
<td>40</td>
</tr>
<tr>
<td>Uncertainty Avoidance</td>
<td>68</td>
<td>35</td>
<td>46</td>
</tr>
<tr>
<td>Individualism</td>
<td>38</td>
<td>89</td>
<td>91</td>
</tr>
<tr>
<td>Masculinity</td>
<td>53</td>
<td>66</td>
<td>62</td>
</tr>
</tbody>
</table>
2.4.2 Power Distance Dimension

The first dimension, power distance, refers to ‘the extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally’ (Hofstede & Hofstede, 2005: 46). Thus, according to Hofstede (1991), countries with large power distance like Arab countries are more likely to accept social distance between supervisors and subordinates, inequality in power, authority, wealth and status. This also translates into respect for seniority and authority as determined by age, family and sex (Ali & Wahabi, 1995; Dedoussis, 2004).

The management style in these countries is likely to be autocratic and paternalistic, and decision-making is centralised with tall hierarchical structures and a large number of supervisory personnel. Conversely, in low power distance countries, such as the USA and UK, the management style is more democratic, authority and decision-making is more decentralised, and there is more tendency for consultation between subordinates and managers.

Consequently, researchers point out to the conflict that could arise when people from these different cultures deal with each other. For example, in terms of negotiations, Loosemore & Al Muslmani (1999) argue that because of Arabs’ higher acceptance of power, tension may be created during claim negotiations with UK nationals as Arabs will be more authoritarian and less likely to allow participation in their decision making or any challenge to their decisions in contrast to UK nationals who have a more participative and direct approach. In a similar vein, Hofstede (1989) argues that key negotiations in large power distance countries have to be conducted by people at the top
of the organisation as they tend to have a ‘more centralised control and decision making structure’ (Usunier & Lee, 2005: 503). This is consistent with Arab business culture and what Al-Faleh (1987: 24) termed as “top man syndrome”, which refers to the insistence by clients, suppliers and others on dealing only with the head or top man of an organisation who is believed to be the one to get things done. This also reflects that Arab people put their ‘trust and confidence in the person rather than in the organisation’ (Al-Faleh, 1987: 24).

### 2.4.3 Uncertainty Avoidance Dimension

The second dimension, uncertainty avoidance was defined by Hofstede (1994: 5) as ‘the degree to which people in a country prefer structured over unstructured situations’. Hofstede concluded that managers from high uncertainty avoidance countries, such as Arab countries (Hickson & Pugh, 1995; Attia et al., 1999) are more emotional, intolerant, security seeking and attempt to avoid uncertainty and risk by developing rules, seeking standardisation and establishing more structured and hierarchical organisations. Conversely, managers from low uncertainty avoidance countries, such as the UK, are less emotional, more flexible, more tolerant and more willing to take risks and to delegate responsibilities. As a result, they tend to have less structured organisations and fewer written rules (Hofstede, 1991).

Ali et al. (1995), for their part, used the term “conformist” to express a lower tolerance for uncertainty value, which partly reflects Arab peoples’ need to avoid conflict, stemming from their Islamic belief and tribal traditions. For example, Bjerke & Al-Meer (1993), in their study of Saudi managers, concluded that as Muslim Arabs, Saudis
do not tolerate persons who deviate from Islamic teachings and Bedouin traditions and do not like conflict. However, ‘if forced they resolve disagreements by authoritarian behaviour’ (Al-Meer, 1996: 58).

Parnell & Hatem (1999) stressed the effect of religion on uncertainty avoidance dimension and considered it a crucial factor that affected Hofstede’s results. The authors argued that one of the factors that might have lowered the Arab region collective score, for example compared to Greece and Portugal, is its affiliation with the fatalistic tendencies inherent in Islamic religion. In relation to this, Herbig & Dunphy’s (1998) noted that the Islamic value system requires a commitment to God and a constant awareness of God’s presence who controls all kinds of resources including time, and that things happen only when God wills for them to happen, as reflected in this favourite traditional expression for the Arab when required to do any task – “insha Allah”, that is “God willing”. As a result, it is argued that Arabs have a very fatalistic view of life which to some extent affects their desire for making plans and are more likely to accept the uncertainties of life (Herbig & Dubphy, 1998; Parnell & Hatem, 1999). However, it must be noted that Islam at the same time urges Muslims to plan in advance and then and only then put their trust in God (Abuznaid, 2006). Overall, this implies a more prudent and gradual orientation to business decisions, and a great importance attached to conducting business with known and trusted people (Abdul-Gader, 1997; Al-Omari, 2008)
2.4.4 Individualism/Collectivism Dimension

Hofstede (1991: 51) defines this dimension as: ‘individualism pertains to societies in which the ties between the individuals are loose: everyone is expected to look after himself or herself and his or her immediate family. Collectivism as its opposite pertains to societies in which people from birth onwards are integrated into strong, cohesive in-groups, which throughout people’s lifetime continue to protect them in exchange for unquestioning loyalty’. Hofstede concludes that collectivist societies like Arab counties are driven by relationships and networks, shame, face saving, harmony, loyalty to the group and extended family, and consensus. They also tend to have patriarchal structures and high context communication which relies on implicit/indirect messages and combines both the verbal and non-verbal messages to convey the entire meaning, and identity based on the social network, rather than on the individual.

Thus, it is argued that the collectivist nature of Arab society, which demonstrates a preference for tightly knit social frameworks in which people are emotionally integrated into the family, clan, organisation or other in-groups, can result in strong group loyalty and cohesiveness. Protection and benefits are extended to in-group members in exchange for their unquestioning loyalty (Abu-Saad, 1998; Ali, 1993). For example, Muna (1980) found that two thirds of the Arab executives in his survey thought employee loyalty was more important than efficiency (Abu-Saad, 1998). This supports the view that Arabs value the person and the relationship more than the task (Rice, 2003). In contrast, individualist societies like the USA and the UK tend to be driven by task rather than relationship, guilt rather than shame, facts rather than harmony, and
self-interest rather than group interest. They also tend to have low context communication and identity based on the individual.

Overall, research evidence shows that the Arab World is generally perceived as consisting of collectivist and group-based societies in which people have a great need for affiliation and put their family, tribe or country ahead of themselves as they tend to de-emphasise the individual as an end in and of itself (Ali, et al., 1997; Ali et al., 1995; Al-Omari, 2003; Whiteoak et al., 2006). For example, Ali et al. (1997) in a study of 307 managers in Kuwait found that Kuwaitis and Arab expatriates in Kuwait were more collectivist than individualist, which indicated the similarity of cultural upbringing and background of the participants, irrespective of their country of origin.

This is consistent with Hofstede’s (1980) original findings where Arab countries were categorised as low in individualism, and is consistent with the more recent GLOBE Study of sixty-two countries (House et al., 2004)\(^3\), which showed that societal practices in the Arabic cluster are rated high on group and family collectivism (5.58). The main findings of this project indicated the following. First, the family is at the centre of Arab societies and its importance is still prevalent in all types of living- Bedouin, rural and urban. Secondly, self-interest is subordinate to the interest of the family, and individuals have enormous trust in their family members. Thirdly, in addition to the family, high significance is attached to other in-group members such as the extended

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\(^3\) The GLOBE Study of sixty-two countries is ‘a long-term project that investigates how societal and organisational cultures and subcultures influence leadership and organisational practices’ (Alas et al., 2007).
family, the clan and tribe, and there is strong commitment of individuals to their relationships in a network of interdependent relationships (Kabasakal & Bodur, 2002).

The literature also indicates that, as a collectivist society, reputation is very important in the Arab World to the extent that some sociologists refer to it as “shame societies” (Ali et al., 1995). It is also known as a “culture of face” because there are huge pressures in Arabic societies to conform and adhere to societal and cultural norms, principles and beliefs. Some aspects of saving face include avoiding saying no or giving an answer that contradicts the wishes of others (Whiteoak et al., 2006; Ali, 1996).

Along Hall’s (1976) high/low context orientation, and as Hofstede (1991) pointed out, the Arabs as a collectivist society tend to have a high context culture like the Japanese and Chinese (Hollensen, 2007). Thus, Al-Omari (2003: 31) argues that the Arabs are ‘high context cultures where collectivism and the need to save face are helped by complex and sophisticated communication systems which are on the whole implicit than explicit’.

The literature reveals that the main sources for the collectivist orientation, the concern for others and for friendly relationships in the Arab World are Islamic teachings, and Tribal and Bedouin traditions (Ali & Al-Shakhis, 1989; Ali et al., 1997; Bakhatari, 1995; Rice, 1999; Kabasakal & Bodur, 2002). Despite recent evidence that the Arab family is not as extended as it used to be, because of a number of factors such as urbanisation, industrialisation, government employment, education, and exposure to the developed world, Arab individuals and families generally remain closely interlinked in
a network of intimate and interdependent relationships (Barakat, 1993). In relations to this, for example, Ali (1996: 6) notes that ‘the family is the cornerstone of social life in the UAE’ and that ‘the family and other social institutions still command the respect of almost all individuals in Arabia regardless of their social background’ (cited in Suliman, 2006: 63).

Furthermore, in collectivist societies there is no clear line between job life and private life, so relationships both within and outside the job take precedence over work tasks (Hofstede, 1984). Collectivism and affiliation orientation of the Arab culture are also consistent with the high degree of socialisation that takes place before and during business negotiations in the Arab world (Yasin et al., 1989). Thus, it is argued that in the Arab World social bonds and trust must be established first, and then move gradually from personal to business to enhance the chances of success because Arabs are collectivist and give priority to warm social interactions above everything else (Al-Omari, 2003; Trompenaars & Hampden, 1997).

2.4.5 Masculinity/Femininity Dimension

This is the fourth dimension of Hofstede’s original work. Hofstede (1991: 82-83) defines this dimension as: ‘masculinity pertains to societies in which social gender roles are clearly distinct (i.e. men are supposed to be assertive, tough, and focused on material success whereas women are supposed to be more modest, tender, and concerned with the quality of life); femininity pertains to societies in which social gender roles overlap
(i.e. both men and women are supposed to be modest, tender, and concerned with quality of life).

According to this dimension, the Arab world is moderately masculine but exhibits strong sex-role distinctions, and the role of women is identified as lying within the family domain and that the two genders have different personalities and role (Weir, 2006a; Lewis, 2006). Despite differences of interpretations in terms of the status of women between the modernist and fundamentalist, according to Robertson & Al-Khatib (2001) the dominant social customs and culture norms regarding women in this region are commonly attributed to the Qura’an and hadith (the words, deeds, the approvals and disapprovals of prophet Muhammad). However, the Qura’an does not explicitly prescribe segregation of the sexes and during the early days of Islam before the death of the prophet, as well as among nomadic tribes, segregation was not practiced (Robertson & Al-Khatib, 2001).

Hofstede and Hofstede also point out that masculinity-femininity is ‘about stress on ego versus a stress on relationship with others, regardless of group ties (Hofstede & Hofstede, 2005: 123). Thus, it is argued that the strong emphasis in Arab culture on masculine role attributes is mediated by the need to establish a good working relationship with one’s direct superior, to cooperate and work well with others, and to have employment security (Weir, 1999; Dedoussis, 2004). Consequently, it is claimed that such “feminine and high relationship” attributes (Dedoussis, 2004: 18) suggest that, while Arab countries are lower on the masculinity dimensions, compared to the UK and USA, Arab managers may be considered closer to the feminine side of the
masculine/feminine continuum as they are concerned with the establishment of friendly relationships among people, and fulfilment of socially imposed obligations towards family and members of a large group including one’s work associations (Dedoussis, 2004). For example, Bjerke & Al-Meer (1993) found that Saudi managers apply more feminine practices than Western counterparts as they demonstrated more concern for others and for friendly relationships among people. The authors attributed this to Islamic teaching and Bedouin traditions which still strongly dominate Saudi Arabian society.

2.5 Conclusion and Implications for Doing Business in Arab Countries

This chapter has shown that the Arab World is a region that has immense economic and geo-political significance to Western and foreign investors. It has also shown that the Arab world has a business environment with distinctive social structures and cultural values, greatly influenced by family structure and Islam religion, which are different from Western value systems and norms.

Based on his empirical cross-cultural research on work values, Hofstede (2001) categorized Arab societies as having high inclination to power and authority (large power-distance), high tendency to avoiding risk and uncertainty (uncertainty avoidance), domination of males over females (masculinity) and collectivism manifested in a close long-term commitment and loyalty to the family and the tribe that over-ride most other societal rules (Hofstede, 2011; Sabri, 2011).
More specifically, the Arab culture is tradition oriented and is relatively homogenous. Within the Arab culture, family and religion are the major social forces shaping the Arab personality and value system. These two most important cultural and social institutions, namely the family structure and religion, were also found profoundly to influence business relations and practices. Islam is an extensive system containing rules for a complete way of life. It dictates family life, the relationships of an individual to his fellow citizens, attitudes towards others, and the responsibility of the individuals within the society. Islam has also provided overarching rules for economic activities, tasks and responsibilities of governors and so on (Sabri, 2011).

Islam supports tribal values and emphasises the importance and role of family and group relations that are built on cooperation, loyalty, trust, patience and cohesion.

The affiliation-oriented nature of Arab culture values personal, family, group and clan ties. These ties and social networks become the Wasta - the influence through networks rooted in the family, clan and tribe, which is a special form of social capital that provide the individual with access to opportunities and solves his/her problems. Typically, individuals in Arabic society define themselves in relation to an interdependent network of relationships, attach great value to family and other in-group relationships, find satisfaction through their relationships, feel great commitment to their in-groups and develop a sense of belonging. The affiliation orientation also supports the continuing dominance of primary group relations - those characterised by intimate, personal, informal, non-contractual, comprehensive and extensive contacts and relations, and lead to high degree of socialisation that takes place before and during business negotiations (Barakat, 1993; Yasin, et al., 1989).
These distinctive societal cultural features are supported by research evidence in Arab societies. For example, Solberg (2002) in an analysis of industrial buyer behaviour in Arab countries found the following. First, building trust with business partners takes a longer time than is customary in the West. Secondly, networking and using partners equipped with Wasta power plays a much greater role for Arab buyers than in the West. In Arab countries the position of the business partner or agent and his network with prominent families are crucial for success. Thirdly, Wasta (which may be likened to the “old boys network” relationship in the West) is powerful and the role of the family is pervasive despite societal changes.

In a similar vein, Al-Husan & Brennan (2009), in an in-depth study of key account management in the business-to-business (B-2-B) field in Jordan found the following. First, it is essential to spend a long time to socialise and establish personal relationships before engaging in any business negotiations. The findings indicate that although this process is very time consuming, it is essential because once a personal relationship is established it creates the foundation for a very strong and long-lasting business relationship. Establishing these personal relationships also involved participation in social occasions such as weddings and birthdays, offering gifts and presents, lunch invitations, and sponsorships of events. Secondly, key account managers of the supplier’s organisation found it is essential to build trust in the relationship before engaging in serious business negotiations, which is consistent with prior research into Arab business culture (e.g. Trompenaars & Hampden-Turner, 1997; Hutchings & Weir, 2006). Thirdly, direct involvement of top management with key accounts is essential for
establishing credibility and building trust as client organisations wished to meet with supplier organisations of equal or greater status to themselves. The authors indicated that this was consistent with what Al-Faleh (1987) has called the “top man syndrome” in Arab culture, mentioned earlier.

Consequently, the implications for doing business in this context include the following. First of all, since the top man makes in the decisions in the Arab World and executives like to deal with their counterparts, foreign and Western companies are advised to send managers and executives who have the power to make decisions and to conduct business negotiations in the Arab World. The second implication involves appointing or sending managers who can develop cultural empathy, and can show an understanding of Arab’s high context culture and appreciation of the relative concepts of time, space, body language and nonverbal cues. Furthermore, rushing negotiations and business deals could result in disappointments and loss of business. Ability to utilise connections and networks will be very helpful in establishing and maintaining long-term relationships. Finally, transferring modern Western business methods (such as KAM) into the Arab context without adaptation may be difficult in a traditional society which puts considerable emphasis on connections and human relations.
CHAPTER THREE: KEY ACCOUNT MANAGEMENT

3.1 INTRODUCTION

Since the mid-1980s, customer management has been significantly affected by a number of changes in the business environment. Intensified levels of competition in most markets and subsequent selling costs for suppliers; growing customer concentration arising from increased deals of mergers and acquisitions; increased customer emphasis on centralised strategic purchasing; growing customer demands for more services and better communication; increased desire to develop partnerships; wide geographic dispersion of buyers for the same company; increased sophistication of buyers; maturity of business markets in most developed countries; improvements in information and communication technologies; and the adoption of active strategies by large buyers to reduce the supplier base to cut purchasing costs have forced companies to adopt and develop key account management strategies to increase their competitive advantage (McDonald et al., 1997; Sharma, 1997; Weibaker & Weeks, 1997; Ivens & Pardo, 2007; Davis & Ryals, 2009).

As a result key account management (KAM) became a strategic, long-term and popular strategy of selling within the new paradigm of relationship marketing, that is increasingly gaining importance in national and international markets and increasingly attracting the attention of both academics and practitioners (McDonald et al., 1997; Wotruba & Castleberry, 1993; Sharma, 1997; Wong, 1998; Gosselin & Bauwen, 2006;
Ming-Huei & Wen-Chuing, 2011; Tzempelikos & Gounaris, 2011). More specifically, ‘KAM can be understood as a relationship-oriented marketing management approach focusing on dealing with major customers in the business-to-business market’ (Ojasalo, 2001: 199), and many practitioners are now operationalising the concept of relationship marketing by implementing key account management (Zolkeiwski & Turnbull, 2002). In relation to this, for example, Ivens & Pardo (2007: 471) maintain that KAM is a ‘concept through which companies introduce the principles of relationship marketing into their customer policy and become closer to the customer’.

Against this background, the present chapter provides an analysis of the phenomenon of key account management. To do this initial attention is paid to the evolution and definition of KAM. This is followed by an explanation of the theoretical perspectives and models informing the analysis of key account management and its dimensions. Then Arab relationship marketing is discussed and this is followed by the final concluding section.

3.2 THE EVOLUTION OF KAM

KAM is a well-established marketing management concept which originated in the US three decades ago (Wengler et al., 2006). The literature indicates that the existence of KAM can be traced to the 60s, when the National Account Management Association in 1964 was created by a select group of sales professionals charged with managing the large, complex accounts within their companies. Others view the Arab Oil crisis in 1973 as a key turning point which spurred American businesses to be concerned with supply, suppliers and the management of supplies (Napolitano, 1997). Despite the increasing
prominence of KAM as a strategic tool that manages and maintains the most valuable customers and assets of a firm (Zupancic, 2008), there has been limited literature exploring KAM independently, since KAM has its roots in personal selling and was subsumed under the wider context of personal selling and sales management. For example, Shapiro and Wyman (cited in Homburg et al., 2002: 43), note that: ‘National account management thus is an extension, improvement, outgrowth of personal selling’. In fact, it is claimed, that KAM had not been explored thoroughly until Cranfield’s breakthrough research in the mid – 1990s, which examined KAM from the supplier’s and customer’s perspective (McDonald & Rogers, 1998), and has become one of the main changes in the way that business-to-business organisations mobilize their sales and marketing (Homburg et al., 2002).

But how did KAM evolve? Gosselin & Bauwen (2006), state that, KAM emanated as a response to the demands of business-to-business customers called major or national accounts. The growth in economies has led industrial firms to widen their geographic coverage and utilize their purchasing power to force suppliers to create coordinated and customer specific sales and service channels. Those new sales channels led, in the early 1970s to the development of a new phenomenon in industrial sales management, called “national account management” (NAM), which reflected the shift from transactional-oriented marketing towards relational-oriented marketing, as suppliers recognized that improved customer-supplier relationships would lead to an increase in customer retention and loyalty, as well as their competitive strength (Donaldson & O’Toole, 2002). Consequently, it is argued that the change towards relationship marketing brought with it a new management philosophy, named KAM (Abratt & Kelly, 2002;
Hughes et al, 2004). Thus KAM is seen as a natural development of customer focus and relationship marketing in business-to-business markets (McDonald et al., 2000; Salojarvi et al., 2010), and as a strategy to retain and develop closer relationships with a company’s most important customers (Gosselin & Heene, 2000; Georges & Eggert, 2003; Davies & Ryals: 2009; Natti & Talebo, 2011). Key accounts or key customers are the most important customers for supplier organisations, and are given special treatment. Millman & Wilson (1995) define a key account as ‘...a customer deemed to be of strategic importance by the selling company’.

3.3 DEFINITION OF KAM

Workman et al. (2003) argue that the definitions of KAM have been inconsistent or imprecise, while Homburg et al. (2002) note that previous definitions of KAM focus on specific dimensions of KAM. Pardo (2001), for her part, maintains that classically the definitions given to key account management (KAM) are based on North-American research findings, and refers to one of the most quoted definitions of Barrett's (1986: 64) which states that ‘national account management simply means targeting the largest and most important customers by providing them with special treatment in the areas of marketing, administration and services’.

However, as the study of KAM developed other researchers (e.g. Millman & Wilson, 1995) produced definitions which emphasise that the main criteria are the customer’s strategic importance and avoided the problem of linking key account status to size (as in the case of Barrett, 1986), geographic location or sales turnover. This implies that the account may be small in terms of volume but has the potential of securing a major
breakthrough for the selling company (Blythe, 2002). At the same time, many definitions (e.g. McDonald et al., 1997; Workman et al., 2003 – see Table 3.1), imply that some type of identification of the most important customers must occur, and additional activities and/or special personnel must be directed at them.

However, generally speaking and based on the literature review, two main approaches to the definition of KAM can be identified in the literature. The first focuses on the process and functional aspects of KAM, and includes such definitions by Ojasalo (2001), McDonald et al. (1997), Yip & Madsen (1996), Workman et al. (2003), Zupancic (2008) and Kempeners & Hart (1999). These definitions are given below in Table 3.1. It should be noted that processes refer to ‘those activities, mechanisms and procedures which facilitate the effective management of key accounts’ (Millman & Wilson, 1999: 329).
The second approach to the definition of KAM focuses on the strategic and complexity aspects of the accounts. These include definitions by Pardo (2001), Wortuba & Castleberry (1993) and Abratt & Kelly (2002) who used the same definition, Millman & Wilson (1995), and more recently, Ming-Huie & Wen-Chuing (2011). These definitions are given below in Table 3.2

<table>
<thead>
<tr>
<th>Author Name &amp; Year</th>
<th>KAM Definition</th>
</tr>
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<tbody>
<tr>
<td>Yip &amp; Madsen (1996: 24)</td>
<td>‘Include having one executive or team take overall responsibility for all aspects of a customer’s business’.</td>
</tr>
<tr>
<td>McDonald et al (1997: 737)</td>
<td>‘An approach adopted by the selling companies aimed at building a portfolio of loyal key accounts by offering them, on a continuing basis, a product/service package tailored to their individual needs’.</td>
</tr>
<tr>
<td>Kempenars &amp; Hart (1999: 311)</td>
<td>‘The process of building and maintaining relationships over an extended period, which cuts across multiple levels, functions, and operating units in both the selling organisation and in carefully selected customers (accounts) that contribute to the company’s objectives now or in the future’.</td>
</tr>
<tr>
<td>Ojasalo (2001: 201)</td>
<td>‘The selling company’s activities including identifying and analysing their key accounts, and selecting suitable strategies and developing operational level capabilities to build, grow and maintain profitable and long-lasting relationships with them’.</td>
</tr>
<tr>
<td>Workman et al (2003: 7)</td>
<td>‘The performance of additional activities and/or designation of special personnel directed at an organization's most important customers”.</td>
</tr>
<tr>
<td>Zupancic (2008: 323)</td>
<td>‘Systematic selection, analysis and management of the most important current and potential customers of a company. In addition, it also includes the systematic set up and maintenance of necessary infrastructure’.</td>
</tr>
<tr>
<td>Brehmer &amp; Rehme (2009: 962)</td>
<td>‘The organisation that caters for the management and development of the relationship, in a more or less formal structure’.</td>
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</tbody>
</table>
Table 3.2  Strategic Definitions of KAM

<table>
<thead>
<tr>
<th>Author Name &amp; Year</th>
<th>KAM Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pardo (2001: 1)</td>
<td>‘A strategic choice for the supplier’</td>
</tr>
<tr>
<td>Woturba &amp; Castleberry (1993: 50) Abratt &amp; Kelly (2002: 476)</td>
<td>‘A special strategy used by a selling organization to serve high-potential, multi-location accounts with complex needs requiring individual attention through a carefully-established relationship’</td>
</tr>
<tr>
<td>Ryals &amp; Humphries (2007: 313)</td>
<td>‘KAM is the study of long-term collaborative relationships between suppliers and buyers rather than transactional sales-based approaches to customer management’</td>
</tr>
<tr>
<td>Davies &amp; Ryals (2009: 1028)</td>
<td>‘KAM is a systematic process for managing business-to-business relationships that are of strategic importance to the supplier’</td>
</tr>
<tr>
<td>Ming-Huie &amp; Wen-Chuing (2011: 84)</td>
<td>‘The additional activities performed and/or the resources allocated for the development of strategic or profitable relationships and with an organization’s most important customers’.</td>
</tr>
</tbody>
</table>

In this study it has been decided to amalgamate the two orientations in order to look at both the strategic and the operational aspects of KAM, and use the term ‘KAM’ in the following way: “A relationship management strategy used by a selling organisation to effectively establish, build and manage long-term collaborative relationships with the most important current and potential customers of a company”.

The literature also reveals that many different labels have been given to a firm’s most important customers including: national, strategic, major, key, corporate, house, and global accounts. However, it is worth noting the following. First, some companies use different labels to denote various degrees of an account’s strategic importance within a key account programme and/or differing levels of services provided (Napolitano, 1997; Homburg et al., 2002). Secondly, global accounts have been increasingly linked to global account management (GAM) to indicate the management of key accounts across...
borders and, hence, recognising the increasing and rapid internationalisation of many supplier and buyer organisations due to globalisation and new global opportunities created by changes in the world economy since mid-1980s that have led to profound developments in the operations of many firms (UN, 1993). Thus before moving on to look at how KAM is operationalised, we will explore what differentiates GAM from KAM.

### 3.3.1 Definition of GAM and its Relationship to KAM

Based on the above, it can be seen that scholars have added the international dimension in the definition of GAM to differentiate it from KAM. For example, Kotabe & Helsen (2008) and Birkinshaw et al. (2001) simply define global account management, respectively, as ‘the coordination of the management of global customer accounts across national boundaries’ (2007: 140), and ‘the coordination of customer management across national boundaries’ (2001: 231). Wilson & Weilbaker (2004: 14) refer to GAM as ‘the process whereby suppliers attempt to operationalise their global account relationship strategies through providing a globally integrated product/service offering to select customers’. For their part, Harvey et al., (2003), claim to give a holistic and systematic perspective on inter-organisational adaptation which is reflected in the increasing adoption of GAM and accordingly, define GAM as ‘a dependency arrangement between the customer and supplying organisations (or their parts) that are interrelated through both formal and informal ties at multiple levels across national borders’ (2003: 564).

As regards the relationship between KAM and GAM, the literature indicates that some writers in the field have emphasized the link between GAM and KAM. For example,
Yip & Madsen (1996: 25) suggest that the GAM concept is an extension of national account management approaches across countries, not necessarily to all countries, but to the most important ones for the most important customers and for the most important activities. Also Zupancic & Mullner (2008), indicate that International Key Account Management (IKAM) or GAM is the same as KAM, but is more complicated due to such things as cultural complexity, virtual structures, and different languages involved. Similarly, Millman (1996) suggests that GAM extends the concepts, principles and practices of national account management into areas of greater geographical scope and organisational/cultural complexity, while McNeill (2006) and Lyly-Yrjananinen et al. (2011) see GAM as the global extension of strategic account management.

However, Wilson & Weilbaker (2004), although confirming that the GAM process is a manifestation of strategic account management and is indebted to KAM, argue that GAM is fundamentally different from KAM both in terms of the demands it makes upon organisations/people (organisational and cultural complexity); and in terms of the systems and process requirements that are demanded. Thus, the authors highlight one of the dilemmas facing the supply organisations and account managers as a result of the increased levels of organisational complexity and cultural diversity stemming from the needs to balance the requirements for global integration and local responsiveness as firms operate globally, and which traditional organisational structures and approaches cannot provide solutions to.

This may have implications for the way in which MNCs manage KA programmes in their subsidiaries worldwide, including Arab countries like Jordan, in terms of which
aspects of KAM practices can be standardised and which ones need to be adapted to respond to local conditions. The issues of integration and responsiveness may also be more compelling when the Jordanian subsidiary itself acts as a regional hub and as a supplier to other countries in the region. Thus, for the parent company, for example, to maintain control and synergy it will seek to standardise KAM practices and processes across borders, while at the same time recognising the need for adaptation to meet local demands such as regulations and culture.

This has also been highlighted by Capon & Senn (2010: 48) who argue that successful implementation of global customer management programmes needs to take into consideration country-specific factors and make the necessary adaptation to be able to respond to the changing needs of global customers more quickly and at lower costs, and point out that managing the global customer is an ‘ongoing learning process and not a fixed end project’. Moreover it is advocated that for the success of the GAM programme top-management at all levels need to participate in the programme and provide the necessary resources to help retain the global customer (McNeill, 2006). Similarly, Atanasova & Senn (2011) argue that top management support, is seen as critical for global customer programs success, as it enhances internal and external collaboration, decreases conflict and put in force a more proactive approach to global customers.

Nevertheless, although more recently GAM has been receiving increasing research attention (Madill et al., 2007), the literature on GAM is still perceived to be rather limited and that the role of culture and its implications on GAM is still under-researched
(Lyle-Yrjanainen et al., 2011; and McNeill, 2006; Mehaigneric, 2011; Shi et al., 2010; Gao & Shi, 2010). Thus, given the complexity of GAM and yet the sparse research in the area, it would be interesting to examine KAM in a non-Western context.

Returning to KAM, the above also suggests that key account management is not a simple sales initiative but a total change management programme for an organisation (Davies & Ryals, 2009; Monterastelli, 2009). It also suggests that each key account will be treated independently, with its own resources, strategies, products and service bundles (Kempeners & Hart, 1999; Napolitano, 1997; Sengupta et al., 1997; Wrengler et al., 2006; Zupancic, 2008). It is therefore important that companies engaging in KAM are aware of the type of relationship they are involved in and as such Millman & Wilson (1996) developed the KAM Relational Development Model as explained in the following section.

### 3.3.2 KAM Relationship Development Model

It should be noted that relationship building between buyers and sellers evolves over time and goes through different stages which require different managerial behaviour, resources and skills to meet the requirements of each stage, and this implies that key accounts need to be treated differently at various stages. In their seminal work, Millman & Wilson (1995, 1996), building on previous models and taking into consideration the shift in key account management from the ‘relatively narrow focus of KA selling to the broader, complex and more demanding requirements of KAM’ (Millman & Wilson, 1996: 7), proposed the Relational Development model in which they identified the six-stages of KAM relationship development. This process typically exhibits two salient
features: a shift from "transactional" to "collaborative" modes of exchange; and building of trust and commitment towards a shared future (McDonald et al., 1997). Furthermore, Blythe (2002: 628) proposed selling strategies that correspond with each stage. The six stage model and corresponding strategies are explained below:

- **Pre-KAM**: the task is to identify those with the potential for moving towards key account status and avoid wasting investment on those accounts that lack potential. A Pre-KAM selling strategy is identifying key contacts and decision-making unit, establish product need, display willingness to address other areas of the problem, and advocate key account status in-house.

- **Early KAM**: involves exploring opportunities for closer collaboration by identifying the motives, culture and concerns of the account. The Early KAM selling strategies include building social networks, and identifying process-related problems, signal willingness to work together to provide cost-effective solutions, and build trust through performance and open communication.

- **Mid-KAM**: at this stage of relationship, trust as well as the range of problems to be resolved increase, and the account review process tends to shift upwards to senior management. The Mid-KAM selling strategies include focusing on product-related issues, managing the implementation of process-related solution, building interorganizational teams, establishing joint systems and beginning to perform noncore management tasks.

- **Partnership KAM**: is a mature stage of key account development and the supplier is regarded as an important external strategic resource. The level of trust will be sufficient for both parties to be willing to share sensitive information.
Partnership KAM selling strategies is focusing on integrating processes and extending joint problem solving, focusing on cost reduction and joint value-creating opportunities and addressing key strategic issues of the client and facilitation issues.

- **Synergistic KAM**: this advanced stage of maturity is the ultimate stage of the relational development model. Here both the buyer and seller see each other as one organization and parts of a larger entity yielding joint value and synergistic benefits. The strategy associated with synergistic KAM is to focus on value creation, create semi-autonomous projects teams and develop strategic congruence.

- **Uncoupling KAM**: this is when transactions and interaction cease when the costs of maintaining a relationship is perceived to exceed its benefits. In this stage the strategy is simply to withdraw from this operation.

The above relational model shows the stages, the resources and tactics that need to be followed to build a long term cooperative relationship with key customers. The above relationship stages model by Millman & Wilson was also reproduced under an adapted version with different labels by McDonald (2000) as shown below in Figure 3.1. (Original labels by Millman & Wilson, 1995 are in italic)
It must be noted, however, that these stages and what they involve may differ across cultures; particularly that evidence shows that culture has a considerable influence over the dynamics of business relationships (Fang, 2001; Heffernan, 2004).

3.4 THEORETICAL CONTEXT AND FRAMEWORK OF KAM

KAM has its origins in relationship marketing (RM), as mentioned above, and is perceived as the newest paradigm in customer relationship management approaches (McDonald et al, 1997; Hughes et al., 2004). Moreover, KAM is seen as the practical
implementation of RM (Gosselin & Bauwen, 2006; Sheth & Shah, 2003). In this section, first relationship marketing theory and its schools of thought are delineated, followed by an explanation of the dimensions of KAM.

3.4.1 Relationship Marketing (Origins of KAM)

The traditional or transactional marketing mix management paradigm has dominated marketing thought, research and practice since it was introduced almost forty years ago and came to be treated as the unchallenged basic model of marketing and the indisputable paradigm in academic research. In most marketing textbooks the marketing mix management paradigm and its ‘Four Ps’, are still considered “the theory” of marketing. However, more recently, this approach has been challenged and now is considered by many as an outdated and inappropriate interpretation of how marketing works, particularly in industrial marketing (Brennan et al., 2007). This development can be seen to have taken place primarily due to a number of reasons including: the globalisation of business; evolving recognition of the importance of customer retention and market economies; customer relationship economics; increased competition; and developments in Information Technology (Baines et al., 2008).

KAM has its roots in relationship marketing (Wengler, 2006; Wengler, 2007; Davies & Ryals, 2009), which means KAM’s approach in how to manage the key customer is based on the relationship marketing theory in developing and maintaining strategic relationships with the customers and channel partners, while integrating with other internal functions of the organization like service, logistics and information management’ (Gupta, 2002: 3). Thus, KAM and relationship marketing emphasises
long-term ongoing relationships (Kim et al., 2001), and aims to build long-term, committed, trusting and co-operative relationships, which are defined by openness, genuineness, customer suggestions, fair dealing, and a willingness to sacrifice short-term profit for long-term profits and advantages (Bennett, 1996). In the literature different schools of thought on relationship marketing, that could provide a useful framework for analysing KAM, have been identified. These are discussed below.

3.4.2 Relationship Marketing: Schools of Thought

There have been many assumptions on the origins of relationship marketing as it has become a global concept (Egan, 2008). Indeed, the evolution of the relationship marketing approach has led to different interpretations and perspectives. Three main schools of thought can be identified (Palmer et al., 2005; Egan, 2008): The Nordic School of Relationship Marketing; The Anglo-Australian School of Relationship Marketing; and The Industrial Marketing and Purchasing (IMP Group). These are outlined below in the following sections.

The Nordic School of Relationship Marketing

The Nordic school of relationship marketing has significantly affected and influenced the European relationship development. Originally it was developed from the field of services marketing as a reaction to the deficiency in the transactional approach to marketing (Palmer et al., 2005). Gummesson (1996: 32) notes that this school has changed the perception of the dominant concepts of transactional based marketing by stressing the following ideas:
• Emphasizing the prominence and pertinence of services marketing and industrial marketing more than consumer goods marketing;

• Change of emphasis on goods and services to an emphasis on customer value;

• The incorporation of the marketing department activities with the rest of the organisational activities and the management body;

• More focus on theory generation than theory testing and consequently more inductive than deductive research.

According to Palmer et al. (2005: 319) the main principle that underpins the Nordic school for marketing is that ‘… marketing is a cross-functional process and not just the responsibility of those within the function’. Hence, managing the relationship through a process instead of the regular marketing mix was their focus. Palmer and colleagues also identify three main processes in this School: the interaction process which shares the same grounds with the IMP group in managing relationships such as forming networks and strategic alliances; the communication process which is essential for the successful development, maintenance, and improvement of the interaction process; and the value process which aims to provide value to the customer.

**Anglo-Australian Relationship School**

From the Anglo-Australian perspective relationship marketing is based on the integration of three elements: marketing, customer service, and quality. The old school of marketing advocates that these elements work independently from each other, while the Anglo-Australian school sees relationship marketing as a tool to bring these critical
elements into close alignment. Thus, by integrating customer service, marketing and quality; total customer satisfaction and long-term relationships can be achieved (Christopher et al., 1991; Payne et al., 1995). This school takes into account the formation of strategic alliances and partnerships (Egan, 2008), and according to Palmer et al. (2005: 320) ‘this tradition is regarded as a holistic or integrative approach to business, operating in a cross-functional way to provide customer satisfaction and increasing levels of value’.

**IMP Group – Interaction and Network Approaches**

a.  *The Interaction Approach:* The IMP group introduced two generations of research into relationship theories. The first is the “Interaction Approach” or IMP1, which involves simultaneous analysis of the attitudes and actions of both parties (sellers and buyers) and emphasizes the essential similarity between the purchasing and marketing tasks in relationships (Brennan et al., 2007; Ford, 1998). It sees relationships both as important in themselves and as predictors of individual transaction behaviour. The interaction approach identifies four interrelated variables that affect the interaction between buyers and sellers, and constitute the four basic elements of the interaction model (IMP, 1982): to better understand this theory a model was developed (The Interaction Model) by Turnbull and Valla (1985) that consists of four main elements:

- **Interaction Approach:** involves individual exchange episodes (product/service, information, financial, and social exchange episodes), and adaptations (Brennan & Turnbull, 1999). Each episode can also affect the relationship and can significantly alter the relationship (Hakansson, 1982; Evans et al., 2004)
- The *Participants* involved in the interaction: these may include both organisations and individuals, whose features can influence the relationship.

- The interaction *Environment*: Encompasses market size and structure, the degree to which the market is international, and the social system.

- The *Atmosphere* of the interaction: it is perceived as the product of the relationship and can also influence other variables, such as environmental and interaction process features (Evans et al., 2004; Hakansson, 1982; Palmer et al., 2005).

b. **Network Approach**: The second theory is the “Industrial Network Approach” or IMP2, which may be seen as a development of the interaction approach that exceeds the analysis of dyads (as in the interaction approach) to networks (Axelsson & Easton, 1992), since ‘often dyadic relationships are embedded in a larger set of exchange relations called a network’ (Hutt & Walker, 2006: 468). A network is a set of actors or social entities that is connected by a set of ties or relationships (Borgatti & Foster, 2003: 992; Hutt & Walker, 2006: 468).

According to the IMP Group, the evolution and development of these business relationships take place in terms of changes in actor bonds, activity links, and resources ties (Hakansson & Johanson, 1992). More specifically, according to the IMP perspective, the evolution and development of business relationships take place in terms of changes in three dimensions, namely: actor bonds, activity links, and resources ties (Hakansson & Johanson, 1992; Axelsson & Easton, 1992; Veludo, 2009), which represent the substance of the business relationship, and may be seen to capture the ‘formal’/ ‘organisational’ aspects of KAM (Shaw, 2003), since KAM is often
represented as managing both internal and external networks (Pardo, 1994; Holt & McDonald, 2000). These dimensions are explained in more detail below:

- **the (A)-Activities**: activities are that which is done in the network. Hakansson & Johnson (1992: 30) state that ‘an activity occurs when one or several actors combine, develop, exchange, or create resources by utilising other resources’. They include the goods and services developed, manufactured, marketed, and exchanged between organisations sharing a business relationship.

- **the (R)-Resources ties**: performing activities requires resources. Actors are the ones who bring resources and all resources are controlled by actors, either by single actors or by many actors who combine their resources to create a shared resource (Hakansson & Johson, 1992). Technological, human, marketing and other resources which interacting organisations share and decisions about which can become dependent upon one another are resources; and

- **the (A)-Actors**: actors are defined as those who perform activities and/or control resources. Organisations and individuals party to business relationships, including key account managers, senior managers and sales teams can be actors;

These three interrelated factors represent the dimensions of the A-R-A Model of the IMP, which has been used by some researchers (e.g. Homburg et al., 2002; Workman et al., 2003; Spencer, 1999; Hutt & Walker, 2006; Huang & Wilkinson, 2006; Ming-Huei & Wen-Chiung, 2011), to operationalise KAM and as a conceptual framework to analyse KAM, as shown in Figure 3.2 below.
It must also be noted that it is argued that the development and change in these relationships are also reflected in transitions in the relationship’s attributes – the informal/relational dimensions, such as trust, commitment, satisfaction, and bonds (Biggemann & Buttle, 2009; Huang & Wilkinson, 2006). This is supported by another finding of the IMP which indicates that in addition to substance, ‘interaction’ between the organisations is paramount to the establishment and development of relationships. These interactions not only include all actions essential to establish business relationships such as making visits and phone calls, attending meetings and trade shows, processing orders, and signing joint ventures and licensing agreements; but also include ‘social interactions and the types of activities typical of a friendship relationship’ (Shaw, 2003: 153).
Amongst these three schools of thought the networks approach to relationship marketing can be seen as most relevant and useful in understanding the KAM approach. The previous studies on KAM have mainly analysed KAM using the networks approach (e.g. Homburg et al, 2002; Workman et al., 2003; Spencer, 1999; Pardo, et al., 1995; Al-Husan & Brennan, 2009; Hutt & Walker, 2006). Furthermore, this study is based on the Arab world, which is founded on a clan-network society that nurtures networked business relationships. Consequently, applying the networks approach in the analysis seemed to be most appropriate for understanding and analysing KAM in the Arab context.

3.5 DIMENSIONS OF KAM

According to Diller (1992, p. 239), KAM is interpreted as ‘a sales-oriented management concept comprising organizational as well as relational aspects’ (Ivens & Pardo, 2007: 471). In a similar vein, Tzempelikos & Gounaris (2011) argue that researchers considering the issue of what drives KAM success, need not only to focus on the organisational aspects of KAM but also on the relational aspects of KAM, which are extremely important for managing the long-term relationships with key accounts, since KAM represents an application of relationship marketing. In the following sections, the organisational/formal dimensions of KAM are considered first, followed by a discussion of the relational/informal aspects of KAM.

3.5.1 ORGANISATIONAL/FORMAL DIMENSIONS OF KAM

The organisational/formal dimensions of KAM are discussed in this section in line with the A-R-A model and under the following headings: Activities, Resources, and Actors.
3.5.1.1 Activities

Activities are the actions suppliers offer their key accounts that they do not offer to their average accounts that have implications for KAM such as special pricing, customizations and adaptation of products and services, provision of special services, integrated logistics systems, joint coordination of the workflow, communication and information sharing; and taking over business processes the customers outsource (Homburg et al., 2002; Lame & Spekman, 1997; Napolitano, 1997). However, it is argued that the effectiveness of KAM is linked to providing higher levels of activities – ‘activity intensity’, and supplier’s proactiveness in initiating these accounts – ‘activity proactiveness’. In addition, Ojasalo (2004) identifies four main activities of KAM: identifying key accounts; analysing key accounts; selecting suitable strategies for key accounts; and developing operational level capabilities. These are discussed below.

Identifying and Selecting Key Accounts: A number of criteria can be identified in the literature which can be utilized to decide which accounts are classified as key accounts. These include (Boles et al., 1999; Wengler et al., 2006; Ojasalo; 2002): volume of potential business; volume of past sales; customer profitability; competitors’ actions; size of customers; industry of customers; management discretion; location and geographic scope of the customer; customer’s potential future growth; sales volume, customer profitability, reference value (now and in the future); customer’s purchase process; company image; technological competencies; and organizational complexity. From the literature, it has been indicated that the majority of the companies still highly rely on the sales volume criteria as the main criterion in identifying their key accounts (Ivens & Pardo, 2007). However, depending on the sales volume as the main criterion
for identifying key accounts can be seen as too narrow compared to KAM’s holistic business management nature (Monterastelli, 2009; Woodburn & McDonald, 2011; Ivens & Pardo, 2007). KAM is resource oriented management concept and its strategic perspective indicates the emphasis of selecting key customers with potential (attractiveness) for future growth and not only based on their sales volume. The management of key accounts require resources; hence allocating resources to an assumed key account can under resource a vital key customer and that can lead to the loss of that important customer (McDonald & Woodburn 2008; Ryals & McDonald, 2008; Ivens & Pardo, 2007).

- **Analysing key accounts:** According to Ojasalo (2001; 2002), Woodburn and McDonald (2011), McDonald & Woodburn (2008), and Ryals & McDonald (2008), this activity includes assessing the basic characteristics of a key account which encompasses analysis of the relevant economic and activity aspects of key accounts’ internal and external environment such as customer’s internal value chain, resources, markets, suppliers, products, and economic situation; analysing the relationship history with the key account; including sales volume, profitability, key account’s objectives, buying behaviour, buying frequency, complaints, special needs, and information exchange; identifying the persons in the buying organization who use the information provided to them, recognizing the individuals holding power to continue or terminate the relationship and those who influence these decision makers; estimating switching costs in case the relationship terminates which may arise due to replacing an existing partner with another; assessing goal congruence and shared interests between buyer and seller as they affect the type of relationship and
degree of cooperation between both parties at the strategic and operational levels; and analysing the level of commitment to the relationship as this affects the extent of the business with the accounts.

- Developing operational level capabilities to build and maintain profitable and long-lasting relationships: According to Ojasalo (2001) developing operational level capabilities refers to the customisation and development of capabilities related to: products and services; organisational structure; information exchange and individuals. The author argues that improving the quality and customisation of the service/product effectively can strengthen a key account relationship and adds more value to it, and entails knowledge of the specific needs of the accounts which can be accomplished through such means as joint R&D projects. A number of activities in terms of organisational structure and communication may also be undertaken to develop the selling company’s capabilities to meet the key account needs, including organisational restructuring or creating special positions and functions; increasing the number of interfaces between the selling company and the account, as well as the number of interacting persons; and organising/building teams with the necessary competencies and authorities to cater for key accounts (McDonald et al., 1997). Organisational capabilities may also be developed by extending information exchange between the selling company and a key account; and by selecting the right individuals as key account managers and key account team members and developing their skills through defining who needs information and what kind of information, and an understanding the needs for information change during a relationship.
**Selecting suitable strategies for key accounts:** The literature indicates that power positions of the seller and the key account determine the selection of suitable strategies for key accounts. The power structure and positions within different accounts may vary significantly and, as a result, the selling company may be compelled to choose an alternative strategy if it wishes to retain the account. Diller (1989) proposes the following strategy alternatives based on the power position of business partners: avoidance of powerful accounts, power dominance based on a certain competitive advantage, accommodation, and partnership (Ojasalo, 2001). Selecting strategies for key accounts can also be approached in terms of ‘customer attractiveness’ and ‘business strengths’ – that is, how attractive the selling and buying companies perceive each other, while taking into consideration that the ultimate aim is to create a strong partnership (McDonald & Woodburn, 2008; Woodburn & McDonald, 2011). Some of the strategies include offering special treatment such as product/service related customization, price related offers and cooperative or joint business investments (Ming-Huei & When-Chiung, 2011; Brehmer & Rehme, 2009).

Seven strategies have been suggested by Ryals & McDonald (2008) for key accounts which have been adapted from the marketing discipline, these are:

- **Pricing Strategies:** These consist of applying value-based pricing and include five approaches to such a pricing method: traditional premium fixed price; bundled solution pricing; confirmed price reductions; shared cost savings; and shared profits.

- **Product Strategies:** These can include research or product trial, product customization and new product development (Homburg et al., 2002;
Ming-Huie & Wen-Chuing, 2011). This strategy can include also the key customers transitioning from one product to another, which is a prominent issue in key account relationships.

- **Promotion Strategies**: A collaborative work should be conducted between the key account department with the marketing people to avoid any clashes or duplication of efforts for the key account.

- **Place Strategies**: Place strategies carry substantial weight in managing the relationship with the key customer. Distribution and logistics are an important element in managing the customer needs and the suppliers can create value for their key customers, which can be in the form of special delivery deals/services or doing a category management to the customer.

- **People Strategies**: People strategies are the method by which the supplier manages the relationship with the key account. This can be done through the key account manager or the whole of KAM team assigned in managing the relationship with the key customer.

- **Process Strategies**: Process strategies which include how smoothly the supplier can run the KAM relationship. The supplier can have very good relationships with the customer however; the supplier cannot support that relationship if his processes are misaligned with those of the key customer.

- **Perception of Customer Service**: This is related to the physical evidence of the product or service provided. Also the way suppliers present themselves both in person and over the phone and how neat and accurate the paperwork.
3.5.1.2 Resources

Turnbull et al. (1996) argue that the starting point for the development of relationship strategy is the interdependence of companies which is based on the resources they possess. The authors note that resources can be discussed in terms of three categories: financial resources, network positions, and skills. Financial resources affect the firm’s ability to obtain new resources or to use the resources of others. The network position constitutes of the company’s relationships and due rights and obligations, which includes access to major consumer markets, its brand and reputation which makes it a reference customer and hence able to develop further relationships in the network. Skills include product technology and ability to design products; process technologies and the ability to manufacture or produce these products; and marketing technologies, which contains the ability to analyse the requirements of others, assemble the means to influence them and deliver to the recipient, as well as relationship competence and skills in managing relationships themselves. Resources also include access to marketing and sales resources; access to non-marketing and non-sales resources; and selling centre “esprit de corps/corporate culture”, a corporate culture that is relationship oriented and supports developing close relationships with customers (Workman et al., 2003; Homburg et al., 2002; Jones et al., 2005).

3.5.1.3 Actors

Actors are those specialized people who participate in key account management activities, and can be viewed as a "personal coordination" mode of KAM (Workman et al., 2003; Homburg et al., 2002). This participation of special actors consists of
horizontal and vertical components. At the horizontal level, this can range from the participation of line managers who dedicate part of their time to managing key accounts to fully dedicated teams, which include key account managers and selling/key account teams.

**The Key Account Manager**

Key accounts are typically assigned to a key account salesperson, often called account manager. Richards & Jones (2009: 306) define the account manager as ‘...key account manager is the individual designated by the selling firm to serve as an internal advocate for his or her key account’. The key account manager is considered as the “cornerstone” of the key account management organisation, whose main objective is to develop long-term relationships with key accounts, and not necessarily to maximise the volume of sales (Wotruba & Castlberry, 1993; Guenzi et al., 2007). Moreover, the account manager is seen as an ‘orchestra’ conductor, who has to create a harmonised piece by satisfying the external customer by establishing a strong working relationship and partnership with the key customers and to move forward in building strong relationship with the internal customers – the marketing and sales colleagues who are part of his team (Fleisher, 2010).

Thus, Napolitano (1997) argues that the account manager aims to achieve a true “win-win” situation, in which he/she helps the customer to grow its business, and, at the same time, grow their own business. Thus, the account manager focuses on the evolving account relationship and mutually beneficial growth opportunities. The key account manager (KAM) also operates as a "boundary spanner" between the selling firm and the
customer, where he/she not only represents his/her company to their accounts but also represents those accounts within their own company. Hence, they constitute the inter-organizational linkages (Holt & McDonald, 2000; Tyler & Stanley, 2001) which make them of strategic importance in relational exchange (Guenzi et al., 2007).

The characteristics of these boundary spanning persons including their varied personalities, experience, motivations, skills and competencies influence their reactions and behaviours in individual episodes and how they build the relationships (Ford, 2002; Guenzi et al., 2009). More specifically, it is argued in the KAM literature that ‘key account management only really exists with the presence of a key account manager’ (Pardo, 2001: 8), whose abilities, qualities, attributes and competencies are critical success factors and fundamental to the effective management of key accounts (Guenzi et al., 2007, 2009), and that the effective hiring to fill KAM positions is a significant challenge for these firms (Wotruba & Castleberry, 1993).

Consequently, a number of studies investigated and discussed the desired skills and capabilities of key account managers (Cheverton, 2008; Ryals & McDonald, 2008; Sengupta et al., 2000; Woturba & Castleberry, 1993), while some have developed competency models for key/strategic account managers such as Chally’s Strategic Account Manager (SAM) Competency model, and the S4 Strategic Account Manager Competency Categories Model (Sherman et al., 2003) all of which are summarised in Table 3.3 below.
Chally’s SAM’s competency model was developed in the late 1990s and revolved around five skills areas - the ability and willingness to: take initiative; commit time and effort to ensure success; provide proactive assistance/support; develop technical competencies; and train others (Sherman et al., 2003: 87). Conversely The S4 Consulting SAM’s Competency model provides another way of viewing SAM’s key competency categories which suggests eleven competencies as shown in Table 1, in descending order with the most important being ‘showing understanding of customer processes and industry’, and least important being ‘demonstrate knowledge of supplier’s processes and industry’ (Sherman et al., 2003: 94).

Ryals & McDonald (2008) similarly provide a set of competencies for key managers and differentiate between three categories: the essential knowledge and skill required for all key account managers, termed as ‘core KAM competencies’; ‘advanced KAM competencies’ necessary to manage more complex types of key account relationships; and ‘GAM competencies’ that are necessary for global account managers to manage global accounts across borders (see Table 3.3). Similar designations such as Cheverton’s (2008: 317) list of 12 skills and Wotruba & Castleberry’s (1993) empirically based three lists of characteristics (Traits; knowledge/experience; and skills/abilities ) identify a broad ranging and complex set of characteristics required for a KAM to succeed. These skills/abilities list are therefore tested by Weeks & Stevens (1997) who incorporated two more skills for personality analysis, and understanding financial statements and analysis (see Table 3.3 below for details).
Table 3.3  KAMgrs’ Desired Competencies & Characteristics

<table>
<thead>
<tr>
<th>Source</th>
<th>Core KAM Competencies</th>
<th>Advanced KAM Competencies</th>
<th>GAM Competencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ryals &amp; McDonald (2008)</td>
<td>Knowledge of the Product; Knowledge of the Customer; Knowledge of the customer’s industry; Ability to inspire trust; Project management; Interpersonal skills; Selling and negotiating skills</td>
<td>Commercial awareness/strategic vision; Consultancy skills &amp; business performance improvement; Advanced KAM Planning; Internal management; Team leadership; Advanced marketing techniques; Finance.</td>
<td>Cultural; Systems &amp; processes; Managing dispersed teams; Managing conflicts between global &amp; local interests; Global logistics &amp; service; Location; Communication</td>
</tr>
<tr>
<td>S4 Consulting SAM’s Key Competences</td>
<td>Show understanding of customer processes and industry; Develop and manage relationships; Show leadership; Use the consultative approach; Demonstrate entrepreneurial behaviour; Show creative problem solving; Demonstrate ability to develop personal excellence; Demonstrate organisational skills; Think and act strategically; Execute the account management process; Demonstrate knowledge of supplier’s processes and industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chally’s Competency Model (Shearman et al, 2003)</td>
<td>Take initiative; Commit time and effort to ensure success; Provide proactive assistance/support; Develop technical competencies; and Train others.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cheverton (2008)</td>
<td>Strategic thinking; Strategic influencing; Business management; Project management; Team leadership; Team working; Innovation and creativity; Coordination; Managing change; Managing diversity; Coaching; and Political entrepreneurship.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traits</td>
<td>Integrity; Self-motivation; Concern for ethics; Tact; Responsibility; Creativity; Achievement orientation; Ambition; Realism; Empathy; Entrepreneurship; Teachable; Aggressive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge/experience</td>
<td>Experience in handling large accounts; Of company operating strengths/weaknesses; Of company products; Of company procedures; Of customer’s company personnel and personalities; Experience in planning and goal setting; Of company personnel and personalities; Of customer’s industry; Of customer’s company operating strengths/weaknesses; of industry practices and trends; Of customer’s company procedures; Of pricing and terms of sale.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skills/Abilities</td>
<td>Relationship building; Coordination; Negotiation; Human relations; Focus on specific objectives; Diagnosing customer problems; Presentation skills; Generating visibility/reputation; Communication; Working as a team; Conflict resolution; Dealing with objectives; Leadership; Closing; Dealing with lots of information; Approach; Diagnosing one’s own performance problems; Detail-oriented; Teaching ability; successful previous selling history; Understanding financial statements and analysis*; personality analysis*.</td>
<td></td>
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</tr>
</tbody>
</table>
McDonalds & Rogers (1998: 120) provide a profile of the skills and qualities of the ideal account manager that fulfil the expectations of both the selling and buying companies. These skills and qualities are divided into four categories: personal qualities; subject knowledge; thinking skills; and managerial skills. These seem to represent the most common characteristics list, and are shown in Table 3.4 below.

### Table 3.4  **Skills and qualities of the ideal key account manager**

<table>
<thead>
<tr>
<th>Skills or qualities</th>
<th>Specific items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal qualities</td>
<td>Integrity</td>
</tr>
<tr>
<td></td>
<td>Resilience / persistence</td>
</tr>
<tr>
<td></td>
<td>Selling / negotiating</td>
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<tr>
<td></td>
<td>Likeability</td>
</tr>
<tr>
<td>Subject Knowledge</td>
<td>Product knowledge</td>
</tr>
<tr>
<td></td>
<td>Understanding of business environment / markets</td>
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<tr>
<td></td>
<td>Financial knowledge</td>
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<td></td>
<td>Computer literacy</td>
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<tr>
<td></td>
<td>Languages / Cultural knowledge</td>
</tr>
<tr>
<td>Thinking skills</td>
<td>Creativity / flexibility</td>
</tr>
<tr>
<td></td>
<td>Strategic thinking / planning</td>
</tr>
<tr>
<td></td>
<td>Boundary spanning (e.g. ability to look from different perspectives)</td>
</tr>
<tr>
<td>Managerial skills</td>
<td>Communication skills</td>
</tr>
<tr>
<td></td>
<td>People management / leadership</td>
</tr>
<tr>
<td></td>
<td>Credibility</td>
</tr>
<tr>
<td></td>
<td>Administration / organization</td>
</tr>
</tbody>
</table>
**Account Teams**

Many scholars observe that the contemporary approach towards the management of key accounts increasingly relies on coordinated team effort where salespeople work in a team format rather than individually as was previously the case (Homburg et al., 2002; Workman et al., 2003; Jones et al., 2005), and that ‘the coordination of these individuals’ efforts is necessary for the seller to become the preferred supplier’ (Moon & Armstrong, 1994: 19).

Teams refer to the horizontal participation in KAM (Homburg et al., 2002). Thus, it is noted that key account managers and the KAM team form the core of the KAM system, and that key account managers are usually supported by fully dedicated cross-functional selling teams who are selected from different units/functions, such as production, operations, finance, logistics, and marketing, thus, providing access to “pooled intelligence” (Arnett et al., 2005). This has been also been stated by Brehmer & Rehme, where they see KAM as ‘a way of having one single salesperson or a sales-team, responsible for one major account in the region, one country or globally’ (2009: 963). It is also argued that successful teams develop institutional relationships and contacts with buyers that pass through organizational levels and functions, which facilitates understanding of customers’ industry, needs and plans and, as a result, lead to the development of effective strategies for solving the buyers’ problems (Moon & Armstrong, 1994; Arnett et al. 2005).
Top Management

The vertical participation in KAM programmes involves the participation of senior management. The KAM literature highlights the importance of top management’s involvement in the process of managing the key accounts (Capon, 2001; Guesalaga 2007; Guesalaga & Johnston, 2010). In fact Auh & Menguc (2005), emphasised the role of top management in taking the company in the strategic direction and the influence it has on making it more customer-oriented, hence giving the flexibility of establishing and proper implementation of KAM in the company. In addition, Salojarvi et al., (2010) supports the view of Auh and Menguc, and stressed the idea that a central element to the success of KAM is top-management involvement.

Top management involvement with managing the company's key accounts is defined as the extent which senior executives participate in managing the KAM programme (Tzempelikos & Gounaris, 2010; Workman et al., 2003; Homburg et al., 2002). For example, Millman & Wilson (1999: 330) observe that “KAM is a strategic issue and the process should therefore be initiated and overseen by senior management”, while Napolitano (1997: 5) notes that “top management must also play the lead role in securing business unit management support for the program”. In a similar vein, Hamrick & Mason (1984), using “upper-echelons” perspective concluded that organisational outcomes including strategic choices and performance reflect top managers’ characteristics and backgrounds. Accordingly, Workman et al. (2003) argue that since KAM involves the participation of many parts of the organisation, top managers should be role models and set an example for the rest of the organisation through their actions that encourage cross-functional responsiveness and commitment to
key accounts. However, there have been scholars in the field who have contested the involvement of senior managers in the relationship with the key accounts, because it can affect the role of the account manager by demeaning his status or dominating the negotiations process with the key customer which can cause a confusion about his role in the relationship (Guesalag, 2007; Guesalag & Johnston, 2010; Harro, 2006).

While in the literature, it has been highlighted the importance of senior management involvement in the strategic direction of the firm and in making the company more customer-orientated, and in directing the KAM programme, a separate body of research has indicated that the extent of which top-management are involved in managing key accounts has not been intense enough and that they are applying a more hands-off approach in managing their key accounts (Francis, 2004; Tzempelikos & Gounaris, 2010). Hence, scholars in the field are recommending more involvement of the senior management in managing the key accounts.

3.5.2 RELATIONAL/INFORMAL DIMENSIONS OF KAM

KAM is conceptualised to consist of the management of both organisational aspects and relational aspects with human beings (Zupancic, 2008). The organisational aspects of KAM have been discussed above. In this section, the relational aspects of KAM are discussed. The three relational factors that have been identified as essential for building and assessing successful long-term business relationships are: Trust, satisfaction and commitment (Alejandro et al., 2011; Morgan & Hunt, 1994; Garbarino & Johnson, 1999; Baines et al., 2008). These are discussed below.
3.5.2.1 Trust

There is general consensus that trust is the key element in the development of buyer-seller relationships and the main ingredient of successful inter-firm relationships and collaboration that leads to long-term business relationships (Wang et al., 2008; Morgan & Hunt, 1994; Marshall, 2003; Brashear et al., 2003). The importance of this variable stems from its contribution to the strength of interpersonal relationships, intra-organisational relationships and inter-organizational relationships (Svensson, 2001; Ojukwu & Georgiadou, 2007). In particular, some of the advantages of trust are its contribution to the decrease in the level of anxiety and transaction uncertainty and negotiation costs because it enhances the confidence between partners (Wang et al., 2008). In addition, according to McKnight & Chervany (2001) it is considered that trust is mandatory in every interpersonal and commercial relationship, and it is seen as the glue that holds dyadic buyer-seller relationships and the essence of co-operation (Pressey & Mathews, 2004; Ashnai et al., 2009).

In the relationship marketing literature, trust is defined as ‘the willingness to rely on an exchange partner in whom one has confidence’ (Moorman et al., 1993: 82). Hence, trust exists when one party has confidence in an exchange partner’s reliability and integrity (Morgan & Hunt, 1994: 23). Consequently, trust is conceptualised to have two important elements: ‘credibility’ which is based on the supplier’s effectiveness and reliability in performing the job; and ‘benevolence’ which is based on the belief that the supplier will act in the best interest of the exchange partner (Ganesan, 1994). According to Barshear et al. (2003), for example, credibility, may be viewed from two perspectives – competence based credibility that reflects confidence in the trustee’s knowledge and
skills associated with performing a specific task, and honesty(or integrity)-based credibility which involves the ability to rely on one's word, keeping promises and obligations (Kumar et al., 1995). Thus, Walter et al., (2000: 3) define customer trust as ‘the customer's belief in the supplier's benevolence, honesty and competence to act in the best interest of the relationship in question’.

Hence, trust is conceptualised in the form of two important elements: ‘calculative’ and ‘affective’ trust (Abosag et al., 2006; Huang & Wilkinson, 2006). Calculative trust is based on the rational decision that one party will behave in a binding way because of the financial outcome that will result from collaborating in the relationship (Hammervoll, 2011; Tzeng & Li, 2011). Affective trust, on the other hand, focuses on the emotional side or trust generated by social bonds between the parties that created mutual feelings of empathy, benevolence and interpersonal liking (Abosag et al., 2006). This has been explained by Huang & Wilkinson (2006), as the purest form of trust and the exchange partners will perform in the best interest of each other to avoid harming each other.

Trust is also considered to be a significant indicator of commitment as it strengthens the commitment in a relationship by reducing the levels of risk between interacting parties and reduces the transaction cost in exchange relationships (Caceres & Paparoidamis, 2007; Hanmer-Llyod & Canning, 2002; Wang et al., 2008; Hausman & Johanston, 2010). However, the meaning, degree and intensity of trust varies enormously between different cultures and nations (Gummesson, 2008; Ashnia, et al., 2009; Wang et al., 2008; Yen et al., 2007; Abosag et al., 2006; Zabkar & Brencic, 2004), which implies that the means of its of application and operationalization will differ across countries.
Commitment is perceived as a crucial element in successful relationship marketing and goes hand in hand with trust (Morgan & Hunt, 1994; Bennett & Gabriel, 2001; Caceres & Paparoidamis, 2007). Relationship commitment refers to ‘an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it’ (Morgan & Hunt, 1994: 23). Thus, commitment indicates the extent to which the parties are willing to continue the relationship and their desirability to maintain loyalty and stability with one another (Egan, 2008). Moreover, commitment supports the notion of solidarity and cohesion between channel members in favour of exchanging short-term gains expected for long-term benefits by staying with current/existing partners (Geyskens et al., 1996). Research evidence also indicates that commitment is directly related to loyalty and repeated purchase and operates to some extent the way as trust, in the sense that a minimum level of commitment is needed at least to initiate the relationship, and as the relationship evolves and develops so does the formation and the strength degree of commitment, and without it no relationship is feasible (Evans et al., 2004).

In addition the literature on commitment distinguishes three types of commitment based on their underlying motives (Zabkar & Brencic, 2004) - affective commitment, calculative (or cost-based) commitment, and obligation-based commitment (Sharma et al., 2001). The first two types are the most cited in the literature (Gustafsson, 2005). Affective commitment is also known as the altitudinal commitment, and it is based on the emotional attachment and respect for the other partner (Sharma et al., 2001; Gustafsson et al., 2005; Geyskens et al., 1996). This type of commitment focuses more
on the personal side of the relationship, and it is generated through the social interactions and social bonding between partners, which is also enhanced by the personal liking between the parties (Wetzels et al., 1998; Abosag et al., 2006; Leszczynski & Zielinski, 2010).

Calculative commitment, which is also known as economic commitment or structural commitment or cost-based commitment, puts more emphasis on the economic side of the relationship, and refers to the party’s awareness of the costs associated for opting out of the relationship (Abosag et al., 2006; Gustafsson et al., 2005). In other words what will be the switching cost associated with the termination of the relationship between partners after an economic investment has been made by that partnership. Hence, partners in the relationship perceive that cost and based on that continue the relationship (Tellefsen & Thomas; 2005; Abosag et al., 2006; Leszczynski & Zielinski, 2010). Obligation-based commitment is one type of commitment that has been underresearched in the literature. Obligation-based commitment stems from a person’s sense of responsibility towards another person or group of people that he identifies or interrelates with. Although the other types of commitment the economic/cognitive commitment emphasise the economic element of the relationship for its continuation, and the affective commitment considers that emotional attachment for its continuation, while obligation-based commitment builds on the morality of the relationship and whether it is moral to continue the relationship or not, and it is a culturally bound construct (Sharma et al., 2001).
However, it must also be noted that the level and type of commitment can differ between countries. Research evidence indicates that in Western-individualistic cultured countries calculative commitment has higher influence on the relationship between partners. In contrast, in collectivist cultures the affective commitment is a major driver for the long-term relationship and has more influence than calculative commitment between the two parties (Zabkar & Brenčic, 2004; Rodriguez & Wilson, 2002; Abosag et al., 2006). This may have implications for KAM relationships in the Arab world which is the context of this study.

### 3.5.2.3 Satisfaction

According to (Gustafsson et al., 2005: 210) customer satisfaction is defined as ‘...a customer’s overall evaluation of the performance of an offering to date.’ Satisfaction is derived from relationships between buyers and sellers and indicates the overall feeling and attitude of both parties in the relationship, and it is seen as the extent to which parties are pleased with each other’s relationship activity (Barnes et al., 2011). It is argued that the presence of satisfaction in a relationship acts as a prominent element for conflict resolution and improved performance of firms (Rodriguez et al., 2005; Caceres & Paparoidamis, 2007). However, in the literature there are many contradictory views about what leads to satisfaction or what is seen as an antecedent to satisfaction. Some scholars see satisfaction as a predictor or antecedent of trust, others see it as an antecedent of commitment (Brashears et al., 2003). Some others consider trust as an antecedent of satisfaction or satisfaction as an outcome of trust and commitment, or commitment and service quality are the antecedents of satisfaction (Rodriguez et al., 2006; Egan, 2008; Wetzels et al., 1998). In general, there is no consensus on how
satisfaction is positioned in the relationship hierarchy, however the literature on satisfaction has approached satisfaction from two aspects: economic satisfaction; and social satisfaction (Geyskens & Steenkamp, 2000; Bennett & Rundle-Thiele, 2004; Ivens & Pardo, 2007).

According to Gesykens & Steenkamp, (2000: 13) satisfaction is ‘a channel member’s evaluation of the economic outcomes that flow from the relationship with its partner such as sales volume, margins, and discounts’. From this definition, it is apparent that economic satisfaction considers how productive and effective the relationship is in terms of its financial outcome. This dimension has been operationlised from the point of view of how competent the supplier is in his service orientation, the quality of the suppliers’ products and his ability in order handling (Ivens & Pardo, 2007).

Social satisfaction dimension assesses the physiological element of the relationship, which has been identified by the extent to which one partner is satisfied with the social outcome of the relationship - that is, the extent to which a partner prefers and likes to deal and work with his other partner on the personal level (Gyeskens & Steenkamp, 2000). For example, social satisfaction is assessed by looking at the supplier’s friendliness, how he shows interest in the business partner as a person, how he shows respect to work done by the business partner (Ivens & Pardo, 2007). The previous research has mainly approached satisfaction from the emotional perspective more than the economic perspective. However, research evidence indicates that this is more bound to the context and the situation of how satisfaction is being perceived (Bennett & Rundle-Thiele, 2004). This may also be influenced by culture, as how people attach
meaning to things is influenced by their culture (Hofstede, 2001; Trompenaars, 1993), which is considered an external factor that needs to be taken into consideration when managing key accounts. The other external factors that influence KAM are discussed in the following section.

3.6 EXTERNAL DETERMINANTS OF KAM

The existing literature indicates that the nature of KAM and the formation of key account programmes are not only influenced by a number of internal/organisational factors but also by external/environmental factors (Homburg et al., 2002). The external environment may be referred to as the forces that are beyond the selling firms’ capacity to control, and which influence the formation of the key account programme. These include competitors, and the market environment such as characteristics of customers, demand concentration, purchasing centralisation and purchasing complexity, nature of the product and product complexity, technological, ethical and regulatory forces (Brehmer & Rehme, 2009; Wrengler et al., 2006; Workman et al., 2002).

It is argued that changes in the environment have brought with them new challenges for the selling organisations. However, there is lack of empirical evidence on the effects of the external environment on the KAM dimensions (Homburg et al., 2002). One of the environmental factors that have become increasingly relevant in the international context is “culture”. Thus, it is argued that cultural differences such as time and space, interaction models and attitudes toward action, have a major impact on a number of key account management related issues, including how relationships start and develop, buyer-seller interactions, business networks, business negotiations, buying-decision
process in the buyer’s organisations, selling styles, personal and institutional credibility, and sales force management (Usunier & Lee, 2005).

The changes in the external factors, customers, competitors, technological, and regulatory have been critically analysed and summarised along with their implications for the selling firm’s practice of selling and sales management by Jones et al., (2005) who reported the following. In terms of customers, and from a customer’s perspective, the authors report that there is an increasing need for salesperson knowledge, speed of response, breadth and depth of communication and customisation of information and product/service offerings. However, they warn that customer expectations continuously change, and failing to adapt to these changes can be detrimental to the selling firms’ operations. In a similar vein, Boles et al., (1999) reported that the increasing complexity of the Business-to-Business sales environments forced suppliers to find new approaches to doing business including more use of the salesforce to build relationships with customers. Furthermore, and as highlighted by Moon & Gupta (1997), complex customers in terms of high demand levels for individual customisation and services or the existence of highly structured buying procedures as in the case of government departments, then the key account managers will need to have closer relationships and more specialised knowledge of the customer, and there will be a need or more vertical and horizontal coordination to meet the customers’ needs.

In terms of competitors and today’s hypercompetitive markets, it is noted that the increasing pressures to gain revenue and profit, and the increasing cost of serving customers has exacerbated the level of stress put on the key account managers and
selling organisations. Thus, to better cope with these challenges and formulating more efficient strategies sales management scholars are moving towards the application of customer life time value (CLV) approach, which emphasises customer service and long-term customer satisfaction, to gain a competitive edge in the market. As for technology, and in order to meet customer expectations, it is argued that key account managers and salespeople need to know more, need to be able to retrieve, access, store and retrieve data faster for their prospects. These activities are facilitated and expedited by the presence of technology. However, the adoption and implementation of technology in the sales field is still lagging, because firms are concerned with the large amount of investment that needs to be put into technology and not getting the expected returns on investment. Moreover, the sense of being of replaced by technology has created a negative attitude for the salespeople and has generated a kind of challenge for the adoption of technology in sales firms.

Finally, it reported that the current regulatory and legal environment has put additional pressure on sales companies in order to select the right sales people. With the current trend in the legal environment, this has put restrictions on selling firms in how to approach sales. For example, the promises given by key account managers, in terms of gifts and prices to customers’ needs to be in line with regulatory system in the country and adhere to company policies to avoid any unethical law-suits in the future. Thus, key account managers and salespeople need to be prudent in what they advocate in their arguments with their customers in order to win sales (Jones et al., 2005; Moon & Gupta, 1997).
The above indicates that cultural, institutional and environmental factors influence buyer-seller relationships. Furthermore, given that the existing literature, which emphasises that KAM is rooted in relationship marketing (Hughes et al., 2004; Ryals & Humphries, 2007), it becomes appropriate to investigate Arab relationship marketing to see whether there is a difference from Western relationship marketing, and at the same time, to gain insights into business-to-business marketing in an Arab context, and in turn, its influence on KAM in an Arab context. Consequently, the following section will discuss relationship marketing in an Arab context.

3.7 BUSINESS-TO-BUSINESS MARKETING IN AN ARAB CONTEXT

The Arab World in the Middle East and North Africa (MENA) region is strategically important due to its large oil reserves, central geographic location, size of its market and huge investment opportunities available to Western investors (Budhwar & Mellahi, 2006; Ralston, 2008). The sparse literature on key account management in the Arab world indicates that there is a growing importance of key account management practices in the Arab world due to increased competition and due to changes in government policies which contributed to some extent to the liberalisation of these economies and the opening up of these markets to Western and foreign investors (Baddar, et al., 2010; Al-Husan & Brennan, 2009).

Consequently, it seems important to understand how buyer-seller relationships function in the Arab world and how relationships are developed. The scant body of literature on relationship marketing within the Arab context indicates that relationship marketing in
not a new phenomenon in the Arab world and that all business and exchanges revolve around the concept of relationships. For example, Weir (2000) notes that:

‘The West is re-writing the textbooks of marketing to introduce the novel insight of relationship marketing. But in the Arab world all marketing, indeed all business, is based on relationships. All is directed towards the long term accumulation of position, standing, relationship and prestige’ (Weir, 2000:73).

It can be argued, however, that although some relationship marketing principles, such as trust and commitment, are considered as important factors for successful business in the Arab world, the uniqueness of Arab culture may obstruct the wholesale transfer of Western relationship marketing principles to the Arab world.

More specifically, research examining Arab Middle Eastern business relationships has identified ‘family-oriented relations and Islamic cultural values as markers of a distinct business environment’ (Metcalf, 2007: 94). It suggests that the Arab world has a business culture based on ‘strong family networks’, or ‘Wasta’ connections, supported by ‘Islamic ethics and values’ (Hutchings & Weir, 2006a: 143). These two indigenous and interrelated Arab cultural forces, namely Islam and the tribe/family, which shape the Arab business culture, are, in turn, reflected in practices/cultural manifestations that underpin Arab relationship marketing (Solberg, 2002). This is essentially based on social networks of interpersonal connections that are intrinsic to the operation of many valuable social processes, information sharing, transmission of knowledge, trust, and the creation of opportunity (Weir & Hutchings, 2005). Thus, similar to other collectivist societies like China (Gu et al., 2008), in Arab business relationships Wasta/personal networks and connections, stemming from family and kinship ties and friendship, are
considered important resources or social capital that managers can draw on to succeed in their business.

Consequently, to examine the ‘construct equivalence’ (Wang, 2007: 81) of Arab relationship marketing and Western relationship marketing some ‘critical cultural manifestations’ (Solberg, 2002: 12) are delineated below in some detail under: Wasta; trust; and personal and informal business relationships.

### 3.7.1 Wasta

Wasta is a central concept in the value system of Arab nations, which stems from the clan, tribal and family networks and connections that dominate the social structure in the Arab world (Weir, 2003). Its use is widespread in the Middle East and North Africa (the MENA Region) and it is a force in all significant decision making in the Arab World (Cunningham & Sarayrah, 1993; Yahiaoui & Zoubir, 2006).

It is noted that the term Wasta is equivalent to the Chinese concept of guanxi, personal connections/relationships (Davies et al., 1995; Yueng & Tang, 1996). “Wasta”, literally defined as Arabic for ‘connections’, ‘influence’, ‘networking’ or ‘power’ (Hutchings & Weir, 2006a). In general, Wasta is defined as the ‘use of connections for personal gains’ (Kilani & Sakijha, 2002 cited in Yahiaoui & Zoubir, 2006), and refers to two functions: mediation and intercession. *Intermediary Wasta* involves resolving interpersonal or inter-groups conflict, and historically has been considered to have an honourable role in binding tribes, families and communities for peace and well-being.
Intercessory Wasta involves personal intervention of influential people on behalf of a particular person to obtain an advantage for that person (Cunningham & Sarayrah, 1994).

It is essential to note the following facts. First, ‘Wasta is rooted in family loyalty and tribal dispute resolution’ (Cunningham & Sarayrah, 1993: 33). Secondly, the family represents the primary Wasta channel and the basis for obtaining benefits from the socio-political system in the Arab World (Cunningham & Sarayrah, 1994). Consequently, Hutchings & Weir (2006a: 143) argue that ‘Wasta’ involves a social network of interpersonal connections rooted in family and kinship ties and implicating the exercise of power, influence and information-sharing through social and politico-business networks. It is intrinsic to the operation of many valuable social processes, central to the transmission of knowledge and the creation of opportunity’.

Wasta is very pertinent to the Arab business environment, as research evidence reveals that business relationships in the Arab world are based on strong family networks or Wasta connections (Hutching & Weir, 2006a; Yahiaoui & Zoubir, 2006). For example, Ali & Al-Kazemi (2006: 90) note that Kuwait society, like many other Arab societies, is characterised by close networks of individuals and groups and that it is usual for members of these networks to use Wasta and intervene on behalf of other members to obtain a job or process their business. In a similar vein, El-Said & McDonald (2001) claim that Wasta is so prevalent in the Arab World to the extent that in Jordan everything needs Wasta no matter how simple it is. The authors add that through Wasta
businessmen can obtain import, export, and production licenses, evade taxation, and even ignore rules and regulations’ (cited in Branine & Analoui, 2006).

Cunningham & Sarayrah (1994) argue that reciprocity is the basis for social relations in the Arab World and therefore individuals use their position to take care of relatives and friends so that the favour will be reciprocated. Furthermore, this favourite treatment is also seen as expression of loyalty to the family and tribe. Thus, in the Arab World a manager who gives special treatment to a relative in terms of a business deal or employment is considered to be fulfilling an obligation to family or immediate community, or doing business with someone who can be trusted, while in the West this is ‘considered nepotism and favouritism’ (Abu-Saad, 1998; Hollensen, 2007: 225). For example, in his study of Jordanian managers, Rasheed (1993) found that it was ‘relatives’ and friends’ efforts, and not the market mechanism’, which proved the decisive factor. Indeed, the point that Weir highlighted in relation to these findings was that ‘tribalism and the utilization of networks of relatives and friends is described by managers in Arab context as equally as legitimate as the operation of the economic calculus based on rational decisions about relative rates of return’ (Weir, 2000: 70).

The literature also reveals that Wasta and the network of relationships are significant because often they allow the establishment of relations of support and cooperation with partners such as banks, suppliers and customers and provide guarantees to business owners and managers of long-term commitment and the good operation of their firm (Zghal, 1998 cited in Yahaoui & Zoubier, 2006). This seems to be in contrast with
Western relationship marketing which is ‘driven by legality and rules’, impersonal involvement in networking and commercial goals (Wang, 2007: 82).

Wasta reflects the tribal mentality of Arab nations, which gives priority to family and kin over organisational objectives (Branine & Anloui, 2006). Priority of the family and extended family is also supported by Islamic religion (Abuznaid, 2006), but assigning relatives and clan members to senior positions, for example, runs contrary to the spirit of Islam (Ali, 1995: 16). Consequently, it is argued that to establish business relationships effectively in the Arab world, it is important to recognise ‘how to move within relevant power networks’ (Metcalf, 2007: 94), and appreciate the ‘interpersonal networks and connections that pervade all aspects of business and social life’ (Hutchings & Weir, 2006b: 273).

### 3.7.2 Trust in an Arab Context

Al-Omari (2008) argues that in the Arab world social bonds and trust must be established first, and then move gradually from personal to business to enhance the chances of success because Arabs are collectivist and give priority to warm social interactions above everything else. In a similar vein, Hutchings & Weir (2006b) argue that relations of trust between business partners are fundamental to successful business transactions in the Arab world. Once trust is established in a relationship partners only need to give their word of honour which is more important than the written contract which is used mainly for security or as a memorandum of understanding rather than totally binding and a point of reference for disputes (Hutchings & Weir, 2006b; Al-Omari, 2008).
The high importance of trust in establishing and maintaining business relationships in the Arab world may be attributed to cultural specific factors, namely religion and beliefs, and social institutions. In the Arab world trust is rooted in Islam and faith in God. ‘The key principal governing business philosophy is that of the unity of God, His universe, and His people’ who should cooperate in carrying out His will. In business this implies honesty and trust and a relationship between business partners that reflects the fact that they are part of the same brotherhood or sisterhood and spiritually equal before God (Wilson, 2006: 113).

Trust in the Arab world is also rooted in kinship and family connections. The relationship hierarchy begins with the immediate family then relatives and the clan and tribe members. Trust within the family and the clan is absolute since the bonds are based on total loyalty and saving face and honour to the family and tribe (Rice, 1999). This implies that trust and willingness to establish and maintain long-term relationships is based on ascription, social status and connections rather than on achievement and performance or credibility, integrity and reliability as perceived in the West (Morgan & Hunt, 1994). For example, Hutchings & Weir (2006b) note that while in the West it is common to negotiate only with one organisation at a time after receiving initial quotes, in the Arab world negotiations are conducted with several businesses simultaneously and the organisation to win the deal will usually be the one with the strongest connections.
3.7.3 Personal and Informal Business Relationships

Nydell (2005) highlights that in business relationships in the Arab World, personal contacts are extremely valued, and that a good personal relationship is the most important factor in conducting business successfully with Arab people. In a similar vein, Al-Omari (2008) argues that in the Arab World business is personal as it works on the principle that it is better to conduct business on the basis of friendship and trust. Consequently, in the Arab world relationship marketing tends to start at the personal level and then moves to the organisational level. This partly reflects the fact that Arabs prefer to do business with family, relatives and people they trust, know and like and whom they consider friends (Rice 1999).

In contrast, in the West business relationships/relationship marketing is impersonal, mostly made at the organisational level and based on contracts (Wang, 2007; Morgan & Hunt, 1994). Thus, Hofstede (1994: 50), for example, in explaining the role of personal relationships in business pointed out that business in the West (e.g. Sweden) is done with a company while in the Arab world (e.g. Saudi Arabia) ‘business is done with a person whom one has learned to know and trust’.

The literature also reveals that the personal nature of business relationships in the Arab world, which is often created with family and friends, subsequently leads to informal business relationships, while in most Western nations business and social positions are quite separate (Rice, 1999; Mellahi, 2006). Thus, it is argued that in the Arab world social relationships are a prerequisite and must precede the business relationship as interactions with another are viewed as part of a whole relationship. As a result, Arab
people do not separate work, family, or leisure in the segmented manner of the West and from an early age learn the skills of networking and participate in the networks of family and religion, which form the cultural matrix of business (Weir & Hutchings, 2005). Al-Omari (2008: 159) argues that ‘the strength of tribalism with its emphasis on family solidarity, relationships and paternalistic leadership’ all reinforce the connection between the business and personal life and that this is reflected by the high importance attached to developing long-term personal relationships that exceed rules and personal interests.

The above literature review has contributed to the development of this study’s research question and conceptual framework.

3.8 THE RESEARCH QUESTION

The review of the literature contributed to formulating the following research question:

‘How is KAM relationship management applied in an Arab context?’

3.9 THE DESCRIPTIVE FRAMEWORK

The literature on KAM reveals not only limited empirical evidence on KAM in the Arab World, but also indicates that managing key accounts has been approached principally from a unilateral perspective that focuses on the organisational/formal aspect of KAM (Zupancic, 2008; Guenzi et al., 2007), especially through the A-R-A Networks Approach Model (Activity links – Resource Ties – Actor Bonds).
Thus, although KAM is conceived as a comprehensive process for managing relationships with the key accounts that needs the formal/organisational and informal/relational aspects for sound management of the relationship (Diller, 1994), the informal aspect of KAM has been relatively neglected (Guenzi et al., 2007; Zupancic, 2008; Tzempelikos & Gounaris, 2011). This is despite the extant research indicating the prominence of the informal/relational aspects, such as trust, commitment, satisfaction and bonds, in the management of key relationships (McDonald et al., 1997).

Hence, to investigate the issue of how the KAM is implemented in an Arab context I propose a preliminary framework based on an analysis and synthesis of the literature. The aim of the overall study is not to test this framework, but provides it as a descriptive framework to help direct the analysis of the data based on Yin (2004) and Saunders et al. (2007). The descriptive framework shown below in Figure 3.3 includes three main elements: the formal aspects of KAM and the informal aspects of KAM that Diller (1994) and Zupancic (2008) recommend for managing the relationship with key accounts; as well as Arab socio-cultural specific relational factors, namely the tribe/family and Islam, that are advocated to influence business relationships in the Arab world (Solberg, 2002; Hutching & Weir, 2006ab; Metcalfe, 2007; Al-Omari, 2008).
The framework manifests the main aim of KAM which is to acquire, retain and expand relationships with the strategically most important customers. In doing this the KAM implementing company needs to have both, its formal and informal structure, policies and procedures in place (Davies & Ryals, 2009). On the formal side this includes its Activities, Resources and Actors as discussed in Chapter Six of this thesis. The informal side of KAM is represented by the most important relational factors identified in the literature namely, trust, commitment and satisfaction (Ivens & Pardo, 2007), as discussed in Chapter Five. The implementing company also needs to take into consideration the most important socio-cultural influences that were identified to
influence Arab business and KAM relationships, as discussed in Chapters Two and Five.

This initial descriptive framework is later developed to include the new categories and sub-categories that emerge from the thesis contribution. The final version of this framework is represented in Chapter seven, the Discussion Chapter on page 274-275.

4. CONCLUSION

In the first part of this concluding section the key findings of the literature review are drawn out. This is followed by a presentation of the key implications of the review for the design of the present study.

Key findings

Key account management is increasingly becoming important for achieving competitive advantage through the effective management of the relationships with the most important and strategic customers in business-to-business marketing. A number of changes in the world economy since the mid-1980s have led to the movement from the 4P’s approach (transactional marketing) to relationship marketing and brought with it the new paradigm in relationship management philosophy, namely Key Account Management (KAM). These changes include intensification and globalisation of competition, increased demands, sophistication and geographic dispersion of buyers; growing customer concentration and improvement in information and communication technologies.
KAM is based on developing and maintaining long-term relationships as a strategically managed continuous process. These relationships are context-bound and are viewed as dynamic and socially constructed through inter-organisational interaction. They evolve and go through stages which require different managerial behaviour, resources and skills to meet the requirements of each stage. Within the KAM context these stages range from pre-KAM, to early KAM, to mid-KAM, to partnership KAM, to synergetic KAM, to uncoupling KAM.

KAM has its roots in relationship marketing. As the relationship marketing field developed, three main schools of thought evolved: Nordic, Anglo-Australian and IMP. The Nordic school is mainly based on service, the Anglo-Australian school is based on market relationships which collectively drive customer value and the IMP Group Interaction and Network approaches. The IMP group considers the various interacting networks of relationships as the basis of relationship marketing. The management of key account relationships include the management of organisational and relational components/dimensions. A number of researchers have used the network approach and the A-R-A (Activities, Resources, Actors) model to analyse the organisational elements of KAM because the network approach considers that the evolution and development of business relationships takes place in terms of changes in actor bonds (A), resources ties (R), and activity links (A).

As for the relational components of KAM business relationships, the core dimensions of relationship marketing (RM) are used to measure the quality of the KAM relationship and its success because KAM is an application of relationship marketing, and these are:
trust, commitment and satisfaction, which are considered as the building blocks of successful KAM. Thus it is argued that to manage key accounts successfully it is imperative to be armed with and incorporate relationship skills that ensure the building of trust with buyers and commitment to key account management programmes, which lead to reduction in risks and uncertainty in the relationship, and provides value and satisfaction to buyers/exchange partners. A number of external factors also influence the way that key accounts are managed. These include culture, competition, customers, technology, and the legal environment.

The scant literature on Arab relationship marketing also reveals that all business in the Arab World revolves around relationship marketing which is distinct in nature due to its embeddedness in tribal/family-oriented relations and Islamic cultural values. The influence of these two indigenous and interrelated factors lead to Arab relationship marketing that is driven by three critical and intertwined main sub-factors or practices, namely: Wasta connections or family and friendship networks; trust which is rooted in family loyalty, obligation, honour and saving face; and social interaction and personal and informal involvement in networking and business relationships. This differentiates it from Western relationship marketing which is driven by legality and rules, impersonal involvement in networking and commercial goals. The above literature review has contributed to the development of this study’s research question which is:

**How is KAM relationship management applied in an Arab context?**

**Implications for the Study**

An important implication of the review is that in order to gain a real understanding of the nature of key account management programmes and processes in developing and
emerging economies and well as the factors that determine their application, a detailed examination is needed of the surrounding KAM decision-making processes, strategies and practices in different settings and contexts. Consequently, a qualitative research methodology is needed to enable the researcher to gain in-depth insight and comprehension of structure and processes of KAM programmes design and implementation processes, as well the interpersonal relational dimensions that contribute to the effective management of KAM relationships. This is also important and reinforces the need to conduct a qualitative study since the literature indicates that data needs to be gathered on a broad spread of issues that may be perceived differently in different cultures, and may be implemented differently due a host of internal and externals factors which may not be captured in a quantitative study, particularly due to the dearth of research on KAM in the Arab world and the developing countries in general.
CHAPTER FOUR: RESEARCH METHODOLOGY

4.1  INTRODUCTION

In this section, the justification and nature of the present study’s methodology are discussed. Initially, the research philosophy and approach are delineated. This is followed by a justification for the study’s research philosophy, then an analysis of the research design and the chosen research strategy and the rationale for selecting it, and the factors that instigated the particular design to be adopted. Attention is then paid to the justification of the particular data collection methods to be utilised in this study to answer the research question of:

How is KAM relationship management applied in an Arab context?

Finally, an outline of the selection of the sample companies and interviews conducted is provided followed by an explanation of data analysis and considerations for the ethical issues.

4.2  RESEARCH PHILOSOPHY

The literature indicates that approaches to social science research, and hence the research methodology adopted, are based on three interrelated sets of assumptions regarding ontology (the nature of reality), epistemology (how reality is established) and human nature, that constitute the philosophical underpinnings of the particular research
undertaken (Morgan & Smircich, 1980; Kent, 2007). The research philosophies have been demonstrated as continuums (Morgan & Smircich, 1980).

One extreme of the continuum represents the objectivist ontology and positivist epistemology. The objectivist ontological position asserts that reality/social phenomena and their meanings should be considered as objects with a concrete structure that have a reality external to and independent from social actors. This implies that ‘man is a responder’ (Morgan & Smircich, 1980: 492), influenced and/or constrained by the reality/social phenomena. Hence, reality can be studied from the researcher’s perspective rather than from the actors’ perspective.

The epistemological position that is likely to be found with objectivist ontology is ‘positivism’, which considers that reality can be accurately and independently observed, measured, analysed and predicted. Hence, it advocates the application of the methods of the natural sciences to the study of social reality. This entails the adoption of a deductive approach to the relationship between theory and research in which the researcher develops a theory and/or hypothesis and designs a research strategy to test the theory/hypothesis, and uses quantitative methods as its data-gathering procedures (Kent, 2007; Saunders et al., 2007; Blaikie, 2003).

In contrast, the other extreme of the continuum represents the subjective ontology with anti-positivist / interpretivist epistemology (Byrman & Bell, 2007). Subjectivism / constructionism asserts that reality / social phenomena and their meanings should be considered as ‘a social construction built up from the perceptions and actions of social
actors’ (Bryman & Bell, 2007: 22), and that reality which is in the minds of social actors should be understood from the interpretations, points of views and perspectives of those being researched (Kent, 2007).

The epistemological position that is likely to accompany a subjective ontology is ‘interpretivism’, which advocates the view that there is no objective reality to be observed and measured, and hence, the methods of natural sciences cannot be applied to the study of social reality. It emphasises the importance of understanding the processes through which people/social actors establish their relationship with the world (Morgan & Smircich, 1980) and that knowledge can only be achieved by collecting social actors’ accounts of their reality (Blaikie, 2003). This entails the adoption of an inductive approach to theory in which data is collected first and a theory is developed as a result of data analysis. The data gathering procedures are mainly qualitative to yield rich and holistic data necessary for theory generation (Kent, 2007; Bryman & Bell, 2007; Bryman & Bell, 2003).

### 4.2.1 The Chosen Research Philosophy

Given that relationships are ‘social constructions that are dynamically created, confirmed, modified and terminated by people in interaction’ (Biggemann & Buttle, 2009: 549), rather than objectively real (Kent, 2007), a subjective/constructionist and interpretive epistemological position is adopted to understand the phenomenon under investigation, namely “nature of relationships and processes put in place to manage them” in key account management, which can be achieved from the interpretations of the individuals within a specific context. This stems from the assumption that ‘the social
world is viewed as a pattern of symbolic relationships and meanings sustained through a process of human action and interaction’ (Morgan & Smircich, 1980: 494). Consequently, the philosophical approach chosen for this study will enable the researcher to understand how relationships are structured, established and developed in an Arab context from an Arab perspective rather than a Western perspective.

4.3 RESEARCH DESIGN AND DATA COLLECTION

A ‘research design provides a framework for the collection and analysis of data’ (Bryman & Bell, 2007: 40). However, according to De Vaus (2001: 9), an important function of research design is ‘to ensure that the evidence obtained enables us to answer the initial question as unambiguously as possible’. Given the interpretivist philosophy and inductive approach of the study, as is explained below, and to meet the objectives of the study, an exploratory cross-sectional qualitative research design is used, drawing from semi-structured interviews as the main data collection method. This is explained below under: the chosen research strategy, and data collection methods.

4.3.1 The Chosen Research Strategy

According to Bryman & Bell (2007: 28), a research strategy is ‘a general orientation to the conduct of research’. The authors distinguish between two main clusters of research strategies, namely quantitative and qualitative strategies, and note that each carries with it differences in terms of the role of theory, epistemological issues, ontological concerns, and data collection and analysis. These differences are summarised in Table 4.1 below.
Table 4.1 Fundamental differences between quantitative and qualitative research strategies

<table>
<thead>
<tr>
<th>Principal orientation to the role of theory in relation to research</th>
<th>Quantitative</th>
<th>Qualitative</th>
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<tbody>
<tr>
<td></td>
<td>Deductive; testing of theory</td>
<td>Inductive; generation of theory</td>
</tr>
<tr>
<td>Epistemological orientation</td>
<td>Natural science model, in</td>
<td>Interpretivism</td>
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<tr>
<td></td>
<td>Particular positivism</td>
<td></td>
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<tr>
<td>Ontological orientation</td>
<td>Objectivism</td>
<td>Constructionism</td>
</tr>
<tr>
<td>Data collection and analysis</td>
<td>Emphasis on quantification</td>
<td>Emphasis on words</td>
</tr>
</tbody>
</table>

Source: Adapted from Bryman & Bell (2007: 28)

Qualitative methods appear most appropriate for achieving the objectives of this study for five main reasons. First, qualitative research is used in exploratory designs to gain preliminary insights into how decisions are made and strategies developed to overcome problems and to exploit opportunities (Hair, et al., 2003). This corresponds with the exploratory nature of this study as there is lack of literature and empirical evidence about KAM, particularly in developing and Arab countries. Thus, there is a need to collect data about both the phenomenon and contextual factors. Secondly, a qualitative research will provide better understanding and insights into how KAM relationships are developed and maintained in an Arab context (Al-Husan & Brennan, 2009). Thirdly, qualitative research and data are adept and useful for understanding what and how things happen, why or why not emergent relationships hold. The qualitative research will also provide a good understanding of the dynamics underlying the relationship and why it is happening (Eisenhardt, 1989). Fourthly, the complexity of the phenomenon and the links within and between actors within a relationship entails a qualitative research strategy that can deal with rich sources of data, which can be difficult to acquire with quantitative approaches. Finally, qualitative research corresponds with the
interpretivist epistemology and the inductive approach of this thesis and allows for theory to emerge from the data through the collection of in-depth information and rich data, and enables the researcher to capture the experiences and feelings of respondents in their own terms (Malhotra & Briks, 2006).

Quantitative approach and methods, such as experiments and surveys, were excluded for three main reasons. First, the phenomenon of key account management in an Arab context is under explored. Hence, there is a need to explore and understand this phenomenon in more depth which quantitative methods are not suitable for as they have limited ability to provide the necessary depth for understanding this phenomenon or providing the necessary insights about the context.

Secondly, the phenomenon under study (KAM) is complex and the number of variables to be investigated is not yet fully determined. Since all variables need to be controlled for in quantitative methods and failure to identify any of these variables threatens the internal validity of any subsequent findings (Gill & Johnson, 1997), a quantitative approach is inappropriate whereas qualitative research will help in identifying the unexpected variables that can emerge from the research. Lastly, quantitative methods are more suitable when the researcher wants to look at causality. However, when the aim of the research is to understand the meanings of certain events and conditions, as in the case of this study, qualitative research is more suitable (Tewksbury, 2009; Cresswell, 2009).
4.3.2 Data Collection: In-depth Semi-Structured Interviews

In qualitative research there are several methods of collecting qualitative data such as focus groups, depth interviews, observation, and accompanied shopping (Ryan, 1999). However, interviewing is probably the most popular technique in academic qualitative research (Lee & Lings, 2008: 217; Ritchie & Lewis, 2005). In this study semi-structured in-depth interviews are used as the principal method for data collection, in line with much of the KAM literature (Stevenson, 1980; Pardo, 1997; Ryals & Rogers, 2006; Ryals & Humphries, 2007; Ryals & Holt, 2007; Zupancic, 2008; Lacoste, 2011; Pardo et al., 2011; Natti & Palo, 2011). This decision was taken for five main reasons.

First, the interpretivist epistemology of the research shows the concern of the researcher to understand the meanings that respondents ascribe to KAM and relationships, which can be obtained through in-depth semi-structured interviews. In addition, the opportunity to clarify information, ask for elaborations and probe these meanings through semi-structured interviews adds significance and depth to the data obtained (Saunders et al., 2007). Secondly, the semi-structured nature of the interviews allows for consistency in data gathering procedures and facilitates systematic analysis of the data (Bryman & Bell, 2007; Bryman, 2004).

Thirdly, in-depth semi-structured interviews can be very helpful in gaining deeper and new insights into KAM, and in understanding the relationships between variables, investigating underlying issues, and discovering complex interconnections in social relationships (Robson, 2002; Saunders et al., 2007). The in-depth interviews will also
yield rich and detailed contextual data that is important for the inductive and exploratory research design (Marshal & Rossman, 1995).

Fourthly, in-depth semi-structured interviews may result in discussions into areas that have not been considered by the researcher before, which may be significant for the researcher’s understanding and for addressing the research question and objectives (Saunders et al., 2007). Fifthly, the researcher is familiar with Arab culture and therefore it was anticipated that managers and other staff in Arab enterprises would be reluctant to reveal sensitive information or disclose their opinions or feelings freely to someone they have not met. The researcher also knows that special contacts should be made to gain access and to obtain the cooperation of respondents, in addition to meeting with them to build trust and rapport. Consequently, one-to-one, face-to-face interviews were seen appropriate to enhance the respondents’ cooperation and reduce their reluctance to reveal information.

The decision to conduct face-to-face in-depth interviews was further enhanced by the difficulties that were envisaged in using focus groups and/or observations. Focus groups were not seen feasible, for example, due to the difficulty in gathering the appropriate number of key account managers at the same time and in the same place due to their work commitments and time constraints. Similarly, the observation method was seen inconvenient because the respondents may feel uncomfortable to be observed, and hence they may act in an unusual way rather than act naturally. Also observation is very time consuming and requires the researcher to spend extended time in each organisation and this was not possible. Furthermore, it required obtaining certain permission which
was difficult to attain, particularly due to the privacy of some activities (Saunders et al., 2012).

4.3.3 Unit of Analysis

The unit of analysis is the key account managers’ (KAMgrs) perception of how the relationship works both from an internal and external perspective.

4.3.4 Selection of Jordan: The Research Country

Jordan was selected as the exemplar country for this study for a number of reasons. One main reason is because of Jordan’s strategic geo-political importance. Jordan is considered unique in terms of its inception and strategic position and location (Ali et al., 2001: 86). Jordan represents an ideal gateway to the Middle East and North Africa (MENA) region with a population of around 359 million people (JMG, 1995; U.S. Department of State, 2009; Ali et al., 2001: 86; Chaaban, 2010). Recent research confirms the importance of the strategic geographic importance of Jordan as Al-Husain & James (2009: 151) found that MNCs investing in Jordan consider Jordan to have a strategic and highly important position as it formed ‘footprints’ for them in the region and ‘…. the basis for market access and future operations and development in the area’.

Jordan also has strategic political importance as, traditionally, it has played an important role to Britain and later to the United States, as both the USA and Britain have relied on the Jordanian ruling family to help promote and implement Western strategic plans in
the region, and in return, both countries invested heavily in the Jordanian economic development plan in the region (Ali et al. 2001: 88).

Another reason is the attractiveness of Jordan to foreign investors (Dallas, 1999) due to: the hospitable environment to foreign direct investment (FDI) and international trade (Ali et al., 2001: 88); the major strides made in cooperation with the World Bank and the IMF in liberalising, privatising and deregulating the economy, and its success in the structural economic reforms made (IMF, 1996 cited in El-Said & McDonald, 2001: 73-74); the classification of Jordan as a front-runner country, as in 2004 Jordan was one of the five Arab countries (namely, Bahrain, Jordan, Lebanon, Qatar and United Arab Emirates) classified as front-runners, with high FDI performance and high FDI potential, according to UNCTAD index 4 (UNCTAD, 2006: 24); the joining of the WTO in 2001 and the signing of a number of trade agreements with for example, its largest trading partner the USA, Europe and other Arab countries to reinforce its globalisation plans (Anani, 2001: 163; www. State.gov); the highly skilled and educated labour force (El-Said & McDonald, 2001; Ali et al., 2001; Wilson, 1988); the relatively developed infrastructure and relatively well-developed banking sector, with the second most important stock market in the Arab World after Kuwait (Wilson, 1991: 3).

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4 Comparing their inward FDI potential and performance using the UNCTAD indices, countries in the world can be divided into the following four categories: front-runners (countries with high FDI potential and performance); above potential (countries with low FDI potential but strong FDI performance); below potential (countries with high FDI potential but low FDI performance); and under-performers (countries with both low FDI potential and performance).
Finally, the culture in Jordan can be seen as representative of the Arab Culture. Although the Arab World reflects great economic, political, and social diversity, there is a general consensus that the Arab nations are culturally homogeneous (Hutchings & Weir, 2006a; Yasin et al., 1989), because they are united by two fundamental cultural elements - language and religion. Indeed, the great majority of the population in the Arab World speak Arabic language, and more than 90 per cent of the population are Muslim by faith (Barakat, 1993; Abuznaid, 2006).

Jordan is an Arab country that is culturally, genealogically and economically linked to the rest of the Arab World, especially to the Eastern Part which constitutes of Yemen and the Arab Peninsula (currently known as Saudi Arabia), which is the cradle of Arabic language and Islam, and the land of the tribes that subsequently formed the Arab Nation/World known to us to date (Al-Rasheed, 2001: 28). Indeed, Tribes in Jordan are groups of related families claiming descent from two founding ancestors (Adnan and Qahtan) – the fathers of all Arabs who came from the Arabian Peninsula and Yemen (Pick, 1928). As a result, it is argued that Jordan shares basic and deeply-held cultural values and orientations with the rest of the Arab World, especially the Arab Gulf States, despite the fact that Jordan is not an oil-producing country and does not rely heavily of foreign workers as the Arab Gulf States do (Ali & Sabri, 2001: 108).

There is also a general consensus among management scholars in Jordan that Jordan is assuming a vital role in Arab economic and political transformation (Al-Rasheed, 2001). Thus, it is argued that because of its early implementation of privatisation and emphasis on service economy, Jordan can be a model for other Arab countries that
aspire to make economic progress (Al-Rasheed, 2001). Consequently, for the purpose of this study, Jordan is perceived to be important and representative of the Arab World, but it is adopting certain Western practices including KAM, which makes it a relevant area for this research.

4.3.5  Company Selection Criteria

Judgmental or purposive sampling was used to select companies that were expected to implement KAM formally and also to ensure the incorporation of both Western and Local companies in the sample, as ownership may be one of the contextual factors influencing the management of key accounts.

The criteria used to select the participant companies were:

- **Company Size** - Large companies with more than 250 employees, as these are more likely to have formal key account management programmes and structures.

- **Ownership** – Domestic (Local Jordanian; Arab MNC), MNCs and Joint Ventures, to account for the influence of country of origin, cultural and institutional factors.
  - **Industry sector** – Companies from different industry sectors were selected to account for the influence of industry sector on KAM relationships.
o The sectors selected included: IT (one company), Telecommunications (two companies), Banking (four companies), Manufacturing (one company).

Some access to the companies for purposes of the KAM research was obtained through prior official contacts of the researcher with gatekeepers and officials in marketing and HR departments, others through the researcher’s personal networks of social contact with senior managers and other officials. Other contacts were obtained during the field work period while in Jordan through similar means.

It must be noted that, although the main focus and the unit of analysis was the perception of key account managers about how the relationship with key accounts was managed, other interviews were carried with other members in the same organisation for three main reasons. First, the management of key accounts is ‘not a stand-alone activity in a company. Instead, it has to be integrated into the organisation’ (Zupancic, 2008: 325), and as such, a number of actors are involved in the management of key accounts. Secondly, knowledge of strategic issues and corporate KAM resides usually with senior management. This was obvious when key account managers were asked about transfer of practices and parent company KAM practices, which they appear to be not familiar with. Thirdly, for reliability and validity purposes, a number of respondents were asked about the same phenomenon (please see section 4.5.3 for more details).
4.3.6 Research Participants and Interview Protocol

In total, 50 semi-structured, face-to-face, open ended interviews were conducted with company managers in Jordan. It was decided not to pursue any further interviews, in line with the ‘theoretical sampling’ concept (Eisenhardt & Graebner, 2007: 27), after the 50th interview, because the research project has reached what was considered to be ‘theoretical saturation’ (Eisenhardt, 1989: 545). This stage was identified and reached when through the constant comparison of new and existing data, incremental learning and incremental improvement to theory were minimal as no new concepts or new information about the phenomenon was emerging, and existing categories and themes were being merely replicated. Thus, no new data was emerging regarding the categories and the relationships between the categories were satisfactorily delineated (Eisenhardt, 1989; Guest et al., 2006; Saunders et al., 2007; Cameron & Price, 2009; Kahkonen & Lintukangas, 2011; Brown et al., 2002).

Table 4.2 below provides a summary of the companies and provides the interview codes. The interviews were tape recorded where possible and lasted, on average, 30-90 minutes. More specifically, 50 interviews were conducted with respondents in supplier companies, 6 of which requested not to be tape recorded. However forty-four interviews were fully recorded, re-listened to and digested by the researcher to evaluate the quality of the interviews. After evaluating the recorded interviews the researcher verbatim transcribed and analysed interviews in groups of 10. This was part of the inductive process leading to the development of coded themes and directions for future questions with on-going interviews. In total thirty-nine interviews were fully transcribed and coded with the remaining five recorded interviews only partially transcribed because
they only contained minimal relevant data to the on-going coding and classifications. With the six interviewees that refused to be recorded, detailed notes were taken during the interview and used in the analysis. The majority of the interviews were conducted in Arabic. The interview transcripts were produced in English by the researcher who is fluent in Arabic and English languages. To confirm the accuracy of these transcripts, a sample of them was given to a bilingual person (fluent in Arab and English) in Arabic. This individual translated the Arabic into English for comparison to the original transcripts by two native English speakers. This confirmed the accuracy of the translation, as there was around 98% agreement in the translation.

In the supplier companies interviews were conducted with respondents from different levels and roles drawn from the companies to corroborate data and to ensure comparability, and to obtain depth of information. The respondents were directly involved with key accounts and in the development of relationships with key customers. The respondents included senior managers, key account managers, key account directors and sales managers. Details of those interviewed are presented in Appendix B.

<table>
<thead>
<tr>
<th>Company code</th>
<th>Industry</th>
<th>Ownership</th>
<th>Number of Interviews</th>
<th>Interview numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>W-LA</td>
<td>Heavy Industry</td>
<td>Western</td>
<td>8</td>
<td>1 – 8</td>
</tr>
<tr>
<td>A-ZT</td>
<td>Telecom</td>
<td>Arab</td>
<td>4</td>
<td>9 – 12</td>
</tr>
<tr>
<td>W-OT</td>
<td>Telecom</td>
<td>Western</td>
<td>12</td>
<td>13 – 24</td>
</tr>
<tr>
<td>A-AR</td>
<td>Financial Services</td>
<td>Arab</td>
<td>6</td>
<td>25 – 30</td>
</tr>
<tr>
<td>W-SG</td>
<td>Financial Services</td>
<td>Western</td>
<td>4</td>
<td>31 – 34</td>
</tr>
<tr>
<td>A-CA</td>
<td>Financial Services</td>
<td>Arab</td>
<td>4</td>
<td>35 – 38</td>
</tr>
</tbody>
</table>
4.3.7 Background of Sample Companies

**W-OT:** Originally a Jordanian state-owned utility company that held a monopoly in the telecommunication industry until the year 2000 when it was privatised through the sale of 49% of its equity shares to a consortium led by a French multinational company, which became the major shareholder with 51% of the shares in 2008. The company is a leading telecom operator (one of four Telecom operators) in the market that offers fixed, mobile, Internet and wholesale services. The company has around 2300 employees in Jordan, and controls around 34% of the telecommunication market in Jordan.

**A-ZT:** A Telecommunication company which was the first mobile operator in Jordan that began operations in 1997. Today the company provides Internet, mobile and integrated solutions services, and it is the leading Telecom operator in the Mobile lines services with 36% market share of the Jordanian telecommunication market. The company has around 1,000 employees and has around 6,000 employees worldwide.

**A-AR:** A pure Arab and the largest financial services provider in the Arab World. Today the company has over 500 branches and operates in over 30 countries worldwide. In 2008 it acquired 19% of Alwehda bank, Libya’s 5th largest bank that has around $3.85 billion assets and 20% of the Libyan market. The company has around 6,300 employees worldwide, and in Jordan around it has 2,800 employees. This financial services company is ranked the first in Jordan, in-terms of assets (23.89%), deposits (23.73%), and credits (17.32%).
**A-CA:** A Jordanian financial services company which was established five decades ago in Jordan to provide various financial facilities to its clients. Currently, the company has around fifty branches in Jordan and it is ranked 6th in the Jordanian market and ranked 7th in terms of deposits in amongst the other banks.

**W-SG:** A French global financial services firm which acquired a local Jordanian bank in 2003. Currently, W-SG owns around 86% of the bank’s shares. The company has around 161,000 employees worldwide as they operate in 85 countries. Currently in Jordan they have 16 branches and around 220 employees. By depending on their strong name in the international market, in 2010, the customer deposits in Jordan have risen (from $147.4mil to $228.5mil).

**W-HS:** A British global financial services firm which was established in 1889 in the UK, and has been doing business in the Middle East for many decades. W-HS Jordan has around 350 employees. Today the company operates in 87 countries and has a customer base of 95 million worldwide. It is ranked 5th in Jordan in terms of return on assets.

**A-ST:** One of the first technology companies in Jordan that was founded in 1989 and offers diverse IT solutions. The company formed strategic partnerships with leading global technology vendors, including IBM, Microsoft, Cisco, Sun, Hypercom and Dell. The customer base covers the main industries in the country, which include financial services, telecommunications, government sector, NGOs, oil and gas, pharmaceuticals, SMEs, education, and others. The company has over 350 skilled employees, and has established unrivalled experience in emerging markets. It has branches in Jordan, Saudi Arabia, UAE, Bahrain and Palestine.
**W-LA:** A heavy industry company operating in the quarrying, producing, and trading of cement and ready mix cement in Jordan and globally. The company was founded in 1951 in Jordan and was taken over by the French MNC which is the leading and largest Cement producer in the World. Currently, W-LA Jordan operates as a subsidiary of the French MNC and employees around 1,300 employees in Jordan. The company had a monopoly over cement production in Jordan and was Jordan’s sole producer until the second half of 2009 when Saudi competitors were allowed to enter the Jordanian market.

4.3.8 *Interview Topic Guide*

To give structure and guidelines to the interviews an interview topic guide was developed (Bradley, 2007). The topic guide was developed for companies that have KAM departments in their firms. The questions focused on the activities, resources and the actors involved in implementing KAM, the important elements that lead to successful management of KAM relationships, the objectives of KAM, and reasons for implementing KAM. Other background information included collecting information on participants’ experiences, educational level, training received. Please see Appendix C for interview topic guide.

4.4 *DATA ANALYSIS*

In qualitative data analysis it is argued that there is not one, clear and conventional way of analysing qualitative data (Robson, 2011), and that there is ‘no single agreed upon approach to qualitative data analysis exists’ (Ghauri & Gronhaug, 2005: 206). According to Sekaran & Bougie (2010), qualitative data analysis is relatively less
structured with less established rules and guidelines for data analysis compared to quantitative analysis. However, Miles & Huberman (1994) provide a general approach for the analysis of qualitative data. This is one of the most highly cited methods in the literature (Sekaran & Bougie, 2010; Ghauri & Gronhaug, 2005). Accordingly, Miles & Huberman (1994: 10) three steps of ‘concurrent flows of activity’ in qualitative data analysis are used in this thesis and these are: data reduction, data display, and the drawing of conclusions; as discussed below.

### 4.4.1 Data Reduction

Data reduction, also denoted as ‘data condensation’, is the first step of data analysis and refers to ‘the process of selection, focusing, simplifying, abstracting and transforming the data that appear in written up field notes or transcriptions’ (Miles & Huberman, 1994: 10), or simply it refers to ‘the process of selecting, coding, and categorising the data’ (Sekaran & Bougie, 2010: 370). Thus, the main aim of this stage is to shape and give meaning to the long transcripts that have resulted from the in-depth interviews (Ghauri & Gronhaug, 2005). This is an ongoing process that extends till the final report is completed, and involves data categorisation, coding and identifying themes and patterns (Saunders et al., 2007). Categorisation is the process of classifying or labelling units of data, which is usually conducted by qualitative researches during the process of coding. According to Spiggle (1994), the crux of categorisation is ‘identifying a chunk or unit of data as belonging to, representing, being an example of some more general phenomenon.’ (pp. 493). Hence categorisation is giving or naming instances in the phenomenon found in the data (Sakaran & Bougie, 2010). It must be noted that to keep the text in context and to enhance the understanding of the data, it was decided to avoid
utilising a qualitative data analysis (QDA) computer software package, because, and in line with Davies & Meyer (2009) and Jones (2011), it was considered to disregard the contextual base of interview statements in the narratives of lived conversations.

**Coding**

According to Ghauri & Gronhaug (2005), codes are labels to separate, compile and organise the data. These codes are later grouped to form categories and sub-categories (Robson, 2007). According to Robson (2011), many terms are used for codes like incident, segments, units, data-bits or chunks. The author goes on to note that the initial codes that have been formed need to be grouped together to form smaller themes and this should be main aim of the researcher which is to form themes (what goes with what?) from coding.

Strauss & Corbin (1998) distinguish three types of coding operations: open coding; axial coding; and selective coding. Open coding is the initial stage of the qualitative data analysis in which data is broken down into conceptual units and provided with a label. This process of coding produces concepts that when grouped in a later stage produce categories and themes – that is labelling the emergent concepts and grouping them into categories. Thus, open coding is about bringing out the theoretical possibilities in the data and it is concerned with generating categories and their properties (Robson, 2011; Ghauri & Gronhaug, 2005; Smith et al., 2005).

Axial coding is the next phase in the coding process after open coding, which is also known as theoretical coding. This stage is concerned with linking together the codes
that have been formed or emerged from open coding process into categories and themes, and the linking of the sub-categories with their categories – that is recognising relationships between categories (Boeije, 2010). Hence, the aim of this stage is to study the relationships that have emerged from the open coding process and to explore and explain the phenomenon under investigation that paves the way for theoretical development (Saunders et al., 2007). It must be noted that, according to Robson (2011), if the researcher is only concerned exploring or describing the phenomena being studied then this forms is the last stage in the analysis process.

Selective coding is the last stage in coding and it is the process in which categories are integrated and refined. This consists of developing theory to fit the data, as core categories theories emerge around which sub-categories may be organised to integrate the data and develop further theory. In other words, the researcher in this stage focuses on and identifies one central / core category in order to relate other categories to it. The core category is the main piece of analysis and consists of all other sub-categories that were formed from axial coding (Robson, 2011; Boeije, 2010).

It must be noted that categorising and coding may be conducted ‘deductively’, by, for example, locating passages that represent priori constructs, themes or ideas, or ‘inductively’ by identifying emergent categories from the data (Spiggle, 1994). Similarly, Robson (2011: 475) argues that thematic coding analysis can be used inductively where the codes and themes emerge purely from the researcher’s interaction with data. At the same time, the author maintains that it is also possible to start the analysis with predetermined cods and themes, arising from the literature review and
research questions the researcher interested in. The method that coding was applied in this study is shown in the section below.

4.4.2 Data Display

According to Miles & Huberman (1994), data display is the second major stream of analysis activity. The authors define display as ‘an organised, compressed assembly of information that permits conclusion drawing and action’ (Miles & Huberman, 1994: 11). Data display can take several forms such as extended text, matrices, charts, graphs and networks, and have data reduction implications. In this study, data is displayed by several means such as incorporating quotes by respondents and tables and graphs that summarise and illustrate the data.

4.4.3 Conclusion Drawing and Verification

According to Miles & Huberman (1994), the third stream of analysis activity is conclusion drawing and verification. ‘Conclusion drawing’ involves deciding what things mean, noting patterns and themes, explanations, possible configurations, causal flows and propositions, noting relations between variables, and making contrasts and comparisons. ‘Verification’ involves testing the meanings emerging from the data for their plausibility, their sturdiness, their confirmability. It must be noted that Miles & Huberman (1994) make the valuable point that the above three activities of analysis are integrated with, and not separate from, data collection, as shown in Figure 4.1 below.
4.5 DATA ANALYSIS IN THIS STUDY

This section describes how data gathered during the study was analysed including the themes that informed the analysis and the coding procedure.

4.5.1 Thematic Approach

A thematic approach was selected to explore the research questions. The interview transcripts were analysed based on the themes identified and investigated. The two main themes are explained below and are also shown in Figure 4.2.
The first theme focused on exploring the perceptions regarding the organisational aspects of KAM relationship management in Jordan - that is ‘the intra-organisational approach for managing the firm’s most important set of customers’ (Workman et al., 2003: 4). In doing so, it encompassed a consideration of three main issues. These were: the ‘Activities’ performed to manage the key accounts; the ‘Resources’ utilised in managing the accounts; and the ‘Actors’ involved in managing these accounts.

The second theme focused upon exploring the perceptions regarding the relational aspects of Key Accounts relationship management that affect the quality of the relationship and contribute to the effective management of key accounts. Issues encompassed in this theme included drivers of relationship quality, namely: trust, commitment and satisfaction.

Figure 4.2 Research objectives and Related Themes

This thematic approach was also followed in the findings and discussion chapters to follow.
4.5.2 Creating Categories and Codes, and Display in the Study

The first step of analysis started by creating a coding framework, at the outset of the fieldwork, which included development of an initial “start-list” of master codes and sub-codes (Miles & Huberman’s suggestions, 1994: 58), to denote segments of data, based on the findings of the literature review, the conceptual framework and the study’s research question. These master/top level codes were grouped under the two main themes of the research, namely: Formal Aspects of KAM and Informal Aspects of KAM. The detailed list of master codes and sub-codes is shown in Appendix D, where the first column has a short descriptive label for the general categories and the individual codes and the second label shows the codes (Miles & Huberman, 1994: 59).

The coding process continued after transcribing the audio tapes by verbatim style, where data was reduced by dissecting the transcribed text into manageable and meaningful segments with the use of a coding framework (Attride-Stirling, 2001), where codes and sub-codes were added to these chunks of text (Dey, 1993; Gubta, 1985 cited in Maykut & Morehouse, 1994). In addition to the start list of codes, other codes emerged from the data as expressed by the respondents to describe how KAM relationships were managed. Within this process, the analysis followed a constant comparative approach (Maykut & Morehouse, 1994, Smith et al., 2005; Gibbs, 2007), in the sense that as a new code (open coding) was formed from the data analysis, it was compared to the rest of the codes and subsequently grouped with the other categories and codes (axial and selective coding) that have similar codes of meaning (see figure 4.3 below). Throughout the analysis process there was space for continuous refinement, expanding and reducing of the codes, original categories are changed, combined or
deleted; new categories created; and new relationships are discovered. The researcher, for example, explored the relationship between the categories and linked a core category that was identified (e.g. Wasta) with the other categories that emerged (e.g. benefits of Wasta). Within this process, the different types of Wasta benefits were also coded and grouped under the main sub-category of Wasta benefits.

**Figure 4.3  Constant comparative method of data analysis**

More specifically, the data was coded using a manual system at a micro-level (line-by-line) to facilitate pattern coding, to become more familiar with the data, to identify key words and phrases and emerging concepts, and to discover the relationships among
concepts. This was also done by moving backward and forward between codes and through an iteration of the interview transcripts - reading and rereading the text (Miles & Huberman, 1994; Strauss & Corbin, 1998). Llewellyn (1993) calls this method of data analysis ‘hermeneutical’ manipulation (cited in Biggemann & Buttle, 2009). The rest of data analysis followed the same procedures. Thus, the open coding process was conducted through iteration of the interview transcripts, by reading and re-reading the transcripts, to identify the key words and phrases that resulted from interacting with the data. This method was followed through all transcripts.

During the process of data collection and analysis, these initial codes and categories were expanded and reduced inductively, as sub-categories and sub-codes were created, to take into consideration the other categories and sub-categories that subsequently emerged from the data analysis, and which they also fed into the themes. The relationships between the categories were explored and were mapped conceptually during the axial coding (Miles & Huberman, 1994). This process of coding and categorisation also led to the development of a revised list of codes to reflect the emergent codes and how they were grouped to form categories and sub-categories and how they informed the themes, as shown in Appendix E & F. Finally, in the selective coding process, the categories that were formed from the axial coding were integrated under a core category. The data were displayed using a number of matrices and networks.
4.5.3 Conclusion Drawing, Verification and Rigour

The data gathered upon the above themes was analysed by first analysing the interviews obtained from the different actors to draw conclusions, identify similarities and differences and to corroborate data for reliability and validity purposes, and to test and confirm findings. Data collected from documents, internet and other sources during the thesis, where possible, were also analysed and the results were used to test and confirm (refute) the conclusions drawn from the interviews. Thus, by the time the interviews in one company were concluded, a report was written based on the synthesis, corroboration and analysis of the data. This report was also given to the key informants in the relevant organisations, along with the conference papers that were presented on this research, which also helped in the triangulation of data and hence the reliability and validity of the study. At the same time, a database was created for the respondents and evidence from the multiple sources of information on the same topic, such as interview transcripts and internal documents, was synthesised and a chain of evidence maintained (Yin, 2003).

Secondly, evidence from the respondents in the different sectors were compared to identify the similarities and differences between them and to develop tentative or plausible explanations through a ‘replication logic’ (Yin, 1994), which also helped in confirming the identified emergent relationships and patterns, and this also further contributed to enhancing the internal validity of the study. Where differences existed these were analysed to identify the reasons and were also compared with the literature. Finally, the results and findings were linked with the original research questions and
compared with the extant literature, and hence, by this enhancing the generalisability to
theory of the research findings (Yin, 1994; Eisenhardt, 1989).

4.6 ETHICAL CONSIDERATIONS

In this study the ethical issues were considered where relevant to achieve the integrity of
this research and the disciplines required (Bryman & Bell, 2007). Ethics is defined as
“...the appropriateness of your behaviour in relation to the rights of those who become
the subject of your work, or are affected by it.” (Saunders et al., 2003: 129). In other
words ethics is about what people consider “ought” and “ought not” to do (Anderson,
2009). There are many ethical codes that are proposed by research committees (e.g.
Academy of Management; Market Research Society; British Sociological Association,
etc.), and though these codes are numerous, and overlapping, they can be summarised
under four main principles that should be avoided by the researcher (Bryman & Bell,
2007; Saunders et al., 2003; Anderson, 2009): lack of informed consent; invasion of
privacy; deception; and harm to the participants.

The above principles have been applied and taken into consideration by the researcher.
Firstly, the research was conducted in a conservative and in a high-context culture
(Jordan). Thus, to avoid harm to the participants, anonymity and confidentiality of the
participants were upheld in terms of their identities, records and accounts. Where
required, the researcher signed confidentiality agreement with the participant
companies. Furthermore, the researcher has assured the participants that before the
information gathered from the participants will be used strictly for academic research and not for non-research purposes. The researcher has also agreed that before publishing any of the material, a written report about the material gathered and analysis will be emailed to the participants to be reviewed and approved by them. In addition, to eliminate deception, the researcher explicitly communicated the objectives of the research and acquired the formal and informal consent of the participants. The access/consent letter is presented in Appendix A.

4.7 SUMMARY

Given that relationships are ‘social constructions, in this study a subjective/ constructionist and interpretive epistemological position was adopted to understand the phenomenon under investigation, namely relationships and how they are managed in key account management, which can be achieved from the interpretations of the individuals within a specific context. Accordingly, a qualitative research design was utilised to achieve the study’s aim and objectives. More specifically, 50 semi-structured, interviews were conducted in Jordan with supply side Key Account Managers, Key Account Directors and Sales Managers, from eight Western and Arab owned companies in, financial service, technology and telecommunications, and a further company in heavy industry for which there was no apparent multinational Arab equivalent was also used. On average the interviews lasted between 30-90 minutes. After collecting the data, transcribed scripts were organised and an inductive-based analysis procedure was followed together a thematic approach to explore the research questions. The coding process was based on three types, namely open, axial and selective under the themes
identified previously. In addition to the predetermined themes, the research took an inductive thematic approach to analysis where some themes and codes emerged purely from interacting with the data (Robson, 2011; Lacey & Luff, 2009).

As codes were developed through open coding process, the initial codes that were created from data were grouped to form categories and sub-categories to help inform the themes. These codes and categories were constantly re-visited and amendments were made where necessary, because coding is an iterative process the researcher had to continuously visit the data to enhance his understanding (Sekaran & Bougie, 2010), and to find the relationships between the codes in the axial coding process. The findings were compared for similarities and differences and tentative explanations were used to verify emergent themes. To ensure reliability and validity, data triangulation was used through multiple sources and a chain of evidence was maintained. Ethical issues were considered and maintained throughout the research.
CHAPTER FIVE: INFORMAL KAM RELATIONSHIPS

5.1 INTRODUCTION

This chapter reports the perceptions about the informal relational factors that contribute to the effective management of key accounts in an Arab context. Initially, the findings obtained regarding the antecedents of the relational factors, which stem mainly from Arab-specific socio-cultural factors, are discussed. The antecedents which emerged are: Wasta, Personal Characteristics and Similarity; and Social Bonding and Communication. This will be followed by a discussion of the informal relational factors that were found to represent the informal aspect of KAM and to influence the successful relationship management of key accounts, namely: trust, satisfaction and commitment. Finally, a concluding section draws together the key points emerging from the findings in this chapter.

It must be noted that based on the findings and categories that emerged from the data analysis, a conceptual framework was developed. This framework includes: the socio-cultural relational antecedents, the relational factors that represent the informal aspect of KAM; and the formal aspect of KAM. Both aspects are perceived to lead to the successful management of KAM relationship as manifested in customer acquisition and retention. The conceptual framework is shown in Figure 5.1 below. However, in this chapter only the relational antecedents and informal aspect of KAM will be discussed. The formal aspect of the conceptual framework, in the shaded box, will be discussed in the next chapter (Chapter six).
5.2 RELATIONAL ANTECEDENTS

Tribal traditions and Islam were found, and in line with the literature (e.g. Rice, 2003; Al-Omari, 2008) to be very important socio-cultural factors that influenced all aspects of people’s lives in an Arab context. However, it must be noted that tribal traditions and Islam appeared to be much more difficult to separate then the literature suggests as they each exert significant pressures of all aspects of the way in which business relationships function. Consequently, the interplay between them has an all encompassing effect.
leading to the relational antecedents discussed below under: Wasta; Personal Characteristics and Similarity; and Social Bonding and Communication.

5.2.1 Wasta

Wasta will be discussed under the following three sections: The Role of Wasta; Benefits of Wasta; and Distinguished Features and Developments of Wasta.

i) The Role of Wasta

The results show that Wasta has an important impact on the daily lives of Arabs and the way they do business, make decisions and interact with each other. This has been highlighted by the corporate credit officer at A-AC and the territory account manager at W-LA respectively:

‘...Wasta is always going to be present because it is the culture, and you know that we come from tribal background, so I don’t think it will ever dissolve from our country. We use it every day and deal with it every day.’ (37, A-AC)

‘...Wasta always goes into our line of work, you cannot avoid it because it is the cultural here.’ (5, W-LA)

Wasta may be best briefly described as personal connections and relationships. Wasta acts as an important medium to access decision makers in the purchasing companies, and it is imperative particularly when there is no prior acquaintance between the key account manager and the purchasing company. Wasta also plays an important role in creating trust, particularly with regard to new members joining an existing social network of relatives, friends and acquaintances. There is also a distinction needs to be made between having “Wasta” and having “A Wasta” – that is: “Personal Wasta” and “Intemediary Wasta”.
**Personal Wasta**

Having “Wasta” means someone with personal connections (ties with other members in a social network). This, for example, came out as an important recruitment & selection criteria of key account managers in Jordan, as highlighted in the next chapter. Thus, if the key account manager has “Personal Wasta” it means that he/she is well connected personally through a network of family/clan/tribe members or friends, who may be employees in different positions at government departments or other leading business organisations, and thus can facilitate the key account manager’s access to a number of benefits, including business opportunities as will be explained below in more detail. Thus, for example, if the account manager personally related to the key customers or knows the key customer through his kinship ties relations or friendship, then he/she acts as Wasta for his/her firm/the supplier organisation. This has been highlighted by the sales manager at A-ST:

‘...we see this every day in our business. The key customer will buy or give the deal to the account manager whom he has relationship with or from his own clan. The account manager may provide computers not better than mine, but the decision-maker is more comfortable to deal with an account manager from his own background because that account manager will not do something to let that person lose face with his own superiors’. (41, A-ST)

Clearly, the key account manager’s internal network depicted by his family and kinship ties acts as his personal Wasta that provides him with power, influence and information. Thus, personal Wasta of the account manager/top-manager can be seen as his bonding social capital because it occurs among homogenous population (Leonard, 2004), and is confined within a particular network which is usually his own family and friends (El-
Said & Harrigan, 2009). The way that an account manager can work as Wasta for his firm is shown in the following quote by the SME corporate unit manager at A-AR:

‘...we have to always expect that our resources in the company are not enough in reaching the customer. Hence, Wasta is a good idea, as the corporate relationship manager through his wider network can reach the customer, because his network becomes the bridge between him and the key customer to let him enter the company’. (27 A-AR)

Thus, the account manager’s strong personal connections put him in a better position to negotiate and give him a better competitive edge when interacting with the key customer and by this he becomes a strong asset for the supplier company.

**Intermediary Wasta**

Once employed, and in post, the key account manager’s personal Wasta may not be sufficient to access other purchasing organisations. Consequently, the KAMgr will need to use his/her social network to find “A Wasta” or a person to stand as an “intermediary” or introducer to the other firm and people in decision-making positions (the third-3rd party). Through other Wasta connections, for example, the Wasta intermediary can transfer trust to new members introduced through them (in this case - the account manager), and can help in encouraging collaboration between the business partners in the network, and in creating a platform for them to work together to expand their markets, and in this case Wasta acts as a bridging social capital (El-Said & Harrigan, 2009). This has been in highlighted by the strategic account manager at W-OT:

‘...sometimes we do not know who the decision-maker is in the purchasing company and we cannot find someone from our company that knows him. Hence, we rely on the good relationships we have with our customers to act as our Wasta, as they are also suppliers and have connections with various companies. Our customer phones the requisite
person in the purchasing company and the doors are open for us to do business’. (21, W-OT)

Consequently, the account manager will be under obligation to reciprocate this favour and to save the intermediary’s face – that is preserving the intermediary’s prestige and social status. The account manager can do this by keeping promises, showing respect, benevolence and loyalty to the key customer whom he was introduced to by the intermediary. Also the account manager will also be under an obligation to reciprocate this favour sometime in the future or when he is needed to the intermediary Wasta. How this works may be explained by the following quote by the head of enterprise sales at A-ZT:

I had customer who works in one of the government bodies in Jordan whom I served and I did a nice gesture with him once about five years ago. Because of that gesture I did, it paid off later, because when I needed his help in one of the governmental bodies, he helped me with it and instead finishing it in a week, with his help I did it in an hour’. (9, A-ZT)

In a similar vein, the corporate relationship manager at A-AR added:

‘... for example, a customer has helped us to reach a very important group and they have very strong presence in the market. So as a token of appreciation, we helped sort out some production and other problems with his IT system in his company, for free. This was well received and appreciated by him and also when he wants a letter of credit we give him the best price in the whole country’. (30, A-AR)

Similarly, the LCA head at A-ST highlighted:

‘...Wasta works like magic in any field. We grew up on the concept of Wasta. The other day one of our customers has a project and that project was evaluated by another company and they gave him a very high price. Our side of the evaluation said he did need to change anything it was just a minor change to his IT servers and that should do it. We saved him around 250000 JODs, which made him very happy and appreciated our work. The other day we needed something from customs agency, I guess it was some delay letting some of our products out, so we called him and asked if he could help, he immediately called the customs agency and they let our products go. What he did was
not of course worth 250000 JODs, but we have gained a good friend to our company’.
(43, A-ST)

Overall, and in both forms of Wasta is based on personal trust, face and reciprocity obligations, which also provide the basis for satisfaction and commitment to the continuity of the relationship. Often, the account manager’s network of relationships and connections is represented by family and friends who are his main source of Wasta and the bridge to other networks. Hence, any negative action by the account manager will have negative effect on his Wasta and his family’s reputation, which is very important to preserve in the Arab culture, and their future access to other resources and networks.
ii) The Benefits of Wasta

In this section the main benefits of Wasta for business and for key account management are discussed. These benefits are also summarised in Figure 5.2

![Figure 5.2 Benefits of Wasta](image)

a. Creating Trust: The results indicate that Wasta connections and personal social networks through family and friends that key account managers have play a pivotal role in establishing trust. The interviews show that the first strategy that key account managers utilise is their Wasta and family connections to gain access and establish trust with key customers. These people in the KAMgrs network can assist
directly by personally contacting the key customer, recommend and obtain access for the key account manager. This ensures cooperation, and provides the key account manager with leverage in negotiations and opens doors of trust and opportunities with the key customer, since the KAMgr has been referred to him/her by someone known to him. This shows how Wasta relations and connections, similar to guanxi, can be created through ‘interpersonal transfers of trust and relational ties’ as described by Peng & Luo, (2000).

Indeed, the family (clan/tribe) and kinship ties were identified by the respondents as the most important source of Wasta and most powerful social resource that they draw on to achieve their objectives. This has identified by the corporate relationship manager at W-HS who stated:

‘...in Jordan we always highlight the importance of family because you will find members of your family in the government, others have their own business, so we are all in a way know each other and linked together. Once you need help or a favour they surely will not hesitate to do that for you.’ (50, W-HS)

In a similar vein, the branch manager at A-CA also highlighted how Wasta is rooted in the family:

‘...the first people whom we turn to if we need help, is our family members. Like the other day I wanted to attract a new customer to the bank and he happens to be related to my wife, so I asked my father in law to introduce us to see if we can attract him to our bank. If you are lucky it might take you a week to make an appointment with him, but through family we met him next day and he agreed to do business with us and now he is one of our best clients’. (36, A.AC)

This confirms the importance of the family that is deeply rooted in Islamic values and tribal traditions and social system, which cultivate value systems that favour family members and durable kinship ties over all other social ties. Even when
mentioning that you come from a certain family or have ties with a certain family may open doors for the person. This is demonstrated by the following two quotes:

‘...The family names have a significant role in our business as it opens a lot of doors and helps in things like, for example, you meet a customer asks me about my family name, if he recognises the name he will ask me about someone form my family he knows and I will say this is my uncle/cousin, he will reply back; that this person is my friend or my wife’s cousin etc. Thus, the customer is willing to build relationship with you, even inviting you to dinner/lunch etc. in addition, the family names tells you how to deal with the customer and indicates their status and how wealthy they are’. (22, W-OT)

‘...The family Wasta plays a big role in establishing the relationship with key accounts. In fact, it is a pre-requisite for any relationship establishment particularly in the government sector. All Arab societies in general belong to a tribe, and we are here in Jordan are also tribal and people are related either through clan relationships or marriage relationship. Hence if the key-person or the procurement manager is from your tribe/family/clan he will want to help you because of this blood relationship that he has with you’. (44, A-ST)

Hence, as explained by the participants, the tribe and family approach and Wasta help significantly in establishing and creating trust and in maintaining the relationship. The government sector, in particular, is controlled by native Jordanians who come from known tribes and families who are often related to each other through blood and marriage and therefore they are loyal to each other. Thus, to be successful usually an account manager from these native Jordanian families will be appointed to manage the account as this is the only way to gain the trust and cooperation of the clients. Indeed, once the account manager mentions his family name he will be treated favourably and differently.
b. **Access to Decision Makers**

As mentioned above, Wasta acts as the medium to reach the key decision makers in the purchasing company, and in the Arab world it is significant to have Wasta to access decision makers, particularly when there is no prior acquaintance between the key account manager and the purchasing company. This makes it very difficult to approach the key customer with what may be termed as ‘a common practice in the West’ – that is, to phone up the company and book an appointment, and as stated by him ‘... this does not work in our country - it is simply a waste of time’. Accordingly, the account manager at A-ZT added that:

‘Personally speaking when a telesales person calls me to book an appointment or wants to sell me something I hang up immediately. I even tell the salesperson I am not interested, hence do not waste your time with me because I do not like this way of selling and the way the salesperson speaks to me. The regular way would be finding someone who can set up a meeting for me with him (the key person, purchasing manager, GM, IT manager whoever the decision maker is). Usually the best way is to find a Wasta to get in that company because he will be my reference and give me the opportunity to discuss my business proposition with the key person’. (10, A-ZT)

This has been also highlighted by the sales manager at A-ST who mentioned that the ‘conventional’ way of simply calling up and making an appointment is not operational in the Arab context. As such he stated that:

‘...I do not have a choice in who is the decision-maker in a particular company, and it does not mean that I would have prior acquaintance with all the requisite people, thus Wasta gives you the opportunity to know this person, the chance to discuss current or future business prospects, let him know about your company and its products. Thus, you need the Wasta to reach that person in charge’. (47, A-ST)

The above demonstrated that access to decision-makers and to the right people is so important in the Arab world particularly due to its centralised decision making which is represented by the one man at the top of the hierarchy.
c. **Business Facilitator:** The findings indicate that one of Wasta’s benefits is to facilitate business. At the intra-organisational level, and in order to increase customer satisfaction and to keep the key customer closer to the supplier company, the key account manager, the sales manager or even the Chief Executive Officer (CEO) sometimes may intervene on behalf of the key customer to expedite the processing of his request, and hence, acting as an ‘Internal Wasta’ for the key account. Doing so, makes the key account feel that he is important for the firm and would make him reluctant to switch to another provider because of the privilege that he receives through the Wasta connections that he has in the supplier company. The sales manager of the government and education sector at W-OT emphasised that:

‘Wasta does go into our work, such as a customer can call you for a particular matter and asks you to expedite the process on the line set up, although this is not in my line of work and it is the customer service that deals with such matters, but because he knows me and I know the technical people he calls me so that I can expedite the process for him. This way he feels that he is important and that he can reach top-level people in the organisation, and plus gets his work done. Hence this will make him think twice before switching to another company because there he might not have Wasta to take care of his business when he needs it’. (24, W-OT)

Moreover, some customers can act as Wasta (intermediaries) for other customers, particularly new customers to the organisation who are not familiar with the company’s system of doing business and procedures. Hence when a senior customer acts as the Wasta for the new customer to expedite his work, and the KAMgs and supplier company respond positively to that Wasta, they make both parties satisfied. The senior customer feels that he is important for the organisation and that his requests are considered and delivered and that he has not lost face with the new customer who has asked him to be his Wasta. The new customer, in turn, feels that he has been appreciated.
and that his work is done in the shortest possible time. To reflect more on this matter, the corporate relationship manager at W-HS stated:

‘...a customer called me the other day on behalf of another customer to ask me personally to be in charge of his account and to see to his needs as though I was looking after his own. So since he acted as the Wasta for the new customer, I have to be very cautious not to let him down, because if I do that then this means I acted disrespectfully and hence lost both key customers’. (50, W-HS)

The above quote also shows how **saving face** and **reciprocity** entail a strong social obligation to do favours for another person, by providing, for example, a scarce resource, or a service, is important for managing the relationship effectively. There is a strong moral obligation to reciprocate favours that have been obtained, and as such key customers can, in turn, also act as ‘External/Intermediary Wasta’ for the key account manager and the supplier company. The network connections that the key account customers possess can facilitate the work of the account manager in other organisations and gain him access in that or those firms. The supplier company has provided a type of privilege or unexpected service for the key customer, the key account feels obliged to return the favour to the supplier company/account manager and can act as the external Wasta for the supplier, and in this way the relationship process is also prolonged between supplier and the key customer.

The above demonstrates that Wasta promotes cooperative long-term relationships between the buyer and seller. Through internal Wasta the account manager can strengthen the relationship with the key customer by fulfilling his role as the ‘customer’s advocate’ (Bailey & Jensen, 2006), and also showing that the firm can provide a high quality and speedy service to the key customer which helps in
maintaining or increasing customer’s satisfaction and commitment. External Wasta, on the other hand, contributes to creating businesses opportunities and growth.

d. Providing Information & Intellectual Capital: the findings indicate that Wasta can be used to obtain private and confidential information and knowledge through interpersonal exchanges and interactions – thus Wasta can be seen as a source of intellectual capital (Nahapiet & Ghoshal, 1998; Reiche et al., 2009).

Thus, respondents explained that through their personal relations and Wasta connections they can get access to sensitive and highly important information on such issues as market trends, business opportunities and government policies. Providing ‘timely information’ to the account managers, for example, can give them a good direction on how to plan their future projects with key customers and how to benefit from this information. This has been outlined by the corporate relationship manager at W-SG:

‘...We have to always know what is going on in the market and try to find new business opportunities because this is one of our primary job tasks to follow up or find new leads. With having good Wasta connections with certain people in the market we can know when such opportunities will be available and try to benefit from them, like hearing when there will be change in government policies soon on a particular commodity or investment law, so we might share this information with our important customers to develop our business further’. (34, W-SG)

This has been also highlighted by the VP of large corporate banking unit and the key account manager at W-OT, where they highlighted the importance of Wasta in terms of private information and knowledge acquisition that can provide significant benefits to the firms. Thus, they both respectively noted that:

‘Wasta can do miracles. If you have the necessary Wasta you can find about a lot of things and get many benefits’. (25, A-AR)
‘...I discuss future projects with key customers when I visit them. Sometimes I have to lobby. When I was dealing with the government universities I had friends in the committee and they used to tell me what was going on. My role also is to give a competitive offer and know what the competitors are doing and know what the competitor is offering and therefore I have to present a competitive offer and build the solution around it. The relationship is so strong that they gave me the competitor’s offer and I took it by hand. (18, W-OT)

It must be noted, however, that the quality of the information depends on the strength of the ties between actors, as reflected in the following quote by the account manager at A-ZT who observed that:

‘...information is crucial in our line of business. So having a Wasta in the purchasing company can help in information sharing and sometimes sensitive information is being shared. The stronger your connections and Wasta the more information you can acquire and hence receive more benefits’. (11, A-ZT)

In a similar vein, the account manager at A-ST noted:

‘Because of the type of Wasta relationship I had with the customer, he gave me the price list of the other competitors and asked me to give better price than them instead of the deal going to them, which I did and I got the deal’. (39, A-ST)

The above shows that Wasta is a significant tool for information acquisition and sharing which can have positive implications on the supplier company. By having a Wasta the account manager or the supplier company can have a competitive edge in the market as they become aware of the opportunities before the competitors, and hence can be ahead of competitors in terms of planning and formulating the necessary strategies to sustain themselves in the market.
e. Problem solver and Risk & Cost Minimiser

The results indicate that Wasta can act as a business problem solver as it can remove the uncertainty or the ambiguity in the relationship process that can be a cause of frustration for the vendor firm, because it can save time and cost invested in the relationship. For example, the amount of time spent on preparing a business proposal and validating it can take an ample of time which can affect the firm’s business process and the time when to offer the service/product to the market, as stated by the corporate market manager at W-OT ‘to draft a contract for a customer and to validate it can take up to a month and this affects our time to market the service’. (23, W-OT). Thus, the risk of having to go through the hurdles of administrative work and then discovering that what has been done is not in accordance with the key decision-makers’ expectations or needs, can only result in incurring cost and loss of the business deal to competition. This can be minimised by having the right Wasta which will result in lower costs and higher probability in securing the deal. This has been outlined by the senior sales manager at A-ST:

‘...Knowing someone in the customer’s company or having a Wasta in that company can be a blessing for the account manager. From my experience sometimes you go into an X company to meet who is supposed to be decision-maker and you spent huge time negotiating and talking to that person and at the end you find out that he is not the right person to talk to, although his title is indicating that. So if I have the Wasta in that company I would know immediately where to go and how to reach the key-person and how to prepare the proposal and this way I have a better chance of getting the deal and not wasting time and effort’. (41, A-ST)

Moreover, the complexity of going into an organisation that has high hierarchal chain of command and various people that participate in the decision making process, may be simplified by having Wasta. Thus, by having a Wasta in such an organisation the account manager can save time and effort as he will not have to go through the long
procedures will not find out about information by trial and error, as he will be advised through his Wasta on who to approach and how to approach the decision-makers and will be able to find out the necessary information about tenders. This has been highlighted by the territory account manager at W-LA as follows:

‘...having Wasta in the customer company is a good thing, because the procedures can run smoother and you can find information quicker in that organisation. Rather than waiting to hear about competitors from the newspapers, you can know beforehand what are they bringing to the market, which customers they have met, their real capacity of production etc., hence, gives you enough time to do the preparation for it’. (5, W-LA).

Wasta can also be used to provide solutions to problems or impediments encountered by the supplier in his line of business. These impediments can, for example, be the removal of a supplier from participating in tenders because of not having the necessary specifications of his products. However, when Wasta is used, it can lead to a change in that particular specification to suit that supplier to make him eligible to participate in the tender as has been highlighted by the account manager at A-ST who noted:

‘...Let’s say you are a customer and you need a specific brand for your firm, and I do not have that brand but have something equivalent to it. Now if the customer has put that in the tender specification that I want X brand, there is not much I can do with that. However, if the Wasta kicks in, they can change the specification to what suits me and even if my price is higher I can still get the contract’. (39, A-ST)

In a similar vein, the sales manager at A-ST explained:

‘...For example, the customer requested 10 GB of ram and these 10 GB are expensive in my company, and you do not actually need that amount of rams in fact all you need is 6 GB of ram and this is what I have put in the tender to compete in the price thus Wasta will make him overlook the 10 GB and go for 6 GB of ram. Here Wasta solves the problem. They ignore this specification and not disqualifying me from the tender because I do not have that feature.’ (46, A-ST)
In addition, the findings show that, for example, when there are delays and delivery deadlines are not met, Wasta can stop the penalties associated with such delays or broken deadlines, and hence reduces the costs associated with delivery times. This has been highlighted by the strategic account manager at W-OT as follows:

‘Wasta is necessary to be used in the interest of the company. Sometimes, there are delays that happen due to unexpected reasons and we have signed contracts that can impose on us penalties such as fines. However, when we use the Wasta such a problem can be overlooked and these penalties are forgotten about and we keep going on not worrying about these penalties’. (15, W-OT)

The findings also show that Wasta can be utilised to acquire physical resources, such as production material, for the company, particularly when the company is not resource rich or when there are restrictions that can only be overcome by Wasta. For example, a company like W-LA which has quotas on cement production imposed by the government, faces difficulty in some cases in providing some merchants with extra cement quantities; hence the territory manager depends on using his Wasta connections to find the necessary quantities of the cement for the customer from other merchants. This has been highlighted by one of the territory managers at W-LA. Who noted:

‘...We have periods that we call high-season for cement consumption. The VIP customer can purchase 1000 tons daily in that season, which can deprive the other customers from their cement quantities. Sometimes a customer may need an extra load of cement that we do not have, so we use our Wasta relationships with the customers to find him that extra load, which can be difficult in that season but with Wasta we can accommodate the situation’. (4, W-LA)

The above shows that without the availability of the Wasta connections it would be difficult to manage and compete in the market, and sustain competitive advantage.
f. **Access to Business Opportunities:** From the findings it seems Wasta has a direct contribution in winning business. Apparently this is due to the fact that Wasta acts as the medium to reach the key-decision makers in the purchasing company and has in a way an influence over their decision making process, since they are usually attached to Wasta mediators emotionally or blood ties, hence it can provide a leverage in winning business. Overall, the findings show that Wasta can create business opportunities by acting as a hedge against competitors. The strong network of personal relationships, loyalties, reciprocity and exchange of favours that Wasta creates plays a significant role in impeding other competitors from acquiring or penetrating the customer base that the supplier has established. In fact, a key account manager or a senior executive with strong Wasta connections with the customer’s company can make it impossible for other competitors to approach that particular key account. This has been highlighted by the account manager at A-ZT:

‘...we do go into some tenders, and these tenders are important for us. However, the specifications that these tenders that we have are not exactly in-line with the products that we have, hence we try to use some Wasta here, to dictate the specifications in the tender to suit me to be able to compete. For example, if the tender is asking for X products and what I have is Y product then I can use my Wasta, to be more flexible in with that condition in the tender or add an additional specification that my company only has it, because otherwise if I am going to wait for the perfect tender it will never come’. (11, A-ZT)

Another key account manager in another sector explained how Wasta worked in his line of business and provided an example of an incident when he attended a meeting with his CEO, in which the key customer discarded the competitor’s offer for the sake of the Wasta who acted as a mediator and referred the CEO to the supplier company. Thus, the account observed that:
‘...I was in a meeting with my CEO with a key customer company, and because of the relationship they have, the customer opened his desk’s drawer and picked the other competitor’s offer and put it in the drawer, and assured my CEO that the deal will be going to our company as we have been referred to him by an important Wasta person.’ (18, W-OT)

Another strategic account manager from the same company and another senior manager from another company also confirmed how Wasta plays a significant role in creating business opportunities for them and in depriving others who are outsiders and not part of the network by stating that:

‘Because of the strong relationships we have with X key customer, and he has a distinguished relationship with the CEO of our company, he gave me the offer of the other company and showed me the specs and said do the same for me and I will give you the deal because I do not want your boss to be crossed with me’. (19, W-OT)

‘...The purchasing manager told me that even if our price is 20-25% more than the competitors they are willing to buy from us because of the person that was the Wasta in this deal and they trust him that we are up to the standards that he guaranteed and that he has done a lot of good deeds in the past with us.’ (40, A-ST)

The above shows how the nature of Wasta affects the relationship among buyers and sellers and how Wasta network which makes it extremely difficult for any outsider to penetrate this closed network even if they bring benefits to that particular group/network. This issue is further highlighted in the next section.

**iii) Distinguished Features and Developments of Wasta**

In addition to the above features of Wasta, two important issues need to be highlighted. **Firstly**, the findings indicate acquiring the business or the deal or any privileges depend also on the strength of the Wasta. This is true even when a competitor has better specifications in terms of their product/service, price or production capability, as due to
the Wasta intervention with the sales process the competitor with better specifications
criteria can be overlooked by the key customer, and instead give the business to the less
capable supplier with whom he has strong Wasta relationship. For example, the senior
sales manager at A-ST highlights the matter clearly:

‘...Company X has a relationship with company Y, or better they have a Wasta
relationship together, thus company X will give the business to company Y, even though
Y they may not have the necessary capability to manage the demands of the account and
company X knows that, but because of the that relationship the deal went to Y. Other
providers will ask themselves how on earth they lost the deal with the kind of
specifications they are providing, but I am not surprised if they did not get the deal. So
first know who you are dealing with and that person who is he affiliated with to avoid
the mishap in the future’. (44, A-ST)

Similarly, the effect of the strength of Wasta on who wins the business has been also
highlighted by the account manager at A-ZT who observed that:

‘...business in our country is personal and it becomes personalised by special
connections which you can call it Wasta. So based on the strength of that Wasta that
you have it paves the road for your business and helps protect your business from other
competitors. For example if my Wasta is strong with one of the customers, he will not
buy from another service provider because this will make him lose face with us and
affect our relationship.’ (10, A-ZT)

This has been also confirmed by the strategic account manager at W-OT who
highlighted the latest development in W-OT, and referred to the newest projects that
they had embarked on, and noted that:

‘...we have won one of the biggest bids in the company’s history, and to be honest we do
not have the capacity to handle such a project (manpower). But the Wasta relationship
that the head of the company has with the government has managed at the end of day to
close the deal. This is not something new here, it always happens’. (22, W-OT)

Apparently, even though the company does not have the capacity or the resources for
such big projects, however the Wasta relationship and the reputation of the head of
company has in the Jordanian society it managed him to close the deal with the key customer.

**Secondly**, it must be noted that, although Wasta may be considered by some people like Westerners and younger generations in the Arab world as unethical, it is still utilised due to its significance and organisations had to adapt their work ethics to incorporate it in their business dealings. For example, the findings show that some of the companies which have been taken over by Western MNCs, and some that are trying to apply Western principles, the concept of Wasta was unacceptable and strict rules were given against using or implementing Wasta within the organisation. Despite strict rules against using Wasta, it was still implemented to facilitate business and to manage relationships effectively with the key customers. The following quote by a territory manager at W-LA illustrates:

‘... the idea of Wasta in our organisation is completely unacceptable and we have direct orders not to use Wasta in our line of business....however, the other day one of our key customers went short of stock on cement and asked us if we had any remaining quantities that he can buy from us. Unfortunately we did not have any, so to help him out I started calling the other cement traders whom I have good relationship with and asked them on his behalf if they have any extra quantities that they can spare because if he asked them they would not give him, so I became his Wasta and was able to provide him with the necessary quantity of cement he was looking for...’ (6, W-LA)

The same territory manager added:

‘...We were given direct instructions not to dine or accept gifts from customers....however, recently, this has changed as the customers were feeling offended when we turned them down, .... and accordingly these rules were reversed or became more flexible as were encouraged to reciprocate and make closer relations with the customers through socialising with them.....’ (6, W-LA)
Similarly, in the banking sector it was claimed that Western banks tried to downplay Wasta. However, for example, when asked about the recruitment and selection criteria of account managers, the Wasta connections came out an important criterion. Also relations and personal connections with customers played an important role in gaining business for the banks.

The above clearly demonstrates that Wasta concept is central to doing business in the Arab world and in managing the key accounts effectively, and can provide the necessary competitive advantage element for the supplier to succeed in the market. Denying it and prohibiting its use completely is very difficult to achieve, and understanding what is means and how to deal with could be very helpful, particularly that it is a source of credibility and trust and commitment.

5.2.2 Personal Characteristics and Similarity

The results also show that the personal characteristics and similarity are important in strengthening the relationship. Thus, things like personality, honesty, benevolence competence, and first impression help in building trust and commitment.

First impression: first impression about the account manager was seen to play a prominent role in building the credibility and trust with the Arab customer. Thus, an account manager has to be very careful in terms of his appearance, the way he communicates and presents himself otherwise, he will have detrimental results if he uses the wrong approach, even not deliberately, which can inversely affect his efforts to
establish trust with the key customer. In relation to this, for example, the credit officer at W-SG noted that:

‘...Remember that we are Arabs and if the key person gets the wrong idea about you from the beginning it will be very difficult for you to gain his trust. I do not say you will not do mistakes, but it will take you very long time to gain that trust back, and in some cases you will not be that lucky to gain that trust.....Mistakes can happen but with the Arab customer it might be the only chance you have to build the trust connection’. (33, W-SG)

It was thus perceived that the account manager has to behave in a certain manner to establish the trust element with the Arab key customer, because his behaviour will give the primary indication of his ability to deliver of what he says to the key account, and whether he has a nice personality that is easy and pleasant to deal with. This behaviour includes showing good knowledge of the product, explicit and clear communication, listening well to the customer, using the right body language, smiling nicely, standing up and shaking hands to show respect. The qualities necessary for creating a good first impression are outlined in the following quotes by the business account manager at W-OT and the account manager at A-ZT, respectively:

‘...The first impression is very important in our business, because it helps in building the trust and this is shown in the way we speak, our body language, eye contact establishment, from these behaviours you can know if the person is trustworthy or not.’ (16, W-OT)

‘...The way to make good first impression is to present myself and my company in the best possible manner, particularly when you show good knowledge of your goods, and to know the right moment when to talk and when to stop and how to talk and communicate explicitly what I am offering them. With such behaviour I can establish trust with the key customer’. (11, A-ZT)
However, acting in an arrogant manner and giving the impression that the key customer needs the account manager rather than communicating the message that ‘we need each other’ will be very harmful for the account manager, as stated by the corporate sales manager at A-CA:

‘...we try our best to communicate the message to the customer that we are here to serve you the best way we can and we are not doing you a favour when we give you funds like the other banks do when a client goes to them. We show them that their contribution is also important.’ (38, A-AC)

Similarly, the sales manager at A-ST highlighted:

‘...being arrogant will not get you far. The customer has to feel that you are his partner and you are willing to help any way you can. You might have the best product in the market, but that’s not enough to keep the client, so the customer has to feel that he is your partner and you are contributing both into the project’. (47, A-ST)

Hence, the account manager showing-off that he is working in a prestigious company and that the key account is not important to the supplier organisation, can be one of the worst mistakes that the account manager makes, and according to the sales manager at W-HS ‘if you give that first impression you lost the deal before starting’. (49, W-HS).

Hence, it is very important not start off on the wrong foot with the key account, as this will have negative implications on establishing trust.

**Liking & Personality:** The results show that liking the account manager is also important for the establishment of credibility and trust. This has been highlighted numerous times by the account managers in the various companies. It also seems that the liking element is linked with the ‘personality’ of the account manager. For example, the major account manager at W-OT emphasised the importance of the account
manager’s personality in the relationship with the key account and the influence it had on the flow of that relationship, where liking the account manager’s personality can help in removing some of the hurdles in the relationship and can help in developing the relationship, such as enhancing trust, cooperation and exchange of information. He reflected on his own experience and noted the following:

‘...The key customer did not like the account-manager assigned to him so he asked the management to change the account manager, and they assigned me to his account. I believe that I was the right person because I can feel that he likes me and likes to discuss issues about work and other personal issues with no reservations. Because he likes me he trusts me and even shares sensitive information with me’. (19, W-OT)

A number of key account managers highlighted that personality plays a role in establishing the trust with the client and it has been underscored that personality is a ‘gift- either you have it or you do not’, and that not all account managers possess it. It was also pointed out that the account manager can be trained on personality improvement; however, his original personality will still have an effect on his behaviour with the key customer. To shed more light on this matter the corporate relationship manager at A-AR stated:

‘...In our line of work it is not easy to extract information from a client and particularly sensitive information regarding the clients business, it depends on the trust that we have, and this depends on your character and personality. If he likes your personality he can trust you more, and hence share that kind of information with you. Personality is important and not everybody has that. The more the client likes your personality the more he trusts you’. (30, A-AR)

The findings show that it is necessary for the key account manager to be pleasant, modest and have a respectful personality which can make the key account customer more comfortable to work with and encourage cooperation between the supplier and buyer. This has been highlighted by the large corporate banking manager at A-AR:
‘...The RM needs to have a nice, patient and pleasant personality in our line of work. If the key account does not sense that in the RM then he will be reluctant to work with him and cannot build the trust between them and may demand changing that person. This is an Arab thing, I mean he might be the best account manager but for the key-person if he does not like him, then that business relationship will not continue for long’. (26, A-AR)

The above clearly demonstrates that affection is important for building one’s credibility, and trust, and hence an important strategy for key account managers to apply.

**Honesty:** another factor which was seen by all respondents to contribute to credibility and trust is ‘honesty’ and ‘fulfilment of promises’ made to customers. Being frank and open about what can be offered and fulfilling ones promises and hence ‘honouring one’s word’ is considered to be very important to establish trust. Thus, for example, one strategic account manager when asked about the important factors in establishing trust stated that:

‘Firstly, what I promise I deliver, and secondly, I do not lie and be honest to build trust’. (15, W-OT)

The importance of honesty may be seen to stem from religious beliefs as in Islam to become a true Muslim you have to be an honest person (Abuzained, 2007). Consequently, the account manager tries to apply this principle in his interaction with the key customer by being honest in terms of what he can offer and achieve for the key customer in a realistic manner, otherwise, failing to do so can affect the relationship in a negative way, and subsequently lead to its termination, as is reflected in the following two quotes by corporate credit officer at A-AC and the outdoor sales manager at A-ZT respectively:
‘...You must be honest and deliver what you promise, and if you have a slight doubt of not delivering then do not promise at all’. (37, A-AC)

‘...To build trust with the customer you must be straight and frank with him and in what you are offering him and by manifesting to him that you can create value to him’. (12, A-ZT)

The importance of honesty for building trust with the key customers is also illustrated by the following quote by the corporate relationship manager at W-HS:

‘...Never lie. Always be open with your customer and when you give information it has to be accurate, if you do not know just say so. Even if another colleague says something different to the customer, for example the delivery will be after two weeks and you know it will take at least 3 weeks stick to what you know best. By following this approach with my key customer, I became his personal consultant to a point I was consulted in his entire business operations and in some occasions I have been asked to attend the recruitment process to his factory, and based on what I said the applicant was hired’. (50, W-HS)

In addition, to highlighting the prominent role that honesty plays in building trust and the relationship with key customers, it was also emphasised that giving promises or giving promises based on intuition can have detrimental effect on the relationship which can lead to the loss of the key customer to another competitor, as shown in the following two quotes by the corporate relationship manager at A-AR and the territory manager, respectively:

‘...We never promise something that we cannot deliver at A-AR. We are not even supposed to promise in the first place, because this is not our decision to make, but the funding committee’s decision to grant or not to grant the funds to the client. I can be 100% sure that this is a good client, however that alone is not enough to give a promise to the customer that he will get the funds, because the granting committee can see otherwise, and this will make me look bad, and affect the banks reputation and make us all look incompetent’. (28, A-AR)

‘Do not promise anything you cannot deliver, and do not even insinuate or say may be I can do it or I get it for you, because in our culture it can be taken as a ‘yes’ so you have to be cautious in what you say, since this can have unpredictable consequences and most probably will have a negative effect on the relationship’. (4, W-LA)
Moreover the corporate relationship manager at W-SG emphasised the entrapment that most account managers fall into when approaching the key customer through the ‘bait’ technique, by saying or twisting the information that would sound good to the customer to attract him to sign the contract, and then none of what was promised is delivered, which causes the account manager to ‘lose face’ with the customer, and adversely affects the reputation of his company. Thus, the corporate relationship manager observed:

‘...Some account managers try to manipulate the customer, by giving him false information so that he signs the contract. That’s cheating and one should never try something like that because our customers do have financial background and they can know if you are trying to cheat them. The customer can say yes at the beginning but he can use it against you when time comes. If it happens not only you lose the customer, but you have ruined your image in the bank, lost your credibility with other customers and affected the reputation of the bank, and customers do not to deal with banks with bad reputation. So always be honest.’(34, W-SG)

In similar vein, the sales team leader at A-ST added:

‘...Never go down the route of cheating your customers. Everybody in the Jordanian market knows each other, so if he is your key customer you have to be honest all the way with him and not to lie to him, and don’t be confident that because he is your customer he will not ask around about the product. If you say to him that I gave you the best price in the market then you better mean it, because if you said to him this will cost 1000JDS and someone else charged him 500JDS, no more trust is remained and your reputation in the market is ruined as well’. (42, A-ST)

Generally speaking, in the Arab world, being honest and trustworthy is very important as it is indicates loyalty and it may be considered more important than competency/credibility- doing the job effectively and reliably as emphasised in the Western culture. Honesty in the Arab world may be considered to be very important due to its religious value stemming from its association with the Prophet Mohammad
because he was described and well-known, not only by his own people/tribe but also by his enemies, and later on by the whole Islamic nation as: “Al Sadiq” (the Honest) and “Al Amin” (the Trustworthy/truthful). It is also linked with Arab cultural values of Honour and how a ‘person’s word is his honour’.

**Benevolence:** participants confirmed that another important factor that contributes to gaining customers’ trust and commitment is to make them feel that the account manager is going to act in their best interest. Of course this can be achieved immediately if the KAMgr is a relative and comes from the same clan or family, or a friend of the key customer because he knows that he will not be deceived due to family bonds, loyalty and face saving values. It can also be achieved by showing the customer that the KAMgr is totally on his side ‘*even against my company*’ and that he will be given the best offer, best product and best service. This concern for the customer’s interest should be clearly demonstrated and expressed and should involve showing willingness to fight for the customer and ‘*make him feel that you care for his interest and grief for his loss*’.

Thus, one of the salient constructs that appeared from the results is benevolence, which seemed to have a positive effect on building and maintaining trust and commitment. In the literature (Abosag et al., 2006; Sharma et al., 2001; Canning & Hanmer-Lloyd, 2001; Brashear et al., 2003), maintain that benevolence plays a role in building the affective side of trust. However, it seems from an Arab perspective that the emphasis on benevolence is more intense and that it is a central factor in building trust with the key customer. This may be because benevolence in the Arab world may extend to sacrificing one’s own interest as proof of friendship and loyalty. For example, in the Arab culture, giving away things, particularly precious things, is an act of generosity that is a source of pride and honour, while in many other cultures it is the acquisition of
things which is a source of pride. Thus, for example, the account managers must take
the extra mile of trying to convince the key accounts that they work for the customer
and not for the company as these quotes by the head of strategic accounts department at
W-OT and the corporate relationship manager at W-SG demonstrated:

‘...First, as a sales/account manager I have to convince the customer and make him
believe that I work for him not for [my company]. If I reach this point of trust and
comfort, a comfort zone let us say, if I reach it and play in the comfort zone and if I
have a seat in the comfort zone then any GM or IT manager or company manager will
come back to me and say what do you see we are missing, or we need this connection
how can we go around it?’. (22, W-OT)

‘...Like the other day, one customer wanted a loan, that loan has a high interest, now
from the bank’s side that loan type is more profitable, however when I explained the
matter to the customer and said you will be well off with another loan type, and saw my
persistence on it. So he agreed and he was so happy that I advised to do so. This is how
you build trust with the customer’. (32, W-SG)

This matter was highlighted by a number of account managers in various organisations,
who expressed that apparently the more the key account manager acts as the customer’s
advocate and the more his benevolence intensity towards the key customer, the more he
was trusted by the key customer and the more he was willing to cooperate with the key
account manager. For example, the account manager at A-ZT and the corporate
relationship manager at A-AR noted, respectively:

‘...The most important thing is that the customer must feel that KAMgr is on his side.
Always make your customer feel that you are with him against your company, this is
very important. Make him feel that you care for his interest and grief for his loss. But if
you act in an unconcerned way and keep telling him that this is the policy and the
process of the company, the customer can reach the CEO’s and the directors and
complain to them about you that you do not care for his interest, so in-turn instead of
being an account manager whom the customer likes, he will be complaining against you
to your managers’. (11, A-ZT)
'Trust means that the key customer feels comfortable with you, and believes that you are on his side, and not on the bank’s side. I have very good relationships with my customers to an extent I like them and care for their interest. I follow up always on my clients’ work to the point that my manager says you chase after your clients work as though they were own. When the customer feels that you are trying to do that, they appreciate it very much and they even trust you in every confidential matter’. (30, AR)

A point worth to mention, is that even though in some occasions the account manager cannot acquire or deliver what he is trying to advocate to the key customer, this does not lower the trust level between the account manager and himself, as he is fully confident that the account manager tried with sincerity to acquire what the key customer has asked for but due to lack of authority or lack of resources for that particular request he was not able to deliver. Hence, by showing that there is a good-will attempt and that the account manager is willing to take an additional step for his customer, even without success, this still will be well appreciated by the key customer who remains loyal to the supplier organisation and continue doing business with the company, and can even recommend their supplier to other customers.

**Similarity:** the findings show that similarity is important in the sense that the key customer prefers to deal with an account manager who comes from his background and from his way of thinking, and it seems that this is a cultural requirement. This has been highlighted by a number of sales managers and account managers as follows: If a key customer is dealing with an account manager who comes from his background, religion, and from the right clan, he is more willing to do business with him. He will trust him and will be more comfortable in interacting with the account manager. By contrast, key customers may be anxious or wary of unknown ‘outsider’ account managers and somewhat uncomfortable with interactions with them. This may result in terminating
the contract and moving to a different supplier. This is reflected in the following quote by one of the senior sales manager A-ST:

‘Coming from the right family definitely plays a role, even your nationality (native Jordanian or Palestinian-Jordan), and religion can matter for the customer. For example, some customers we have dedicated specific account managers for them like the army, they require people from a special background and clan, so that they are more comfortable in dealing with them, this is one phenomenon that you would expect in Jordan and other Arab countries’. (44, A-ST)

In a similar vein, one of the senior managers at A-ST noted:

‘...Religion is also an important criterion ...for example, if the key customer happens to be a sheikh (Islamic religious man) then I send to him a religious Muslim salesperson and if that key customer is Christian then I send to him a Christian salesperson. I am not being racist or discriminating, I have salespeople from both religions, and I get along fine with them. It is just human nature we have in our community. For example, I would not send a Muslim salesperson to a missionary school, I have a Christian saleswoman and I send her to that school to close the deal and if she needs any help and support from me I am willing to provide her with that, like if she needs to do the visits with her or to empower her in front of the school I am willing to that. Unfortunately, this type of things is present in our community, and the reason is our culture...’. (40, A-ST).

The ethnic origin, family and religious belief seem to play a strong role in the development of the perceived identity of the interacting parties. This in turn plays an important role in the development of actor bonds, trust and business relationships. This is something very well understood by management and it incorporated in their strategies. Thus, similarity between the buyer and seller seemed also to be an important factor in creating trust, satisfaction and commitment.

5.2.3 Social Bonding and Communication

The results show that personal relation, friendship and involvement in a relationship are very important for the successful management of key account relationships. What
appears from the interviews is that key account managers need to establish social bonds and personal relationships with key customers first before conducting any business. Indeed, the main role of this personal relationship seems to be to build trust, which is a pre-requisite for any business transaction and any business relationship in the Arab world. It is pointed out by respondents that personal relations govern the work culture in Jordan which is a cultural thing in the Arab world. Thus, for example, the sales manager at W-HS and the territory account manager at W-LA, respectively, noted that:

‘...because the personal relationships is what builds the business for you and establishes trust with your customers. If there is no trust then there is no business’. (49, W-HS)

‘...Personal relations govern the work in Jordan - it is the culture and it plays a big role in terms of the employee’s evaluation and in terms of developing the relationship with the key customer... we build good relations and personalised relations with all of our key customers. That’s what we aim for and look for. We become friends with the customer to the extent that if there is a competitor they will tell us about him...’. (6, W-LA)

The conception is that you need to build trust in at the personal level and become intimate in the relationship to the extent of sharing private and personal issues. Once this has been established then business will follow and can be seen an extension of this personal relationship. As explained by national sales manager at W-LA

‘Trust is a very essential element in the relationship with the key customer. If he trusts you with his “personal life”, then he will trust you with his businesses’. (2, W-LA)

Thus, without personal relationships we can say that there is no business in an Arab context. Arab world is that “relationship is business”, because this entails obligation and commitment and hence a duty to avoid any opportunistic behaviour and to reciprocate favours. A customer, may be willing to buy form you just because of the personal
relationship and to return a favour. Hence, the LCA sales manager at A-ST and the senior corporate relationship manager at W-SG noted respectively:

‘We are in the IT industry and you cannot depend on your knowledge only to be able to sell. You have to have personal relationships to be able to sell even if it is a sophisticated solution and the customer does know what this means, but because he has this personal relationship with you he is willing to provide you with a favour and buy the product’. (45, A-ST)

‘If my interaction with the client is solely based on business then it would be difficult to build trust and it will take a longer time to develop the relationship with the client. It has to be on friendship style and the customer needs to really feel that I care for his interest’. (31, W-SG)

In a similar vein, the branch manager at A-CA observed that:

‘...In principal our business in the financial sector depends on the personal relationship with the client and not business relationship. The personal relationships are what make the business relationships succeed in our country.’ (35, A-AC)

A number of tactics and ways are utilised to establish this level of personal relationship and hence trust and commitment with the key customer. The first thing is that in the first and initial meetings account managers may try to avoid discussing business directly, or offer help and assistance to the key customer, and talk about general things and issues that make them closer to the key customer. So the strategic account manager, for example, at W-OT noted:

‘...So when we get there, the first visit may be very formal, the second visit might be less formal until it becomes informal and it becomes personal’. (20, W-OT)

The second tactic is by showing concern and care for the well-being and interest of the customer. Such feelings are very much appreciated in the Arab culture and create a
sense of obligation towards the other personal who is perceived to who care and concern. Thus, the corporate relationship manager at W-HS observed respectively the following:

‘... I try to show the key-person that I care about his work and that our relationship is not always about business. This way he appreciates me more and becomes more motivated to trust me further. For example, he can call me and ask me for a personal favour and I will tell him that I will try to sort it out, now if I am able to do it that’s great, however, if cannot do it then I have at least showed him that I have put effort to do something for him, and in this way he even trusts you more and still will be willing to do business with you’. (50, W-HS)

‘...an account manager should have personal relationships with the key customer. When the customer refers to you even in personal matters for advice he will surely refer to you his business, ask you what choices to make or what suggestions I can give him, what is the best advice to give to serve his interest. This way you build trust and you make the key customer very happy and you can also benefit from his network in the future’. (10, A-ZT)

Thirdly, the account manager keeps in touch and in continuous contact with the key customer through frequent contact and communication, through different means such as phone calls, visits and emails, as well as going to social and private events such as funerals, weddings and religious occasions, and making courtesy gestures on special occasions by sending cards on birthday occasions and flowers in weddings and so on. Frequent contact and deep personal involvement with the key customer even with personal issues builds trust and commitment and strengthens the relationship, to the extent that as described by of the corporate relationship managers at A-AR ‘if the customer sneezes I have to get involved’ (30, A-AR). This is also reflected in the following quote by the territory manager at W-LA stated:

‘...I need to contact the customer that often to strengthen the relationship between us, and to make the customers feel and see us as their partners and friends. When the customer sees this kind of attention and constant contact with him this makes him feel
that he is important and that we are always there if he has any problems....we try to build friendship relationship and consider ourselves as friends’. (7, W-LA)

Similarly, the corporate relationship manager at W-SG emphasised the importance of personalising the business relationship with key account to make it more of friendly to enhance the commitment between the two parties, as it is considered that focusing only on business does not make the Arab key customer committed enough to the supplier. To highlight this matter further the corporate relationship manager at A-AR noted that:

‘...To make the customer more committed, I need to make him feel that he is a friend rather than just a customer. So I try to socialise with him and even go to his special events. The other day I visited one of my important customers in the hospital together with my manager and chatted with him for two hours. This made him so grateful that we came and visited him in hospital. This makes the customers committed because of the personal relationship that we built with them’. (28, A-AR)

In a similar vein, the outdoor sales manager at A-ZT explained the importance of frequent interaction, particularly at social occasions with the key customer to strengthen the personal relationship and hence their commitment to the relationship and explained how a small gesture by sending a birthday card can make a lot of difference, and maintained that:

‘To build commitment with the key customer you need to make good relationships with him. On occasions, it is a good idea to send an e-card, or email if it is the customers birthday or other occasions. For example, one of my KAs had a birthday party coming up for her son and she is one of our top customers and we have good relationship with her and she mentioned to me in the past that her twin sons birthday is on a particular date, so I noted it in my diary, thus on that day I sent her an e-card and called her up to say happy birthday. This gave her a lot of joy because I remembered the birthday of her sons. Now we have a very personal relationship to an extent she calls and checks on me how life is treating me etc’. (12, A-ZT)
Staying in contact with the customer and communicating with him/her not only business purposes but socially as well to maintain this trust and commitment is very important, as it may be seen as inappropriate or even insulting if you only contact the other person, in this case the key customer, for business only, particularly that some personal relationship has been established between the key account manager and the key customer. Thus, the sales team leader at A-ST noted:

‘As sales, we aim to reach a high level of relationship development with the customer. Most important is the after-sales period, never disappear after you do the sale because then you cannot build the commitment. Keep the follow-up through calling the customer, but not calling him to ask him about business, but asking him about how he is personally; otherwise he will stop respecting you. If during that call he mentions business then it is fine to discuss it. Always make him feel that he is important to you personally and if there is anything you can help him with express it to him. When he feels that he is the centre of your attention then he will be committed to you more’. (42, A-ST)

Also the corporate market manager at W-OT stated that one of the main pillars in building trust with the customer is that the customer is ‘getting to know you better’, and this can only be achieved by the frequent interaction between the account manager and the key customer. It was perceived that the account manager should strive to put more effort to go and see the customer whenever possible, not only for doing business, but also going there even for a ‘cup of coffee’, because this approach carries a lot of meaning and value in the Arab culture as it is an expression of friendship and esteem, which is appreciated more by the Arab key customer, and influences and maintains the trust between partners in a positive manner. Thus, the corporate market manager stated:

‘...Trust is built by constant visits to the key customer. We have a number of KPI (key performance indicators) for visiting the strategic accounts that the account manager much achieve including the CEO as well. So by visiting the customer on constant basis trust develops because he gets to know you better. Your visits or follow-ups does not necessarily have to be related to business, even going there for a cup of coffee is
appreciated by the customer because you show him that you respect him and it is not always about business if you want to interact with him. This way you build good relationship and the trust even more’. (23, W-OT)

Fourthly, the account managers make themselves available to the key customer all the time and keeps all lines of communication open with the customers even on holidays and after work hours. This means combining business life with personal life and not making any division between private and work lives. In relation to this, for example, the senior corporate relationship manager at W-SG emphasised that it is not possible to separate between business and personal life in the Arab world and noted:

‘...In our Arab countries there is no such thing as I work from 8:30am-4:00pm [official working hours] and after that I do not pick up calls or do any work. This is not acceptable and if you do that with a big customer then you have insulted him and this can cause problems to you with the management. I sometimes receive calls on the weekends late at night from customers asking advice about banking. Probably the only place on earth you will find this is in our countries’. (31, W-SG)

Similarly, the territory manager at W-LA explained the importance of being available to the customer at all times and not turning down any communication with him/her even on the honey moon and observed that:

‘...I was in my honey moon and one of my important customers gave me call, asking me if I can help solve a problem for him. He knew that I was in my honey money and he still called, so I had no choice but to solve the problem for him. Now because he is not only my customer, our relationship has evolved more of a friendship type hence when I solved the problem for him he felt very grateful. This carries a lot of meanings in our society, and it builds very strong bridges of trust and commitment between us’. (4, W-LA)

The above clearly shows that in an Arab world one cannot separate “work” and “play”. The business partners must also be part of one’s social circle, otherwise business is difficult to achieve. The above also demonstrates the significant of the role of personal
contacts, and how difficult it is to get decisions based on impersonal relationships, and there is a greater emphasis attached to maintaining and developing relationships than in the West. In a similar vein to the business norms in China, Japan and Korea, it shows the importance of “After-hours socialisation” (Usunier & Lee, 2005: 464), which represent important mediums for meeting, negotiating and convincing key decision makers in a friendly and socially more comfortable and convenient ambience.

It must be noted also, as alluded to earlier, that the close friendly relationship with the key customer and his fear of “losing face” in case he switched to another provider increases the key customer’s switching costs and enhances his social and moral obligation to the supplier. This is something that is morally highly valued between the exchange parties in the Arab world. Thus, one of the sales managers at A-ST stated that:

‘...Because of the friendly relationship that develops with the key customer, the customer is further committed to the relationship and he would be giving a priority to his partners over the competitors. Because of that moral obligation and the fear of losing face with his friend (the account manager or the CEO) this can block other competitors for stepping into our territory’. (46, A-ST)

Similarly, the SME unit manager at A-AR explained how social and moral commitment and the fear of losing face with family and friends also prevent key customers from switching to other suppliers, and maintained that:

‘...When you build good relationships with the customer and there is that human side of the relationship not just business, the customer is more committed to you, and is willing to preserve that relationship because he is comfortable with you, and that’s why he can be reluctant of switching to another provider’. (27, A-AR)

Thus, despite of the importance of the economic factors such as quality, efficiency, speed of delivery and so on, in creating trust, satisfaction and commitment, the data
suggests that these economic/performance-based factors may be considered as secondary compared to the affective/emotional factors. This is because buyers with stronger personal relationships that are characterised by trust, social bonding and obligation due to tribal/bloodline ties and friendship ties will overlook the economic gains or penalties and be more flexible in the relationship due to their commitment at the personal level. In relation to this, for example, the national sales manager at W-LA noted that:

‘...You can have a contract with the customer and, because of the relationship that you have with him and of course if you have Wasta as well, if you are late in your delivery the customer can overlook it and he will even the cancel the penalties associated with the late delivery with no problems at all’. (2, W-LA)

Similarly, the head of enterprise sales at A-ZT observed that:

‘...I told you from at the beginning of the interview that our country is built on personal relationships and that these relationships govern our way of life. For example, sometimes we may have some problems with deadlines however; because of these personal relationships with the strategic customer he does not raise or stress the penalty issue stated in the contract because of that delay’. (9, A-ZT)

Although, in the Western literature there is the concept of ‘relational contracts’ (Macciavello & Morjara, 2009) and this might be seen similar to the Arab personal relationships style, however, relational contracts are often based on the expectations of uncontrollable circumstances that partners will face during a business journey to resolve business conflicts with the least cost on trading partners (Hviid, 1999). Thus, this underscores the notion in the western commercial world that there is no ‘buddy buddy business’ (Rowlinson & Cheung., 2002; Rowlinson & Cheung, 2004) and even for what is considered to be an affective relationship like relational contract it is highly influenced by the economic and cost-cutting side of business.
However, from an Arab perspective the emotional side of the relationships built upon affective trust and commitment might weaken economic/hard side commitment to the relationship due to the importance of personal relationships and social bonds in the Arab world. It also shows that the social context in which a relationship is embedded is a very important factor that influences the nature of the business relationship and commitment between the exchange partners in the Arab world, and that the Western concept of “business is business” is hard to apply and sell in Arab context because of the importance of the existence of the human/personal side in any business relationship.

5.3 INFORMAL ASPECTS OF KAM

The findings reveal three interrelated relational factors that were considered important for managing key accounts successfully. These three relational factors that influence the success of the relationship are: Trust, Satisfaction and Commitment. More specifically, the findings and the way that respondents perceived and discussed these relational constructs suggest that commitment and satisfaction are inter-wined, while trust is separable and precedes the other two relational factors.

Based on this these relational factors are discussed below under the following two headings: the role of trust in developing satisfaction and commitment; and customer satisfaction and commitment.

5.3.1 The Role of Trust in Developing Satisfaction and Commitment

Trust was seen as the most significant driving force for establishing and developing the KAM. Trust was perceived by the respondents as ‘being frank and honest’, as ‘fulfilling
promises and obligations’, and as ‘never cheating the customer’ (5, W-LA). For example, the sales manager at A-ST defined trust in the following way:

‘Trust means whatever I tell you- you believe me. You are sure 100% that what I say to you is right and correct, and there is no dishonesty between us.’ (45, A-ST)

Indeed, it was considered that the first step and before conducting any business, trust must be established between the buyer and seller because it is a pre-requisite for any relationship to progress. For example, the sales manager at W-HS pointed out that: ‘To have a relationship with the key customer you need to establish the primary element which is trust’. (49, W-HS)

In a similar vein, the territory Manager at W-LA emphasised that trust for Arabs is essential in any business relationship and it is considered to be an antecedent for any relationship to progress, and hence the focus should be on establishing and nurturing trust. Thus he added the following:

‘For Middle Easterner Arabs trust is essential. I would say trust is 90% of the relationship, and 10% is to use your knowledge to develop the key customers business. Without trust there is no business.’ (7, W-LA)

Consequently, it was seen that one of the major objectives for account managers is to establish and build trust with key customers, and hence needed to seek all possible means to establish this goal. To underscore this matter more the outdoor sales manager at A-ZT has stated:

‘…the main issue here is how I am going to gain key-persons trust so that I can do business with him, and this can be a problem.’ (12, A-ZT)
The above is also linked with the fact that trust in the Arab world is ‘personal’. This means that trust is usually established at the personal level first before being established at the organisational level. One reason for this may be because in the Arab world business is ‘personal’ and is done with a trusted person and not with the organisation as in the West, as Hofstede, (1994: 50) argues, and as this quote by the corporate sales manager at A-AC reveals:

‘.....in our country, the clients do not recognise the bank, that is they are not dealing with an establishment called X bank, but they deal with particular people inside that bank, hence the bank is represented to them by the person who deals with them, so you will hear this a lot- ‘I don’t know the bank, I know you’. Because of this if he does not like and trust the relationship manager then he will not do business with the bank.’ (38, A-AC)

Similarly, the business account manager at W-OT highlighted that a major reason for winning business is the personal trust that the key customer has in the account manager and hence the assurance that he will not be deceived by the key account manager. This personal trust, in turn, can contribute to the client’s trust in the organisation. Thus, the account manager further explained that:

‘A key customer terminated his contract with another provider just because he knows me and he has utter trust in me and that I will never deceive him with any product or any offer that I will provide him with. Because he knows me personally and we have trust between us the customer came to perceive that my company is better for him in every service’. (16, W-OT)

Thus, for the account manager an important part of his role is to establish trust with the key customers to satisfy the customer and generate his commitment, and hence to succeed in managing the KAM relationship, as failing to do so may have detrimental effect on the business. In relation to this, the corporate relationship manager as W-HS while explaining the role of personal trust observed that:
‘...when I first started to work at the corporate department and took over from the previous relationship manager (RM), the business did not improve and the number of customers started to decrease. The main reason was that they did not know me and did not trust me yet. The previous RM built good relationships with them and they all trusted him. So I had to do something, and focused on contacting the customers more frequently, and tried to build the trust and personal relationships with the key customers, and once this personal trust was established the business started to improve again....’. (50, W-HS)

The findings also revealed the importance of trust in establishing and maintaining the commitment with the key customer, where the majority of the interviewees emphasised that ‘if there is no trust then commitment cannot be developed’. Accordingly, it was accentuated that an account manager has to put a significant effort in establishing trust at the beginning with the key customer before establishing the commitment element in the relationship, and that priority must be given to creating and developing trust first. For example, the large corporate banking manager at A-AR indicated that trust has to be established first to develop commitment with the key customer and noted that:

‘...First of all one must have and establish trust - by being frank with the customers. I need to be frank and honest with the client to build commitment and long-term relationship with him.’ (26, A-AR)

Similarly, when asked about the factors that help in establishing the commitment with the Arab key account, the national sales manager at W-LA, for example, instantly stated that ‘Trust’ was the main factor in establishing the commitment with the key account and stressed the fact that for the Arabs trust is the ultimate element in building and establishing the commitment in the relationship with the key customer, and underscored that ‘Trust is the main factor in the Arab world for establishing the commitment. I would give that top priority’. (2, W-LA)
The significance of the account manager’s role in establishing trust and hence commitment (Morgan & Hunt, 1994) as well was also emphasised, particularly that in the Arab world trust usually is personal, as mentioned above, and therefore an account manager must establish this before establishing the organisational trust. Thus, for example, the outdoor sales manager at A-ZT emphasised that trust and an account manager’s honesty and credibility in what he promises to the key account can lead to the customer’s satisfaction and can build the commitment bridge between the buyer and seller, and stated that:

‘...If the account manager is honest in what he offers to the key account this will make the key customer very appreciative and satisfied and will be more committed to the relationship as there is no deception between the two parties’. (12, A-ZT)

The above clearly demonstrates that trust is the real force that drives Arab’s satisfaction and commitment to the relationship, and thus, it may be considered as an antecedent of satisfaction and commitment since trust must precede both satisfaction and commitment, as pointed out in all of the interviews. The following section will indicate the how customer satisfaction and commitment were further achieved in more detail.

5.3.1 Customer Satisfaction and Commitment

This section will be looking at satisfaction and commitment together as the interviews suggest that commitment and satisfaction are inter-twinned and the respondents tended to use these terms interchangeably. Overall, the results show that achieving customer satisfaction has been perceived to be salient for managing the relationship effectively with customers and for achieving the customer’s commitment. It was emphasised that one way to achieve customer satisfaction, particularly when there was intense
competition and similarity and more homogeneity in the products and services provided in the market, was for the supplier firms and their key account managers to focus more on achieving trust and personal/social satisfaction to keep the customer happy through such means as keeping in contact with the customer and through socialising with the customer more. Keeping such ongoing social relationships with the key customers give them the satisfaction of feeling that they are respected and appreciated for themselves as ‘persons’ and not for ‘material’ things (like business and money) which is very important in the Arab culture. This has been highlighted, for example, by W-SG senior corporate relationship manager who noted that:

‘...in the banking sector wherever you go, banks are giving the same level of services and products. So what we are left with is the personal touch. The personal touch like calling up the customer in the morning and asking him to come-over for a cup of coffee, can really make difference and the customer this way feels he is being appreciated and respected and most importantly happy. This makes a lot of difference in our culture.’ (32, W-SG)

In a similar vein, the branch manager at A-CA indicated that the friendly and helpful attitude can help increase the customer satisfaction because such assistance makes him/her feel appreciated and important to the organisation, which helps in bringing in more business and commitment. Thus, the branch manager at A-CA observed that:

‘...at the time when I was a relationship manager, a customer came in wearing very modest clothes and he was a senior citizen, which indicated he is not from the premium customer type that we are used to. He walked in and all of my colleagues were busy with other customers, so I came up to him, I said how can I serve you and all he wanted is to cash a cheque for 50 JODs. I cashed the check on the spot and offered him a cup of coffee and socialized a bit. Next day he came asking about me and when he reached me he said I had many offers from other banks but because of what you did yesterday I want my company’s account to be with you and you to be in charge of my account. He opened an account for his company for 2.5 million JOD on the spot. A simple gesture and a friendly face made the customer satisfied, and made him open an account with us and brought other businesses to me as well.’ (36, A-AC)
The data indicates that making the customer happy through having a friendly attitude and showing him the required respect (to him and to his business) can make the key customer “personally satisfied” and reluctant to switch to another supplier, although in some cases the economic reward may be higher. Indeed, the findings indicate that often Arab customers appreciate and value the personal and social satisfaction more than the economic satisfaction, and as a result, can sometimes overlook the economic rewards offered by the other competitors, as evidenced by the following quote, for example, given by the account manager at W-OT:

‘...by showing the customer that you care about him and his work, and that you are trying your best to solve his problems, makes the key customer value this very much and even more committed to the relationship. Sometimes other companies may make him a better offer, and because he is satisfied more with the account manager and knows that the account manager is sincere in trying to serve him and his business he can decline the other companies’ offer and this happened with me personally, where the key customer declined a better offer from the other competitor just because he was happy and satisfied with our relationship.’ (19, W-OT)

The second way in which the key customer’s satisfaction was achieved and further increased was through the performance of the account manager and services provided. The data shows that by meeting the customers’ expectations, and even exceeding them as was highlighted by some account managers, solving customers’ problems, and cutting their costs helps in achieving customer satisfaction. This has been highlighted in most of the interviews conducted with the account managers in different companies. To shed more light on this issue, the account manager at A-ZT stated:

‘...when we want to install Internet for the key customer it takes on average 17 days to do that. However, when I manage to install that line for him in 11 days, then this way he will be very satisfied because I exceed his expectation in terms of my performance and he will be a very satisfied customer.’ (10, A-ZT)
In a similar vein, the LCA sales manager at A-ST will be very much satisfied:

‘...we sell solutions to the customers. When you sell the right solution to the customer that cut cost on him this will make him very happy and at the same time satisfied.’ (45, A-ST)

In addition, it was indicated that the speed and quality of the service enhances the satisfaction level of the key customer. In particular, the financial companies are known for having procedures that require some time to process the client's requests which make the customer to lose patience while waiting. Hence, one of the areas that financial companies started to compete on was the speed in processing the clients' requests and this was directly related to the customer’s satisfaction to commitment to the provider company. Thus, for example, the corporate relationship manager at A-AR noted:

‘...we have made changes to the way we do business with the customer. Today we focus on the quality and the speed of the service to the customer so that we can compete in the market. In the past we had long procedures in dealing with customer issues. Now we have panels that deal with customer request in a hurry, and we can give answers for example on customer loans in matter of a week. This has increased the customer satisfaction because now the customer does not have to wait for months to know if it is possible to get the funds he requested or not and can receive advice from us what he must do or what other alternatives we can give him.’ (28, A-AR)

The evidence shows that achieving Arab customers’ satisfaction leads to maintaining the relationship with the customer and his commitment and loyalty to the supplier firm. This may be achieved by providing appropriate solutions to the customers, finding ways to reduce his operations’ costs, offering good quality and fast service, meeting the customer’s expectations and delivering on what is promised on time. More importantly, satisfaction is achieved by developing personal and caring relationships with the key customer, which develops the emotional attachment as Arabs are affective people.
(Hampden-Turner & Trompenaars, 1998), which has a relatively very positive effect on the level of trust, satisfaction and commitment.

In the Arab world, commitment and willingness to maintain and continue in a long-term relationship also seems to be based on personal and affective relationships and ties. For example, the branch manager at A-AC highlighted how customers are committed to the person rather than the organisation and they would follow the person whom they have relational bonds wherever he goes. Thus, he noted that:

'...when I moved to another bank, the customers followed me because of the relationship I had with them. Although I have told the customers to stay with the new bank manager and he will be looking after them the way I did, however, they preferred to follow me to the new bank.' (35, A-AC)

In a similar vein, the account manager at A-ST noted how he was able to bring his committed customers with whom he has good personal relationships with and observed that:

'...when you have good relationship with the customer, he will always want to stay with you. When I moved to A-ST, I contacted my customers and told them that I am at A-ST, so they transferred their business to A-ST, and not only that but they referred some new customers as well. The minute I moved to A-ST, I brought with me a good number of customers because of the good relationship that I have with them'. (39, A-ST)

In a similar vein, the corporate relationship manager at W-SG noted how it is difficult to change the customers’ commitment as they are often committed to a person rather than an organisation, and explained how he had to deal with the situation when he joined a new firm:
'...at first when I started at my post, the business level and transactions went down because the customers did not know me, and were attached more to the previous Relationship Manager(RM). So it took me some time until I built the relationship with the customers and made them believe that I was as good as the previous RM and cared for their interest'. (34, W-SG)

The above shows that both commitment and satisfaction are interrelated and that they both are more influenced by the personal and affective ties and side of the relationships.

5.4 CONCLUSION

This chapter sought to detail the findings that emerged from the interviews on the factors that influence the management of the informal relationship side of key accounts. Three main antecedents were found to influence these relational factors that drive and strengthen the relationship between buyer and seller organisations. These antecedents were: Wasta connections stemming from tribal/family ties and friendship and social network; personal characteristics and similarity; and social bonding and communication. These are summarised below as follows:

1) Wasta: A very distinctive and most important antecedent seems to be Wasta, which is a vital resource for companies operating in the Arab world and helps in creating a competitive advantage to firms through getting access to timely and sensitive information, decision-makers, business opportunities; and through solving problems and conflict, hedging against competitors and bypassing institutional barriers. In addition, with its strong elements of trust, favour, reciprocity, loyalty, and face saving, Wasta also reduces transactional costs and suppresses
opportunistic behaviours that, as claimed by Doney & Cannon (1997) and Gu et al. (2008), are typical problem areas in inter-firm relationships. Indeed, the interviews confirm the importance of personal connections and Wasta for business organisations and how Wasta helps ‘to reach the unreachable’ within the customer organisation. The findings clearly indicate that Wasta is an imperative factor in the relationship development and management process for the Arabs.

2) Personal characteristics and similarity: Personal credibility can be seen to be also based on things like having a good first impression, a likable personality; having similar background, being honest and benevolent. Having such qualities are very helpful in developing trust, satisfaction and commitment between the partners. Failure to keep promises lead to losing face, losing Wasta, and losing business.

3) Social bonding and communication: building just business relationship, purely on business grounds, without any personal relationship or personal involvement seems to be difficult to establish or to succeed in the Arab world, and it will take a very long time to develop if it was on business basis only. This study provided evidence that the formation of trust, satisfaction and commitment must be preceded by bonding that assist in building interdependency between the account managers and the key customers. This is achieved by a number of tactics that include: focusing on establishing friendship and personalised relationship by showing care and concern for the customer; continuously interacting and socialising with the customer on different occasions, even by physically participating in social event such as weddings and funerals, and dining together etc; and constantly keeping open communication lines and being available all the time even during holidays and after work hours.
The above antecedents were found to precede the three main interrelated relational factors that emerged as important for establishing and developing long-term relationships with key customers. The three main relations factors were: trust, satisfaction and commitment. Trust was seen the most important element to establish first in the business relationship before doing any business with the key customer. The meaning of trust was perceived to be very much linked to honesty and telling the truth, reflecting the importance of trustworthiness of people in the Arab culture and values. It was found also that trust must be first established at the personal level, usually between the key account managers and the client. This may be followed and/or supported by organisational trust.

Trust was also found to be very important for building satisfaction and commitment. Thus, trust may be seen as a major antecedent of satisfaction and commitment, which is characterised by long-term cooperative business relationships and increased investments in the relationships. Indeed, both personal and organisational trust were found to be very important for motivating commitment. Also satisfaction particularly at the personal/social level was also important for establishing commitment. Overall, Arab KAMgrs focus on personal relationships and give high priority to establish and develop their social networks which mostly contribute in creating, building, and maintaining the business relationship with the key customer.
CHAPTER SIX: FORMAL KAM

6.1 INTRODUCTION

This chapter reports the findings obtained from the different participants in the study regarding the formal aspect of managing the relationship with key accounts. Initially information is provided about the activities conducted in each company to manage the key accounts. This is followed by the provision of the findings on the resources utilised in managing the key accounts. Following this, attention turns to the findings obtained from the participants in respect of actors’ roles and involvement in managing key accounts. These findings are discussed below under the following three main headings: Activities, Resources, and Actors (A-R-A). These elements are also shown Figure 6.1 below - the conceptual framework that was developed as mentioned in Chapter Five. However, in this chapter only the formal aspect of KAM shown in the framework will be discussed, while the shaded area of the framework will not be discussed since these elements have already been discussed in the previous chapter (Chapter five).
6.2 ACTIVITIES

In this section the findings will manifest the activities conducted in the various sectors to manage key accounts. These include the segmentation, classification, and criteria used to identify key accounts; the analysis of key accounts; and the treatment provided to key accounts. These activities are summarised in Table 6.1 below.
Table 6.1 Summary of Activities

<table>
<thead>
<tr>
<th>I: ACTIVITIES</th>
<th>Telecom</th>
<th>IT</th>
<th>Finance</th>
<th>Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined Key Account selection criteria</td>
<td>Revenue, Sales Volume, Political/Social Sensitivity, Growth potential</td>
<td>Sales Volume, Political/Social Sensitivity,</td>
<td>Revenue, registered company</td>
<td>Sales Volume, growth potential, geographic, size of the customer</td>
</tr>
<tr>
<td>KA Plans (Action and Strategic)</td>
<td>Action &amp; Strategic Plans for each strategic customer</td>
<td>Informal plans</td>
<td>Action plan for the accounts and strategic plans for the whole corporate unit</td>
<td>Informal plans</td>
</tr>
<tr>
<td>KA Customer Reviews</td>
<td>Reviews are done on periodic bases 6 months – 1 year</td>
<td>Reviews are done on yearly bases.</td>
<td>Reviews are done on yearly bases</td>
<td>Reviews are done but – Period not specified</td>
</tr>
<tr>
<td>Established policies and procedures for handling key Accounts</td>
<td>Clear procedures and policies for key accounts</td>
<td>Guidelines and some procedures for key accounts</td>
<td>Clear procedures and policies for key accounts</td>
<td>Newly implemented – some under design</td>
</tr>
<tr>
<td>Differentiated and higher service levels for key accounts</td>
<td>Higher service level was provided to key accounts</td>
<td>Higher service level was provided to key accounts</td>
<td>Average service level was provided to key accounts</td>
<td>Average/below average was provided to key accounts</td>
</tr>
<tr>
<td>Joint activities and/or investments with key accounts</td>
<td>High level of joint activities and investment</td>
<td>High level of joint activities and investment</td>
<td>Medium to low level of joint activities and investment with key account</td>
<td>Low level of joint activities and investment with key accounts</td>
</tr>
</tbody>
</table>

These activities will be discussed below in more detail under the following three main headings: identification of key accounts; analysing key accounts; and activity intensity.

6.2.1 Identification of Key Accounts

The findings reveal that in the different companies the process of identifying and classifying key account customers started with segmenting the market. According to the respondents, identifying the different segments targeted by the firms helped suppliers to improve their competitive advantage through better understanding and analysis of the customer’s needs and wants, and the subsequent allocation of the necessary priorities.
and resources, and designing the necessary strategies to manage the accounts effectively and profitably. Indeed, corporate customers themselves then needed to be segmented to identify the most important ones and design the necessary strategies and activities for them that were different from regular accounts. The classification and identification criteria of key accounts used by the different industry sectors are summarised in Tables 6.2 and 6.3 below, respectively.

**Table 6.2 Classifications of Business Customers**

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>CUSTOMER CLASSIFICATIONS/CATEGORIES</th>
<th>INDUSTRY</th>
</tr>
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<tbody>
<tr>
<td>W-OT</td>
<td>Strategic Accounts</td>
<td>Key Accounts</td>
</tr>
<tr>
<td>A-ZT</td>
<td>Large Corporate Accounts (LCA)</td>
<td>Small Medium Enterprise (SMEs)</td>
</tr>
<tr>
<td>A-ST</td>
<td>Large Corporate Accounts (VIP)</td>
<td>Large Corporate Accounts (LCAs)</td>
</tr>
<tr>
<td>W-SG</td>
<td>Corporate Customers</td>
<td>Retail Customers</td>
</tr>
<tr>
<td>A-AR</td>
<td>Corporate Customers</td>
<td>Retail Customers</td>
</tr>
<tr>
<td>A-CA</td>
<td>Corporate Customers</td>
<td>Retail Customers</td>
</tr>
<tr>
<td>W-HS</td>
<td>Corporate Customers</td>
<td>Retail Customers</td>
</tr>
<tr>
<td>W-LA</td>
<td>Platinum Accounts</td>
<td>Gold Accounts</td>
</tr>
</tbody>
</table>
Table 6.3  Identification Criteria of Key Accounts

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<td>Revenue/Turnover</td>
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<td>Size of Customer</td>
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<tr>
<td>Growth Potential</td>
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<td>✓</td>
<td>✓</td>
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<tr>
<td>Political &amp; Social Sensitivity</td>
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<td>✓</td>
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<tr>
<td>Registered as a company</td>
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<tr>
<td>Strategic Position in the Market</td>
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<td>Potential Strategic Alliances</td>
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<td>Industry Sector</td>
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</tbody>
</table>

The above tables show that, in principle, in the different sectors key customers were segmented and different criteria was used to identify the most important customers and make the classification. In the case of W-OT, for example, from the 3,000 business/corporate customers only 55 customers were classified as strategic accounts, followed by another 200 customers who were classified as key accounts. The primary criterion for categorising customers as strategic accounts was on the basis of revenue. Customers generating annual revenue in excess of £200,000 were classified as strategic accounts, while customers generating between £75,000 and £200,000 were classified as key accounts. Similarly, in the case of A-ZT, the classification of corporate accounts
started by ‘sectorising’ the accounts – that is to group the accounts in certain sectors together as shown below in Figure 6.1.

**Figure 6.1: A-ZT Corporate Accounts' Sectors**

According to the head of the enterprise sales, segmenting key customers into sectors or ‘sectorisation’ of the company allowed the company to serve the key customers more efficiently and increased their satisfaction. Within these sectors, corporate customers were segmented and classified into two main categories based on the following criteria: the number of lines sold to them/used; and the average revenue per user (ARPU) generated from the account in each sector. Thus, for example, if the invoice is £100 and there are 5 users, then 100/5 = £20/per user.

The three categories of corporate customers are:

- LCA (Large Corporate Accounts) with excess of 19 lines;
- SMEs Accounts (Small Medium Enterprise) – between 5-10 lines; and
- SOHO Accounts (Small Office Home Office) with 1-5 lines.
The LCAs were considered to be the key accounts of A-ZT who generated the highest revenues to the company, as highlighted in the following quotes by account manager A-ZT:

‘...The criteria we use for segmenting the key accounts is based on the number of lines used and the revenue per unit that it generates...what we consider as key account is basically the revenue coming from the account which is the size of his invoice and its ARPU’. (10, A-ZT)

In a similar vein, the market of A-ST was segmented into four main categories: Large Corporate Accounts (VIP); Large Corporate Accounts (LCAs); Small Medium Business (SMB); and House and Small Enterprise (HSE). According to the Large Corporate Accounts (LCAs) division head this model in segmenting the market was similar to their Western/American MNC channel partner but with minor adaptation to it. The most important business customers were called Large Corporate Accounts and were divided into ‘VIP’ large corporate accounts, which were the strategic and most important accounts, followed by large corporate accounts which were the key accounts. The VIP accounts were also called the ‘Pampered Accounts’, as one of the account managers at A-ST stated:

‘Let us say the Royal Court - this is a strategic account, why, because it is a key decision maker in the country. Their IT spending can be small but they influence the rest of the governmental bodies found in the country’. (39, A-ST)

Overall, the criteria used in IT and telecommunications to identify and classify key accounts seemed to be very similar, and mainly depended on the volume of sales and revenue. Thus, the main differentiator between a Large Corporate Account and Small Medium Business account is the amount of IT spending they had on a yearly basis. However, this amount and classification were variable as some customers may be
promoted or demoted from key accounts depending on the yearly review of the accounts, as explained in the following quote by the Large Corporate Accounts division head at A-ST who observed that:

‘The main differentiator between the accounts is their IT spending that they have in a year. The accounts position is reviewed in a year or in 1.5 years, and based on that if their IT spending falls we transfer them to SMB department and vice versa’. (43, A-ST)

Other criteria included the number of users, sector type, the size of the customers operations, and nature of its operations.

In the financial sector it was found that both foreign and local banks followed the same criteria in segmenting their customers/market into two categories: retail and corporate customers. The key accounts were called Corporate Customers and they were identified based on the following two main criteria: their registration as they must be registered in the Jordanian Chamber of Commerce as a ‘company’; and their ‘turnover’. For example, this was to be around 3,500,000 Jordanian Dinars (JOD) for A-AR, and around 1,500,000 Jordanian Dinars (JOD) for the foreign banks. Thus, according to W-SG corporate relationship manager:

‘...We have two measures in determining the customer as to which side of the bank to manage his account either corporate or retail. First he must be registered as a company and secondly the turnover size of his company should not less than 1.5 million JOD. If it is less than 1.5 million JOD we do not manage it and transfer his account to the retail side of the bank’. (32-SG)

In similar vein, the SME unit manager at A-AR noted that:

‘For us as A-AR, for the large corporate unit the customer must be a company and their turnover should start from 3.5 million JOD and upwards’. (27, A-AR)
From the interviews in the financial services, it seems that they followed a less complex approach in identifying and classifying their key accounts and did not use the extended criteria which the other companies applied in determining their key/strategic accounts.

As for the cement company, according to the key account managers, the first step in the identification process of the key accounts was segmenting the market geographically into three main regions: Northern, Central and Southern regions of Jordan. The second step consisted of dividing the regions into districts. Within these districts the main criteria utilised to identify and classify key accounts was based on the volume of sales and the size and financial capability of the customer. The size and financial capability were represented and measured by the number of Lorries owned, the size of the stores and warehouses that were used to stock the cement and iron, and the number of employees who worked for him. Another criterion that was taken into consideration when classifying key customers was the level of sophistication of the key customer; this was based on whether the customer used IT systems, and whether their accountants used computers for their work, whether they had security monitors and followed safety regulations.

Based on the above criteria the key customers were classified into three categories: Platinum, Gold and Silver key accounts. The platinum accounts represented their most important customers - the ‘VIP’ accounts because these were the biggest traders of cement and purchased the largest amounts of cement in a year. However, it is worth noting that the size and financial capability were not fixed and could vary to reflect the
district in which the key customer operated from. Thus, two key customers might be
classified as Platinum customers although they had different capacity but operated in
different districts. This was best explained by the following quote by the territory
manager at W-LA:

‘...Platinum customers - these are considered to be the biggest traders in their area, in-
terms of owning the biggest stores and Lorries. For example an X merchant in area A
owns 9 camions; or Y customer in area B owns 20 camions. Thus, this depends on the
size of the customer in a particular area (who is the biggest trader in terms of capacity
and number of stores and the number of camions he owns in a certain area!!!) these are
considered to be big traders (VIP customers) thus we serve them by giving them priority
over the other customers and never go short on their quantities’. (4, W-LA)

The findings also indicate that the segmentation model followed in Western companies
differed from what was implemented in their home countries. For example, W-OT and
W-SG, adapted their segmentation model to suit the host country, Jordan. This was
highlighted by the corporate market manager at W-OT and senior corporate relationship
manager at W-SG respectively:

‘...we have adapted the segmentation model for the corporate market here in Jordan
because it was most suitable for the local market. For example in France there is no
segmentation between enterprise customers they are managed in a consolidated
manner. However, here in Jordan we have segmentation between our enterprise
customers, in terms of resources, structure and account management dedication.’(23,
W-OT).

‘...our segmentation here is not what we follow in France. It has been adapted to suit
Jordan. We do have general policies however, because of the laws of the central bank
we needed to adapt our segmentation model’ (31, W-SG).

In addition, A-ST has implemented their Western channel partner’s model in
segmenting their key customers, with minor modification to the model. This has been
emphasised by the SME division head at A-ST:
'... we have followed the same model of our American partners with some modification to the model. The model that we use is LCA, SME and SOHO. As an example to what we have modified, we have added telesales to the SME segment, which does not exist in the original model that is applied by our partners.’ (40, A-ST).

The findings indicate that not all companies in Jordan (Western or local) follow the same approach in identifying their key customers. Apparently, Western or local companies in Jordan focus mainly on the economic criteria like ‘volume of sales’, with less emphasis on the strategic criteria in the West like strategic importance, strength of the relationship or business compatibility. In addition, for Western or local companies, there is an additional criterion that has been identified by the telecom and IT companies, this is the social/political sensitivity of the key customer. Apparently, this was a criteria applied to the Jordanian market due to its structure and the significant role that the political and social environment plays in the daily lives of the Jordanians. For example the key accounts section head at W-OT and the sales team leader A-ST stated respectively:

‘We have all the embassies in Jordan, and the Cancer Centre, for example, and they have the status of key account because of political and social sensitivity. However, even an embassy with one telephone line which does not generate the necessary revenue, we still gave it key account status’ (17, W-OT).

‘...One ministry can only buy 50 PCs but still it is considered to be LCA because the government has something called ‘central purchasing unit’ (CPU) and this purchases all the needs of all government bodies, thus you have to have relationship with both end-users (the ministry and CPU), so the government purchasing is a complicated matter and not something that is straightforward’. (42, A-ST)

Overall, it seems that the segmentation and classification criteria had to be adapted to suit the local market, and there was more emphasis on volume of sales and revenue, which might be considered more as short term rather than longer term criteria, and also seemed to be more limited than in the West.
6.2.2 Analysing Key Accounts

The results indicate that ‘analysing key accounts’ (Ojasalo, 2001) was another important element in managing the relationship effectively with key customers. It was found that the process of managing an account started by analysing and developing the customer’s profile, compromising of two main profiles: a personal profile and a business profile.

**Personal Profile:** The results show that in terms of the personal profile the account manager collected and analysed personal information about the ownership structure of the customer and the decision makers in the customer company. The participants emphasised that the supplier companies exerted a lot of effort to find the necessary information about the decision-makers, as this was considered to be ‘key’ in finding and acquiring business opportunities and in hedging against competitors.

Personal information gathered and analysed included such information as the family/clan, the religion and area/district that the decision maker came from and the ethnic background, including whether he/she came from Bedouin/Farmer roots, was he/she a Native Jordanian, Palestinian-Jordanian, Sarcessean etc., does he/she have a family (i.e. married with children), and to which of the families/clans is he/she is affiliated with, friends network, and groups network, which university he/she graduated from (if he/she is a university graduate) and his/her education level, and his/her social status in the community. Gathering and analysing the personal portfolio of the decision maker(s) of key accounts was considered to be very important to the extent that some key account managers stated that they were given strict and direct instructions to collect
all the personal information about their key customers, and then collect information about the company as demonstrated by the following quote by the national sales manager at the W-LA who maintained that:

‘I always tell my account managers to find everything they can about the customer. Where does he come from, is he a family man, what he eats and drinks and such things. This will give us an idea how to approach him and what to do exactly to please him’. (2, W-LA)

This information was found to be crucial for the account manager as it helped him/her to build a strong and more reciprocal relationship with the key customer, as this information helped the account manager to better understand the key customer, and how and where to approach him, what are the ‘do’s’ and ‘don’ts’, that could influence his/her decision and who could influence that decision. For example, the account manager at A-ZT noted that:

‘...Finding such personal information is crucial because in the Jordanian-Arab culture any wrong word or even in-deliberate wrong action can break the relationship instantly’. (11, A-ZT)

In a similar vein, the senior sales manager at A-ST respectively:

‘...You need to know what the requisite person is like. If you can find information about this person what he likes and dislikes, how he thinks then this would be great. Find information about the company and find the personal information about the decision-maker. For example, if I want to talk about sports and he is not a sports person then we have a problem. I consider this information of utter importance about the Key Account. In addition, a small thing that helps in the relationship is the first impression which is very important’. (41, A-ST)

This information was also important for supplier companies to make the right decision regarding the allocation of the right human resources/key account manager to be of similar background to the decision maker in the buyer company. The significance of
this may be partly reflected in the personal questions that the key customer often asks in
the first meetings with the key account managers. According to participants, some of the
main questions that would be asked were about the key account manager’s family name,
where he comes from and if he is a tribal descendant, as this information would also
give the key account customer an idea about whether he would be at ease dealing with
such an account manager who belonged to X family, and whether he would be able to
trust him with his business, and who would be the key account manager’s guarantor in
case he did not behave or perform his job well.

In turn, gathering and knowing this personal information about the key customer, was
considered to be very important because it would help the account manager in ‘breaking
the ice’ with the key customer at the exploratory KAM stage with the key customer, in
which the focus is on building trust and personal relationships rather than on doing
business. This stage may be considered to be longer and indeed more important than in
the West, because, for example, as Blythe (2005) claims from a Western perspective the
ice-breaking stage does not carry too much weight in terms of the relationship
formation. However, from an Arab perspective this study demonstrates that this stage
carries a significant weight because as one of the territory account managers at W-LA
stated:

‘....This way he (the customer) can identify himself with you and helps you to build
bridges with him faster’. (S, W-LA)

Indeed, the respondents from both Western and local companies indicated that the first
phase of information which was about the decision maker’s profile of the analysis was
significantly important and to some extent transcended the second phase of business information.

**Business Profile:** The second part of the analysis consists of an examination of the company’s business profile. This includes evaluation of the following:

- The economic position of the customer: this includes evaluating the size of the customer and potential for sales, which helps in identifying the level of importance of the account (strategic, key or a regular account).
- Competitors: analysing the existing and potential competitors, the types of products and services they are offering the customer and how advanced the technology they have to offer.
- History of past-sales: this gives an indication about the customers’ capabilities and gives a foundation to build on future sales forecast, as everything is based on historical data.
- Profitability and the customer’s value weight (that is the average revenue per user –ARPU): this also gives an indicator of the customer’s importance. The higher the profitability and value weight/ARPU of the customer, the more important it is for the organisation. This in turn affects, for example, the decisions made on which level of the organisation will be managing the relationship with the key customer, how many visits it needs weekly/monthly basis, the number of services/products that it uses from the company.
- Technical information and Others: this includes analysis of things such as joint future projects (such as strategic alliances/partnership), cost to serve the customer, risk analysis, future potential growth, sector type, customer plans and expansion plans, budgets, market share, revenue trends, internal structure,
decision-making process, decision makers, organisational structure, competitive position, and the nature of the customer’s operations, for example, how dynamic it is in terms of technological dependency and innovation, the customer’s network and technical infrastructure.

It must be noted, however, that the depth of analysis and extent of business information gathered seemed to vary with the industry sector and nature of the product. Thus, in the telecommunications and IT sectors, more in-depth analysis was carried out than in the financial and manufacturing sectors, particularly that the markets were very competitive and more dynamic, the products were complex and required integrated solutions.

In general, the key account profile information is analysed and assessed to determine the right relationship strategies and best solutions to serve the customer and achieve mutual benefits. And as pointed out by one sales director, the customer’s profile basically shows what the seller can benefit from the customer and what the key customer can benefit from the seller. The data also suggests that, although in the Western world the companies do take into consideration the personal profile, however this comes secondary to business profile analysis (Shapiro & Bonoma, 1985; Cordoza & Wind, 1974) and does not go into that depth of detail regarding the key customers background. However, in the Arab world the personal profile is the first step in analysing the customer, and relatively more important than the business profile in deciding on how to approach the customer. Furthermore, it seems that the Western companies operating in Jordan have also adapted their analysis style of the key customer and applied the local way in the analysis as they have also given the personal profile top priority when doing business in Jordan.
6.2.3 Activity Intensity

The activity intensity examines what is done more or differently for a key account than the average account to develop long term relations with key customers (Homburg et al., 2002). The respondents indicated that a number of activities are used to develop long-term relationships with key customers such as offering special pricing and discount schemes, customization of products and services, doing joint projects, sharing information, acting as consultants for the key customers, and as was mentioned by some of the key account managers ‘pampering the key/strategic customer from A-Z’. In relation to this, for example, the sales director at W-OT observed that:

‘...We had a very important and strategic customer that was dissatisfied with our services, so we worked from down the ladder with them, we built special relationships with the top-management, showed them the difference in prioritization, based on special pricing schemes and discounts, special care, customisation, and so on, until we won back every single service they had with our competitors. Now we are 100% service providers to X bank, were we used to be only 40%’. (13, W-OT)

The special treatment to key customers also included holding events and providing training to the customers as explained below by the sales director at W-LA who noted:

‘To show our key customers that we appreciate them, for example we invite them or give them events or giving workshops on cleanliness. In these appreciated events we also provide the key customers with our expertise on how to improve their work, for example improving their book-keeping methods, train them on how to recruit new staff members for their company and provide their staff with training on a lot of aspects like safety issues. The majority of customers are illiterate and have poor educational background. Hence by training and developing them we build a strong relationship with the key customers which leads into loyalty for our company as they see what we are trying to do in-terms of developing and improving their business’. (I, W-LA)
The special treatment, furthermore included giving priority to key customers and improving the quality of the service provided to them in terms of speed and resources allocated to them as explained by one of the account managers at A-ZT.

‘Strategic customers are told about their status but they have to feel this afterwards. That is in the treatment, for example, there is speed in installation, in faults handling, in the quality of the service, in the repair time, in the agreements, and there are now strategic account managers to follow up their matters from A-Z. Before, the key account manager had 70-80 customers so he did not have enough time for each customer’. (10, A-ZT)

The special treatment provided to key customers also involved establishing ‘joint partnerships’, ‘co-branding’ and ‘outsourcing’ the services to provide integrated solutions to the customers. Thus, as key accounts section head at W-OT outlined:

‘We make strategic partnership with companies...for example we have done strategic alliances/partnership with A-AR and RJ airlines. So if you are a VIP/key customer at W-OT you are entitled to a gold credit card from the Arab Bank and can receive airline miles on RJ and you are also eligible for a discount on your ticket.’ (17, W-OT)

In a similar vein an account manager at A-ZT stated that:

‘...When you want to do events and we have good budget for activities we do these events with our customer hotels rather than going and doing them in hotels that are not our customers. Also banks, we open accounts in banks that are our customers and not in banks that do have or do not want to buy our products. So this is the type of partnership we have with our key customers.’ (11, A-ZT)

The ‘integrated solutions’ were also seen as important because the supplier can provide everything the customer needs, even if it is not produced directly by the supplier. The supplier can outsource what the customer needs and manage it centrally so that the customer does not have to deal with so many different aspects, as demonstrated in the
following two quotes by the government and education sector manager at W-OT, and account managers at A-ZT respectively.

‘…From a technological point of view we are proposing for the customer to run the whole customer’s network – outsourcing. We outsource all of his network and manage his network, so the customer does not have to lease line, his routers, his IP network and so on. We could provide everything and run the whole thing for him. He doesn’t have to worry about anything...that’s also what brought us to integration, if they want PCs I can get them PCs...anything they want I can provide, even if they want to build their own land we can help them ’. (24, W-OT)

In a similar vein, the account manager at A-ZT stated:

‘...we used to be only mobile operators that is we had only one product line, and currently we have multiple product lines and provide integrated solutions to our customers. So by approaching different customers in diverse sectors we managed to formulate products based on those needs of key customers’. (10, A-ZT)

The head of LCA division at A-ST also noted:

‘... For our VIP strategic customers, we give them VIP treatment and service. For example if there is change in technology we give them assurance to upgrade and we give them the latest technology. We have laptops in buffer stock for them ready, in case they recruit a new employee, they do not have to wait until we order the PC for the new employee, or if they have summit or events and need a number of PC’s temporarily we have them in buffer stock for the company, that’s why we provide them with these services and we consider them strategic’. (43, A-ST)

Among the other activities carried out is ‘sharing of information’ that is helpful to both the supplier and key customer. This includes information about budgets and action plans; commercial information and market information like the various market trends, and new technologies, the market analysis, including the customer’s competitive position, their market share. For example, strategic account managers at W-OT and the LCA sales manager at A-ST noted:
‘We share information about the action plan. The budget is critical. So we provide them with the solution and advise them about the action. Some of my customers I see their action plan and we match our action plans with their action plans in order to reach the best action plan that we can approach’. (15, W-OT)

‘We provide them with commercial information when we analyse their market share, when we analyse their position in the market and to what extent they are positioned in the market and we are honest with them. This is sensitive information because you’ll be surprised how information can fly in this country...we involve them and tell them about things like the market trend and we share with them the market analysis...’ (44, A-ST)

The market information that the supplier has may also be used to offer advice to the customer on the projects to venture or to avoid, as illustrated by the following quote by the corporate relationship manager at W-SG:

‘...We exchange information with our customers...For example, if our client has ventured in a bad project or the project has a bad reputation, then we of course we step in. In our bank it is part of our job to know what is going on, and with our leads we know who are the competitors of our client. So if I know that my client is facing a fierce competition in this project then I must advise him and tell him about the facilities that I can offer him in this situation....’ (32, W-SG)

It seemed, however, that the various companies which utilised this aspect of key account management approached it with different degrees/intensity. Thus, for example, the telecommunication and IT sector appeared to be more dynamic and pro-active in terms of their activity intensity for their key accounts, as they focused on giving their key customers the latest technology and products and services, and integrated solutions. They also seemed to develop their activities to prevent their key customers from switching to other suppliers. This is reflected in the following two quotes by two account managers who noted:

‘I do not allow the key account to switch to another provider because I can solve all his business problems for him. We have all the solutions for the customer, we have 3rd...'}
parties that can help in web designing if needed and we provide a complete telecommunication services with the latest technology...Even if I have to make a loss I will do so to be able to retain the customer...the most important thing is not allowing the customer to switch to another provider’. (19, W-OT)

‘... even if I have to lose in a deal, but still be able to retain the customer, I will. The most important thing is not allowing the customer to switch to another provider’. (11, A-ZT)

However, the findings from the banking sector show lesser activity options, for example, in the products and services range compared to the telecommunication and IT companies, and in general. The main reason that has been outlined by the corporate relationship managers was the strict control of the central bank on the commercial banks. Thus, with such restriction it does not give much room for innovation in product and service ranges in the bank. To overcome that sort of an impediment the banking sector focuses on the relationship management approach and personally involves the corporate relationship managers and the top-management with the key customers, and expediting the decision making process, and providing cross-selling as demonstrated by the following two quotes by the corporate relationship managers at W-SG and A-AR, respectively:

‘Now we are trying to expedite the decision making process to deliver quick service to the customer...for example, a customer asked for £35 million in funds from us, it took us two weeks to analyse his portfolio and after seeing that he is worthy based on his paper work we granted the funds to him. He said this is the first time in Jordan he sees a bank that fast in making such a decision; hence he will close his accounts in the other banks and us manage all his business from now on’. (34, W-SG)

‘As relationship managers, one of our tasks is to do cross-selling of products and credit banking and retail banking. For example I might have a company that has 100 employees in it and the majority of these employees accounts are with us or are transferred to us, thus I can create a special programme for them (like credit cards, loans etc) so we have cross-selling in this case, and we could have a visit both the retail
section representative with me the RM to serve my customer and in this way I have achieved cross-selling for my bank and serve my customer better, e.g. instead of transferring the salaries of his employees various banks (e.g. 9 different banks) he can transfer all the salaries to one bank - our bank’ (29, A-AR)

So the banks were offering what seemed to be more of general customer service to their key accounts rather than sophisticated key account activities. The cement company also, which was in a mature industry and had a monopoly over cement production, seemed to lack the business/marketing orientation and operated a key account programme that could be considered in its infancy stage, and they were restricted by some government regulations. However, with the privatisation of the industry and advent of new competitors the company started changing its strategic plans and approach in the market. The initial change is to move away from the transactional selling and monopolistic mentality to be more customer-centric and to improve the service level in the company. According to the sales director at W-LA, these changes were focused on elevating the sophistication in terms of analysis and sales capabilities of the key customer, because the increase in sophistication was to eliminate or decrease the possibility of the switching cost, and to enhance the key customer’s loyalty to W-LA. However, the initial efforts still seemed to be more similar to general Customer Relationship Management (CRM) activities and included things like change of payment style, improved quality, and training courses to key customers, and technical support to key customers.
6.3 ALLOCATION OF RESOURCES

The importance of key accounts was reflected in the allocation of a number of resources to manage these accounts effectively. In this section the resources available to KAMgrs are discussed under the following sub headings: Dedicated Human Resources; Information and Intelligence Resources; Decision-Making Authority; Training and Development; Time; Funds and Physical Resources.

**Dedicated Human Resources:** According to senior managers and key account managers, resourcing of the KAM function starts by employing the right key account managers with the right competencies and attributes who are dedicated to serving the most strategic and most important customers. This resourcing is enhanced by allocating support teams who are dedicated to serving these key accounts. This dedication however, varied in the different organisations. For example, at W-OT with the appointment of new management and revamping of the key accounts department and the creation of strategic accounts, highly qualified and dedicated strategic account managers as well as technical and financial support teams were recruited and selected from a large pool of applicants to manage and exclusively deal with strategic accounts. Thus, the head of the strategic accounts department at W-OT noted that:

‘For the strategic accounts department you have to allocate special resources in terms of human resources....so the management here worked a lot and hard to choose the strategic accounts team and were very careful in their selection’. (22, W-OT)

In a similar vein, at W-OT, A-ZT & A-ST, highly qualified and dedicated account managers, and sales & technical support teams were recruited to serve key accounts. Thus, at A-ST the sales manager observed that:
‘...There is a department which is dedicated to key customers and sections to serve key customers in terms of maintenance and after sales’. (47, A-ST)

Similarly, in the banking sector, there were dedicated corporate relationship managers (key account managers) to serve key accounts/large corporate customers, but they lacked the support of dedicated support teams. Support teams, like technical support, for example, were to serve the whole organisation and were providing support to corporate accounts only when requested by the account managers/corporate relationship managers, as they did not have a functionally linked role to key accounts. Similarly, W-LA had dedicated territory managers (key account managers) who were responsible for large corporate accounts, but without the provision of dedicated support teams. Such support teams were to serve the whole organisation as required and not only key accounts. This issue is explained in more detail under the actors section below.

**Information and market intelligence:**

Information is considered another important resource that is necessary to manage the key accounts effectively and in maintaining a competitive position in the market. Thus, to support the key account manager, for example, other departments/sections in the firm search for key accounts and provide initial information about them to key account managers. According to the corporate relationship manager at A-AR there is a department in the bank called the ‘Companies’ Department’ which provides the account managers with data on the names of the latest companies operating in Jordan, so that the account managers contact them. At W-OT the New Business Development and Acquisitions collects information about all accounts and the Sales Director evaluates
and decides on strategic accounts and provides the information to the strategic account managers. At A-ZT the acquisitions department finds the potential key customers and evaluates them, and then transfers them to the key account managers. As for A-ST, they have what is called ‘Telesales’ section which buys data every month with information about any new companies and they contact these companies and then inform the key account managers if they see any business potential, so that the key account managers pursue the new customers. Also top management provides key account managers with leads and information about potential key customers. It must be noted, however, that the more confidential information is obtained through Wasta, that is personal connections and networks that the executives and account managers have.

Decision-Making Authority: empowerment and the adoption of or a shift from a more autocratic centralised decision making style to a more participative and decentralised decision making authority, has been seen by senior managers and key account managers as an important resource to manage key accounts effectively. The realisation of the significant importance of decision-making authority factor as a resource was clearly highlighted at W-OT, and may stem from the fact that it was a public company owned by the government with a very centralised decision making structure, which changed to a more decentralised management style and structure after its privatisation and the takeover of its management by a Western multinational company. Hence, the government and the education department manager stated:

‘...We give full resources to key account managers. I consider decision-making authority a resource. As for decision making authority, account managers have pre-set discounts, pre-set offer presenting and so on...I’ve given them the same authority I was
Given from above so that they don’t have to refer back to me...I kept for myself around 10% margin to make decisions to play with if needed...however, sometimes when they get stuck in something, like a customer wants absolutely huge amount of discount or an extra free trial period then I step in and sometimes I even have to go back and get approval from higher management.’ (24, W-OT)

Similarly, at A-ZT account managers are given some decision making authority within the budget and within certain levels, as shown in the following quote by the Head of Enterprise Sales:

‘The account manager has authority to make decisions to a certain level, and it depends on the decision itself...Anything that has any relationship with sales such as giving exclusive mobile numbers or giving a free handset or a nice gift, yes he is definitely empowered, but to certain boundaries...For example, if an account does not bring me revenue why should I give him a free handset...Everyone of us has a certain level of budget allocated him to use. However, if the decision has negative effect on profitability, both of us do not have the authority. We have to go the marketing and finance. The profitability issue is dealt with by finance people and the revenues are dealt with by the marketing people in the company...’ (9, A-ZT)

In W-LA the importance of decision making authority was also appreciated and given to account managers to some extent, as explained by the national sales manager:

‘I have empowered the sales force to take action. I have put the “principal of action” in how to deal with a key account, like not to refer to me in routine situations but only in unplanned issues and situations. I like to be consulted and I want to share with them and brain storm in solving the issues. Because by doing that you create key account managers amongst the sales force. This way to make the relationship better between the sales force and key account managers and also you are in line up to solve an issue’. (2, W-LA)

However, in the banking firms, the account managers seem to have less authority in terms of making financial decisions without referring to their superiors due to the many regulations, restrictions and risk involved. It was apparent that the lack of authority and inflexibility in terms of dealing with key customers was both practiced in the local and
foreign banks. For example the corporate the relationship manager at W-SG and corporate sales manager stated the following:

‘...as a Relationship Manager you could say that we have limited authority and that is why customers turn to our manager for quicker decisions. In my case if somebody requests certain facility I have always to say, I need to refer this matter to my superiors then I can get back to you. That’s why you see the customer going directly to the manager because he knows if he needs a fast answer and get his work done he knocks the managers door.’ (32, W-SG)

‘...we have strict procedures here in A-AC. It is necessary that everything to go through the top-management and this can be frustrating sometimes to the customer, because we keep saying we have to go back to our manager’s give you an answer. Hence, the key customer finds a way to go directly to the top-management to get his answer faster.’ (38, A-AC).

For example, in W-OT and A-ZT the strategic account manager and the outdoor sales manager were able to escalate any problem and to raise the issue directly with the relevant department and at the highest level, as this quote by one of the strategic account managers at W-OT illustrates:

‘The favoured treatment and resources that we get – for us is in reaching the decision-makers faster than others. For example, I report directly to the Sales Director and he is a decision maker, while the key account manager he has to report first to the sales manager then to the sales director then to the CMO (Chief Marketing Officer). So for me the channels that I have to cross are less than others. Also we have a green light to escalate any problem we encounter without going through the bureaucratic procedures.’ (20, W-OT)

‘I can communicate the problem immediately to the higher levels. So if I have a problem I can escalate it immediately and I go directly, for example, to the Technical Chief Officer/Director, I can go to the digital services manager or director. So I don’t have limitation in terms of escalation’. (12, A-ZT).

**Training & Development:** all key account managers perceived the specialised training they received on a range of issues related to their job as a resource that helped them in managing their accounts more effectively by acquiring the necessary skills and
knowledge in the field. In terms of the training provided to key account managers, it was found that many of the training courses were provided by Western consultancy firms. For example, key account managers in all of the foreign MNCs and one of the Arab MNCs investigated, received specialised training on a range of topics related to key account management by American and European overseas consultants and facilitators. In general, these training courses included the following: strategic selling, negotiation styles and skills, decision making, project management, planning and management, sales/selling skills, communication skills, technical training on services, value based selling, working in teams, and customer service.

For some Western MNCs, the training material was sent from headquarters. For example, at W-LA the material for some business-related training was sent from headquarters to their training department in Jordan, while other training was also provided by local suppliers but within the competency development plan. In relation to this, the marketing manager noted:

‘The training material for cement and concrete technical training and value-based selling was sent to us from Headquarter in Paris, the rest were with local suppliers, yet within the needed competency development plan for the positions...The material sent from abroad has already room for adaptation since all our training programmes have "Core" topics to be covered and areas to be developed for local market/cases....the material sent was translated and adapted for our customer’s culture’. (8, W-LA)

At W-OT, there is an in-house training centre which provided standard training courses on such things as communication skills, negotiation skills and sales competencies. Other needed areas that are not delivered by the training centre are provided by external local or foreign providers. For example, the strategic selling course was delivered by a training consultancy from France. Furthermore, and similar to W-LA, the parent
company became involved in the training and development programmes at its subsidiary in Jordan as illustrated in the following quote by the corporate market manager at W-OT:

‘...for example, the change management training, it was during the integration process because were more than one entity and this is considered to be major change and a big step and has affected many of the employees. So we had the expertise of the parent company/HQ in France and we had them involved through our training centre and we have made a customised training course for our sales people and the other employees in the company. So this is one of the examples that we had joined forces with HQ to deliver training’. (23, W-OT)

Thus, it is worth noting that these account managers were exposed to KAM practices from a Western approach which indicates an effort by management to transfer KAM practices from a Western context to an Arab context. This underlines an assumption or belief by senior management that these KAM practices are universal practices that can be transferred across borders, which reflects the ‘universalist’ approach to the transfer of practices (Taylor et al., 1996). However, the question is: is a wholesale/complete transfer feasible? Despite such Western training, the results show that a complete transfer is not feasible and that some adaptation needs to take place due to some factors such as culture of the host country. For example, one marketing manager at W-LA noted:

‘We try to apply what we can but this is not always possible as we have different type of key account managers and key customers. For example, the process of new customer search that we were trained on, via the Internet does not work here because the majority of our customers are not on the Web or even do not have a PC....even though some of these customers have a turnover of over 10 million pounds a year...so we had to rely more on customers’ visits and screening’. (3, W-LA)

In addition to cultural barriers, the transfer of such practices seemed also to depend on the level of education and experience of local staff. Thus, in some organisations like
Cement Co, the account manager’s educational qualifications were relatively low and that was seen by the managers as one of the obstacles of transferring Western practices.

This has been also highlighted by W-OT, where the corporate market manager indicated that at first when they tried to apply customer satisfaction principles and train them according to these principles the account managers were not able to comprehend this new system and some scored low on the tests. According to the sales director at W-OT:

‘...after the joint venture we made the changes to the whole corporate unit we were looking for developing the account managers because they are the main assets for the corporate and enterprise unit. However, it was not easy as the mentalities of the account managers were different and applying customer services principles were also difficult to integrate at first. When they took tests for CRM or customer satisfaction they scored very low or failed the test because it was difficult for them comprehend the logic behind it.’ (13, W-OT)

**Time:** time to socialise with key customers and develop social contacts and events outside of official dealings is seen to be very helpful in building friendship and relationships with key customers. Indeed, many key account managers explained that they visit the clients many times during the year but mainly the majority of these visits were for ‘personal chatting and to have a cup of coffee with the customer, and do not always go to the customer to talk business...’(49, W-HS). Thus, the management in all organisations takes this factor into consideration and allocates time for account managers to socialise with key customers before any business and revenue are generated from the customers. As the account manager at A-ST:

‘...personal relations govern the work in Jordan – it is the culture and plays a big role in terms of the employees’ evaluation, and the relationship with the customer. ...we meet and socialise with the customers. The other day the universities (my key accounts) made a big lunch party because of the university’s agreement with our company and invited us to this party. So the relations play a big role. We also do the same and invite them’. (39, A-ST)
This is a common theme or factor among all the companies, even the most centralised of them like banks, and senior manages usually direct their account managers to be patient and give time to the customers. The importance of time is also highlighted in the following quote, for example, by the account manager at A-ZT:

“When the account manager sits with a key-person for 2 hours and the key-person only talks about social issues, the salesperson can think and say what I have gained from this conversation. Just wasting 2 hours for nothing and did not even mention the business. I say you have not wasted your time, because you were able to accommodate this person and give him the chance to talk freely with you and then excused yourself in the politest manner without annoying him, and being patient is the key to success in the government sector, otherwise you cannot do business with them’. (11, A-ZT)

The above quote illustrates how Arabs are “synchronic”/ “polychronic” and hence the key account manager can show them how much he/she values them by “giving them time” (Trompenars & Hampden-Turner, 1997: 125), and by socialising with them, without discussing business. Arabs are also of a “particularist” culture and get suspicious when harried as they need time to form close relationship with a trustworthy partner, which is different from the “universalist”/ “sequential” and “monochromic” culture of the Anglo-Saxons where “time is money” and treated as a commodity, and there it takes maximum half of the time the particularist (in this case- an Arab) needs to establish a contractual agreement (Trompenars & Hampden-Turner, 1997: 125).

The above is further demonstrated by the following quote by A-ST Large Corporate Accounts Division Head:

‘This is what I tell my account managers and what I teach them in building the relationship. There is no harm if in the morning you go to your customer and have breakfast together, or going out with him to play billiard, or to the cafe for a hubble bubble (shisha), or for dinner or lunch. These are the type of things that can be used in breaking the ice between you and the customer and help to establish the relationship. In
addition, a very important point since we are Large Corporate Accounts (LCAs) is to visit the account not for business purposes, not when you hear that an X account will be inviting tenders worth 100000 JDS, then you start to visit the account. You need to build the relationship with that account even without any business and do regular follow-ups and visits because if today he does not have a business opportunity tomorrow there will be one with that account’. (43, A-ST)

The above quote also demonstrates the significant role of personal contacts, and how difficult it is to get decisions based on impersonal relationships, and there is a greater emphasis attached to maintaining and developing relationships than in the West. In a similar vein to the business norms in China, Japan and Korea, it shows the importance of “After-hours socialisation” (Usunier & Lee, 2005: 464), which represent important mediums for meeting, negotiating and convincing key decision makers in a friendly and socially more comfortable and convenient ambience.

**Funds and Physical Resources**

Part of the resources necessary to manage key accounts and built trust and long term relationships included allocating budget and funds to hold events, sponsorships and exhibitions for key accounts. These formed important avenues for customers to meet with senior management and other business firms. Thus for example, in W-OT as explained by one of the key account managers:

‘We sponsor events for our key customers. For example, it is important for us and for him that when people come to the event, to see W-OT logo which is a big company. So we put a tent for them and communication facilities including Internet to use in the exhibition; we also hold events for our customers where all key customers meet each other and exchange ideas with our teams and the management; we also give scholarships and sponsor students at the universities to build stronger relationship with the universities...’ (18, W-OT)
In a similar vein, the sales manager at A-ST stated:

‘...We make events for our key customers. For example, we send out invitations to our customers for dinner or lunch events. In such events we give presentations on our products, introduce our customers to our CEO, and regional manager, and product & innovation manager. This way the customer feels he is being respected and appreciated, since he will say to himself they invited me from amongst the all the customers they have, thus it is a kind of ego satisfaction and makes the customer happy’. (46, A-ST)

Other resources included cars, petrol, laptops, and gifts to give to key customers on special occasions including bouquets of flowers and cards. Also presentation kits, mobiles, services books, unified service offers ready to go which were more or less, standard facilities and resources provided to key account managers to manage their accounts. Indeed, these resources may have been considered as working tools as this quote by one sales director illustrates... ‘presentation kits, computers, cars...all these resources are available working tools for the account managers’ (9, A-ZT).

All these resources were found to be helpful by the account managers to nurture and maintain the relationship with the key customers.

6.4 THE KAM ORGANISATIONAL ACTORS

In this section the findings, from the different companies in the study, about the “Actors” who are the specialised people participating in the management of key account customers are discussed below under the following main headings: Top Management Involvement; Support Teams; and Key Account Manager.
6.4.1 Top Management Involvement

Interviews with senior managers in different sectors revealed that they are actively involved in the management of key accounts. Top management involvement (TMI) may be defined as ‘the extent to which top management participates in KAM’ (Workman et al., 2003: 9). This involvement can be seen to take place at three levels: at the strategic level, at the tactical; and at the social level.

At the ‘strategic level’, the results show that in general, top managers including the Chairman and Chief Executive Officer (CEO) were often directly involved in strategic discussions with strategic/key customers. These discussions included such things as strategies to develop strategic partnerships with the customers to expand the business and cooperation between the two firms. Furthermore, senior managers tended to attend meetings with strategic and key customers to finalise big deals and sign the contracts to show the commitment of the top management. They also got involved in negotiating strategic alliances in which issues such as co-branding and outsourcing and cooperative projects are discussed. For example, one corporate sales director noted that:

‘At the ‘tactical level’ this involved supporting key account managers through, for example, their presence with the key account managers’ (23, W-OT) during their visits to key customers and/or in the negotiation process which had a positive impact on the relationship quality. Thus, senior managers visited customers when they were asked to by account managers to accompany them or when they noticed that there was no progress in some of the accounts. They also made these visits to provide support for account managers by assuring key customers that the key account manager is competent and capable of managing of the customers’ needs, and that the key account manager is
the person in charge with full support from senior management. In relation to this, for example, the sales director at W-LA and sales director at W-OT observed, respectively that:

‘... As for my role it is not to take authority away from my account managers but to empower them and support them in front of the key customers’. (I, W-LA)

‘I get involved with key account customers because this is a cultural thing that we have in Jordan. It is, in a way, fulfilling the pride of the customer that the manager personally is visiting and asking him if he needs anything. This also acts as support for the key account manager, as I am empowering him in front of the customers and not taking authority away from him. At the same time, I am showing the customer that we care about him and that he is important to us and we are all here for him’ (13, W-OT)

In the Arab world this signals out the message that ‘we are here to serve you’, and indicates that the top manager is underscoring the importance and status of the customer and is showing him the necessary respect. This is reflected in the following two quotes:

‘Even if the top-manager does not say a word at the negotiations table, however just him being present there can provide a different direction for the deal...’ (38, A-AC)

‘...When my manager or the CEO is present in the meeting that is sometimes enough to go through with the deal. Seeing him with me says that we respect our customer and we value his status. Otherwise he can take it as an insult that only the account manager came to see him. He would simply say “who are you to talk to me? Bring me the head of your company to speak to me”. This is how it is in our culture unfortunately’ (30, A-AR).

The involvement of top managers and presence to enhance the status of the key account manager in ‘the eyes of the customer’, can be taken within this context to indicate that this presence strengthens key account managers’ credibility and status, as in the Arab culture the sales person has a relatively ‘demeaned image’ (as also stated by Usunier & Lee, 2009). The senior manager’s presence also portrays the ‘instrumental
commitment’ (WeiBo, et al., 2010) of the top manager who is dedicating time and expertise to serve the customers’ needs, socialise with them and manage the relationship with them.

Moreover, involvement of top management is important in the Arab world for cultural and political reasons. Thus, because of cultural reasons senior managers at the client organisation prefer and may insist on meeting with and dealing with someone of their own status from the supplier organisation. As a senior manager at A-AR and an account manager at A-ZT emphasised respectively:

‘... the customer does not appreciate to talk to the account manager. They would prefer to talk to someone from their own status and basically this is a business requirement that we had to accommodate ourselves to.’ (25, A-AR)

‘...Top management involvement is crucial and is a must because it is a cultural habit that a senior manager will want to meet his peer and will refuse to meet a key account manager...In our society the top manager will not meet the sales person. For example, a bank’s general manager will only meet with the general manager of [our company] not the sales representative....a director or a general manager may not accept me to visit him as I am a manager only and he wants to meet his peer....Today is good example, we had to visit the president of a bank and he refused to see me on my own so my boss had to come with me’. (11, A-ZT)

Furthermore, the involvement of top management in key accounts is also very important because as highlighted by many interviewees, ‘key customers always like to speak to senior managers to solve their problems’. This clearly reflects the top-man syndrome phenomena (Al-Faleh, 1986) in the Arab culture, the insistence on dealing with very senior managers and the belief that only the “top-man” can really get things done. Thus, top managers play a significant and valuable role in the Arab business relationships and in creating value for the firm. In relation to this, for example, corporate relationship manager in W-HS stated that:
‘...when I go to meet my client I prefer to have my manager with me, as the client prefers it, because it is more of prestige point of view, that is to speak to someone from my own status. Particularly I prefer having my manager with me on the first visit to the client so that he does not look at me in a condescending way, thus having a senior manager with me will make the situation different. This is a cultural thing and it is considered to be important when doing business in our country.’ (50, W-HS)

In addition, key customers may only deal with senior managers. For example, the department head for SME at an IT company stated that, if he was not personally present in the deal the customer would not interact with anyone else in the organisation or communicate with the account manager, and observed that:

‘I was on leave, and one of the key customers needed an urgent work to be done on a tender he had which is worth around two million pounds, and because I was not present that day, he refused to send the specifications of the tender to us to start working on it and gain the benefit of the early time start-up, and waited until I was back from my leave and then contacted. He really put us in a difficult position as we had leave most of the work in our hands and do his work. I mean just being away for a few days he would not speak to anybody else in the company.’ (40, A-ST)

Apparently, the key customer does not recognise the boundaries in the organisational structure of the company and it seems that the key customers prefer to deal with the top management directly in the organisation, even regarding matters that are not in the domain or expertise of the senior manager. It appeared that the Arab senior manager did not mind that, and in fact he saw it as an opportunity to strengthen the relationship with the key account and enhance customer loyalty, because the customer felt he had been approached with the necessary respect/importance by a senior person in the organisation and was serving him personally. Thus, one of the corporate market managers stated:

‘...on the personal level I can help as much as I can, the services which the customer purchased from us for his household and his family, if he has any problems with his landline for example, he can call me and tell me his complaint and asks me to check it for him, and I personally follow-up on the matter. If this helps the business and the relationship with the customer, why not.’ (24, W-OT)
In a similar vein, the branch manager at A-AC indicated:

‘...the customer always prefers to speak to the top manager, and appreciates that he has been approached by a senior manager. For example, when he comes to the bank and there is no prior appointment and I welcome him in to my office and ask him what he needs and if there is anything I can help him with, without needing to go through the regular process he feels he has been respected and the top-manager is serving him in person, which builds a strong and loyal relationship between us’. (35, A-CA)

The data thus suggests that status and peoples’ ranks are of utter importance in the Arab culture, as due to high power distance culture, it is assumed that the ones of higher rank and status have more authority to expedite and facilitate any process, and therefore, like to see them involved in everything.

Overall, the findings indicate that, from an Arab perspective there is heavy involvement of top managers on all levels whether it is on the strategic or tactical level. In fact, research evidence shows that it is the customer who asks personally for the involvement of the top managers in the relationship as this makes the key customer more assured that his business is in safe-hands and that he is treated with utter importance. Although from a Western perspective it is appreciated that top manager is involved on the strategic level, however, on tactical level this may not be feasible since the Western customer may become confused as to who is managing the relationship; is it the senior manager or is it the account manager? As claimed by (Guselega, 2007; Guseleaga & Johnston, 2010). In the West, and according to Guesala (2007), the senior manager’s involvement could also cause dissatisfaction to the account manager as this could make him appear incompetent. In contrast, the research findings indicate that the Arab customer and the Arab account manager sees the involvement of the top manager as an advantage at all
levels because the involvement of the top management adds value to the relationship by supporting both the key customer and the account manager.

6.4.2 Support Teams

The findings indicate that support staff from different functions were used to provide specialist services, such as technical and financial, to support key accounts as required by the account managers and key customers. However, the type and scale of support provided and dedication seemed to vary across some companies.

More specifically, it was found that in some sectors dedicated and specialised teams from different functions were recruited and allocated to exclusively serve the key accounts. According to respondents, the importance of having such teams; which were created to work closely with key account managers, was to improve the firm’s performance and to increase its competitive advantage by increasing customer satisfaction and exceeding their expectations as key account customers. For example, in the telecommunication and IT sectors W-OT, A-ZT and A-ST were using pre-sales teams and post sales teams that were working closely with key account managers to serve exclusively strategic and key account customers. For example, at W-OT the pre-sales support team’s main responsibility was to provide support to the account managers in preparing and drafting the business proposal for the customer including the costs and financial and technical contents specifications. The post-sales support team consisted of people who were dedicated to serving exclusively strategic account customers and were mainly concerned with order handling follow-up; fault-handling follow up; and project management. Similarly, in A-ST there are sales teams to manage the key accounts and
consist of both pre-sales and post-sales teams. However, these teams are not exclusively dedicated to serving key accounts as they also serve other accounts and customers.

Sales support teams concept in the financial and manufacturing firms did not seem to be as advanced as the other companies. Data collected from these companies indicate that there is lack of use of teams. In both the local and Western owned banks, it was found that the selling team concept was weak or non-existent, as there were no sales teams or there was hardly any team cooperation with other functions, in contrast to what was observed in the rest of the sectors investigated such as IT and telecommunications. It was found that the key account managers had no real support from any other dedicated team members from other functions, and that the main responsibility of managing key accounts rested with the account managers and their superiors in the bank, the line managers and the top managers. There was no sales support team, such as technicians or marketing. For example, one of the relationships managers in W-SG observed that:

‘We do not have any support. Everything is done through myself, from finding the customer, to visiting and following up, and trying to get the approval on the funds that the customer may need, by submitting an application on his behalf to the senior management panel...’. (32, W-SG)

Indeed, account managers interviewed in the financial sector indicated that this lack of support from other functions was common and that if they needed any support they had to search for it and ‘knock on every door’ within the firm as other departments work in an independent manner from the corporate unit. In relation to this, one of the corporate relationship managers in A-AR observed that:

‘One of the companies asked us to do different type of electronic banking for electronic signature verification. We do not have such capability or the know-how. Hence, I went
to various banks and asked them if they have something like what our customer wants or do they know how to do what he needs. Unfortunately none of them knew how and we informed the client that we do not have the means to do what he requested from us. Lastly, we directed ourselves to our IT department and asked for their help. People from our IT department came together with the IT department from the clients company and sat together and found a way for the problem which they worked both on it for a whole two weeks’. (30, A-AR)

In a similar vein, data from the cement company also revealed similar findings to those from the financial companies, in that there were no sales teams established to serve the customers. The accounts were mainly served by the account managers, with little or no reliance on the other sections of the company for support. It was apparent that the cement industry was not as dynamic and sophisticated as the telecommunication and IT sectors, and the need for sales support for customers was not an imperative element for the company. However, it must be noted that some changes were being planned and some have started to take place with the advent of competition in the market, as mentioned above in the activities section.

6.4.3 The Account Manager

In this section the role and competencies of the key account manager in an Arab context are discussed under the following main sub-headings: the key account manager’s role; and the Competencies and Selection Criteria of the Key Account Manager.

6.4.3.1 The Key Account Manager’s Role

The findings indicate that key account managers were heavily involved in the management of key accounts and that they were responsible for managing the whole inter-organisational relationship. A number of roles and responsibilities for key account managers have emerged from the interviews, some of which have some similarities with
those discussed in the literature (e.g. Millman & Wilson, 1995). These are discussed below under the following heading: A focal/single point of contact; relationship manager; account consultant; and account planner.

**a. Focal/ Single Point of Contact:** Being a focal or single point of contact was found to be a common role across the different organisations. The different companies were aiming to improve their image and efficiency and customer satisfaction by allocating an account manager who acted as a single point of contact for them. This also meant that the key account managers operated as “boundary spanner” between the selling firm and the customer, where they not only represented their company to their key customers, but also represented those key customers within their own company, thus, acting also as the ‘advocates’ or voices of the key customers (Ryals & McDonald, 2008: 298). Hence, key account managers constituted the inter-organisational linkage, which made them of strategic importance in relational exchange. In relation to this, for example, one strategic manager at W-OT explained how the strategic account manager became the single point of contact after privatisation, as follows:

‘In [our company] there is one contact point – the strategic account manager. I shall contact everyone else in [our company]. I have a team to work with – post-sales and pre-sales. We built a process with them in terms of products, services required by the customers, complaints, faults, or proposals in the preparation of the proposals by the pre-sales. There is a process for each one of them and there are forms and ISO we fill them and send them to them (pre and post) and follow up. For example, if I agreed on a solution with a customer, I receive the purchase order from him, I fill a special form and explain in it all the sites and all the required things and then I send it to the pre-sales, and she revises and she builds the suitable offer-proposal and speaks with the technical people if needed and the cost people, and then she puts a technical proposal and a financial proposal and then she sends it to me. I examine it and if I agree with her and it is also agreed by the director, then it is signed and then delivered to the customer’. (15, W-OT)
Having one point of contact was also seen to help in meeting key customers’ expectations as they would expect the account manager to represent all departments in his company as explained in the following quote by the account manager at A-ST:

‘...I am supposed to be the focal point of contact....For one, the customer also expects that the account manager to be the single point of contact and to represent all departments—finance, marketing, IT.....My role is to monitor and facilitate the business and communication and to open doors, maintain a good relationship between key customers and our company; be the point of contact between the company and the customer; to solve the problems that a customer may face with any of the divisions; and advise the customer. I am not in charge of sales directly but whatever customers I can find it is good. I am more of helping, more of a coordinator and help/support to our business units and the customers’. (39, A-ST)

Thus, at A-ST in addition to the above, the account manager “coordinates” the interaction process for the key account with the requisite divisions of the company to avoid delay or loss of contact due to miscommunication between the divisions. Moreover, if the customers faced any problems with the products supplied, any delays, or if they were not happy with the engineering staff providing support, the account manager would attempt to resolve the issues faced, and would try to minimize the source(s) of grievances.

Similarly, the corporate relationship manager at A-AR highlighted the encompassing role of the corporate relationship manager and stated:

‘...The Relationship manager (RM) has many roles. First the RM role is to be in direct and continuous contact with the client, to follow up and see what his financial needs are, what problems he faces with the bank in terms of the service or follow up and even with our financial unit or any other branches, and try to accommodate his demands in the shortest possible time. Try to complete the information, do filed visits to customers, to follow up the customers activities in full. Of course you need to keep the follow up with the customer and to keep the customer and the relationship....The RM gets involved in everything with the customer...’. (29, A-AR)
Being the focal or single point of contact entailed two important issues: First, being in a key position to “escalate” any problem to solve it immediately or as quickly as possible; and second, being in a key position to disseminate information and manage the communication process, as shown below.

i) Escalation: This escalation theme was very clear in some companies like W-OT, A-ZT, and A-ST, while it was not clearly emphasised by other respondents. For example, the LCA division head at A-ST, noted that:

‘If the key customer faces any problems the account manager can escalate the matter and can contact me directly and I will solve the problem...’ (43, A-ST)

At A-ZT, the ability to escalate any problem with the strategic/key customers was seen by the account managers as one of the most important changes that were introduced by the new management after privatisation. Thus, two account managers noted:

‘...We have a green light to escalate any problem we have without going through the bureaucratic procedures. So if I have a problem I can escalate it immediately and I can go directly, for example, to the technical director or to the digital services manager or director. So I don’t have limitation in terms of escalation’. (10, A-ZT)

Similarly, another major account manager observed that:

‘If I face a problem with pre-sales or post-sales I can escalate the issue immediately and communicate it to the higher levels. The maximum I need to do is to copy in my director because he has given me authorities to escalate the issue so I copy him only. So I do not ask him to do the escalation on my behalf.’ (19, W-OT)

This decentralisation and escalation authority that is given to key account managers to be able to communicate vertically upwards and to obtain the necessary responses and cooperation from different departments to serve the customer effectively may also be seen as signs of a change or development of a corporate culture or ‘esprit de corps’
(Workman et al., 2003) which promoted the participation and commitment of people throughout the firm, particularly in a high power distance culture with a relatively high degree of centralisation of decision-making.

ii) Communication and Negotiation: Being the single point of contact between the supplier organisation and the customer organisation, the key account manager manages the flow of information between the two organisations. Internally, he/she had to provide and exchange this information with upper levels of managers and with support teams and relevant departments to solve the customer’s problems and provide integrated solutions. The account manager also has to feedback information to the customer. This role, in turn, implied that all channels of communication and at all levels needed to be open for the strategic or key customers, as was clarified by the A-ST account manager by the following quote:

‘...As an account manager I do not restrict myself to only one level of communication or deal with only specific people. For example, because I am an account manager that doesn’t mean I cannot speak to a senior manager or only speak to the IT director...’ (39, A-ST)

The account managers also had to keep the channels of communication open with the customers 24/7 and even if they went on holiday. It was emphasised that consistent and efficient communication was significant for maintaining a successful relationship. Furthermore, since the account manager acted as the voice and advocate of the customer, this meant that he/she had to negotiate internally as well on behalf of the customer. This role has been becoming more spread even in the banks where there are more restrictions, as such that the account manager once convinced that the key customer’s portfolio is strong enough, he will personally advocate the customer’s case
opposite the decision-making panel as demonstrated in the following quote by the corporate relationship manager at A-AR:

‘...when we put the file together for the customer, I have the authority to go to the panel and advocate the key customers case and convince them that he is a worthy customer for those funds’ (30, A-AR)

A point worth mentioning is that customer advocacy was not possible in the past, about a decade ago, due to the high centralization and bureaucratic procedures found in most companies. However, the high level of competition, as has been noted, caused a transformation of how companies approached customers that resulted in more flexibility in their business procedures to expedite and facilitate the business process with the key customers.

b. Relationship Manager: All key account managers were clear about the main role of the key account manager, which was to build and maintain good relationships with key customers. Thus, the strategic/key account manager worked closely with the customers to build joint solutions and fulfilled the role of ‘relationship facilitator’ and actively sought to develop the inter-firm relationship even when there was no prospect of making new sales. Key issues or interrelated sub-themes that emerged from this role were being responsible for: Building multi-level relationships; Building long-term relationships and strategic partnership or partnerships; and Building trust and personal relationships.

- **Building multi-level relationships:** the account managers in general tried to build good relationships with the key customers, particularly with decision makers in
the buying organisations. Some respondents expressed this as establishing special relationships with the key and most direct decision-makers and influencers whom they called, the “VETOs”, such as the general manager, the IT managers, and purchasing manager – i.e. senior managers at the strategic level. Building multi-level relationships was also important to maintain the continuous contact necessary for strengthening the relationship and trust, as it may not be possible to contact the top decision maker as frequently as desired, and so the account manager will aim to maintain the relationship with other decision makers and influencers as well in the buyer company. Thus, account manager at A-ZT observed that:

‘...The account manager has to go and build a special relation with the most direct decision-maker. Sometimes the decision-maker is only a centralized unit or organization. This means that I cannot go everyday or every month because each customer has to be visited twice a week ....I cannot visit the GM twice a week or the CEO but I could visit the IT director or IT manager. The IT manager he is a decision influencer, so I build the relationship with this person, show him that we are closer to him and that we are different, show him that we know his infrastructure completely and that we are consultants not just sellers....’. (11, A-ZT)

Another strategic account manager said:

‘...I aim to meet to the VETOs – the most important people in the customer’s organisation, and not just deal with any body...and propose to the VETOs ...first I see the pain and then discuss with them the business ideas because if I start talking about technical issues he will send me to the IT or technical people, so I see the pain and the business idea that might fit with the VETO thinking. The VETOs include the General Manager; the Chief Executive Officer; or the director... ’ (21, W-OT)

In certain situations where the account manager cannot meet with the top level decision maker at the buyer organisation who will only see his peer at the supplier organisation, then he will try to ensure this through his senior manager as this quote by the senior sales manager at A-ST illustrates:
‘I can speak to all levels even if I cannot reach the senior management, I can bring my senior manager to deal and communicate with the senior managers of the customer company. Here at [our company] we deal with all levels and the communication process is open to all levels even internally. I am supposed to be the focal point of contact between my company and customer company, however, we do not impede the communication that takes place between our sales people and the customer or insist that they should go through me...’ (41, A-ST)

In other organisations where there still existed higher degrees of centralisation like in the financial sector, the account manager tried to also establish a relationship with the decision maker in the customer company. However, when closing any deal the bank’s senior manager had to attend to close the deal.

- **Build Long-Term and Personal Relationships** All account managers in the study explained that their main aim was to establish, build and maintain good and long term relationships with their customers, and that this was part of their role. For example, the key account manager at W-OT and account manager at A-ST respectively stated:

‘...my role is to build long term relationships and strategic partnerships with key customers...I do this through customer care, win-win situations not as sales only – I work as a sales consultant to reach win-win situation...’ (18, W-OT)

‘My role is to build and maintain good long-term relationship with the customer and our company....’ (39, A-ST)

Thus, according to the respondents, building and maintaining long term relationships also involves building strategic partnerships with key customers. Thus, A-ST SME corporate account division head emphasised:

‘We deal with the customer in a strategic manner and get into strategic partnership with them, for example, we do with them something called hardware supply agreement. The supply agreement for the RJ, we sign a contract with the customer on yearly bases, this agreement entitles us to be exclusive suppliers of IT equipment for the company,
and this gives them advantages at the strategic level, like constant update to technology, fast intervene in case of problems, that is why we consider them strategic and provide them services at this level’. (40, A-ST)

Such strategic partnerships may also reflect how the supplier companies are coming up with business ideas that help the partners grow and improve their performance, and help to increase trust between the partners which is essential for long-term relationships as pointed out below.

**Personal relationships** were also emphasised. These were primarily established through building trust. Trust was emphasised to be very important for building a long-term relationship, and for gaining the loyalty of the key customers and building strategic partnerships. The role of the account manager was indicated to include building trust and personal relationships with the customers, which also reflected some of the department objectives in some companies that included: “to gain trust and build rapport with key customers”. The importance of developing personalised relationships and friendship with key customers is reflected in the following quote:

‘To retain and maintain these customers the company is keen on making the account managers to be involved personally with the account and to develop personal relationships with the key customers becomes imperative in eliminating any sense of dissatisfaction’. (2, W-LA)

In a similar vein, a senior corporate relationship manager at W-SG highlighted the following:

‘Our main role is to develop and maintain good relationships with the key customer, and to try to maximise the personal touch of the relationship with the customer. There are many competitors and our products and prices are similar, so what will make the customer choose you over the rest of the banks is the scope and nature of the relationship he has with your bank’. (31, W-SG)
c. **Account Consultant:** The account manager was seen also as someone who needed to have a strategic vision with a focus on building a long-term relationship and partnership with key customers rather than just selling a product to the customer. This entailed the use of strategic selling rather than the traditional/transactional sales approach to build loyalty. The account manager with strategic sales skills and vision acts as more of a consultant to the key account rather than the traditional salesperson, whose sole purpose is only to sell. Thus, the key account section head at W-OT and account manager at A-ZT said:

‘...one of the key roles of the account manager is also to act as a “Consultant” for the key customer. By building closer relationship with them, identifying their growth, identifying their needs, being consultants – this is very important being consultants.’ (17, W-OT)

‘The account manager should possess a strategic sales technique on the strategic level and not to sell in the traditional way, that is to think in a way how to be a consultant to the customer, rather than to be only a service a provider and to think in being a partner with the customer. The person who thinks in that way will make an impression and bring in the revenue for the company’. (11, A-ZT)

In a similar vein, the relationship manager at W-SG maintained that:

‘...the relationship manager (RM) role is to build and maintain the relationship with the key customer, and to enhance the personal relationship with the key customer and be a consultant to the key customer.’ (34, W-SG)

According to the respondents, by acting as a consultant for the customer, the account manager provides advice and solutions and creates the needs for them by identifying areas of improvement and by proposing ‘new business ideas’ that help the customers to grow and improve their competitive position in the market. The account manager who acts as a consultant will have the strategic mentality to seek long-term partnership
relationship with the key customer and hence must understand, customers’ plans, needs, and follow the customer’s future direction for the business, for example, where, what and when the expansion of the business will take place, what type of service and solutions is required. As such, the account manager will be able to put forward a strategic plan for the customer, provide him with the necessary advice and suggestions to achieve these goals in the shortest and least cost. Such an approach by the account manager will retain the customer and bring in the revenue for the firm.

d. Account Planner: Planning and building and continuously updating the customer’s profile appeared to be important roles for the account manager, which was facilitated by establishing a comprehensive database that included all the relevant information about the customer, competitors and the market, and by the implementation of CRM (Customer Relationship Management Software) to help in the planning, monitoring and control of the accounts. The account managers used market intelligence and various sources including personal contacts to collect information about the customer and their business environment and constantly update the customer’s profile.

The planning process of an account starts by building the customer’s profile. As mentioned previously, this could include a personal profile, a business profile and a technical profile. For example, at W-OT single action plans were developed by the account managers for each strategic customer and then were integrated in one plan by the sales director. After studying the customer’s profile the account manager visits the customer to form a clearer picture. As was explained by the respondents, after forming a clear picture of the customer’s vision, future direction, plans and problems, the account manager draws up an individual action plan for the customer. The action plan consisted
of the account manager’s objectives, the activities to be undertaken to reach these objectives, the timeframe for achieving each activity, the resources required, competitors, and key performance indicators. These key performance indicators included such things as fault handling time, network efficiencies, time to deliver, and customer satisfaction.

At A-ZT there are action plans and strategic plans. Account managers prepared individual action plans for key customers and it consisted of such items as the needs of the key accounts, what services to be provided, time of contract and what steps needed to be taken before contacting the customer, and so on. ‘Thus, for each customer it is more of action plans’ (10, A-ZT). These action plans formed part of the strategic plans which consisted of the entire pool of sectors and for the entire corporate level. The sales managers (team leaders), head of enterprise sales, the sales director, and the chief operating officer participated in writing the strategic plan. This plan consisted of the targets, how to enhance performance, where the company was at that time and where it wanted to be in the future. Account managers gave their feedback but officially they did not participate in writing the strategic plan. In the banks there was formal planning but not at the individual customer level but rather at the strategic level. In relation to this, for example, the senior corporate relationship manager at W-SG noted:

‘Of course we do planning but it is not on the customer level. It is a strategic plan that is done for a number of years let’s say 3 years in ahead. So we say in the next year I am planning to increase my portfolio in such sectors and want to decrease it such sectors. So it is a plan based on the entire department where we want to be in the next years and not on the customer level....it is done in a brain storming way as well’. (31, W-SG)

The corporate unit manager, the VP, department managers, and account managers/relationship managers were all involved in the planning process and in
preparing the plans. They also met on weekly basis as a team to discuss these plans and they started off by discussing the market situation, identifying the sectors that were facing a difficulty and the sectors that were expected to boom in the coming years, specifying the key clients and what had been granted to them and what should be the future direction with these clients in the following year.

A-ST and W-LA appeared to adopt an informal planning style. Thus, in the former, it was pointed out that they did not have account plans as such prepared by account managers. However, account managers met with the sales directors in brainstorming sessions to discuss objectives and where they wanted to be in the following year, and years ahead with their key accounts. Similarly, planning seemed to be done informally at the manufacturing company, as there were no official plans prepared by the account managers, but there were weekly meetings between the account managers, sales manager and the sales director to discuss objectives; highlight changes, movements and trends in the market; reflect on customer feedback, and other related issues.

6.4.3.2 Competencies and Selection Criteria of the Key Account Manager

Job competency may be defined as “an underlying characteristic of a person, in that it may be a motive, trait, skill, aspect of one’s self-image or social role, or a body of knowledge which he or she uses, which is causally related to the achievement of effective, or better, work performances” (Boyatzis, 1982: 21). It could also be defined as ‘the knowledge, skills, abilities, and other attributes required to perform desired future behaviour’ (Blancero, et al., 1996: 387).
Consequently, and taking into consideration that the current trend in human resourcing and development is to emphasise ‘competency’ (Bratton & Gold, 2007), participants were asked about the competencies and characteristics necessary to be found in an account manager in an Arab context. A number of elements appeared very interesting and were also part of the criteria used in selecting and recruiting the account manager.

More specifically, the results indicate that the requirements of a key account manager in an Arab context were wide ranging, and some common traits emerged regardless of industry served. Certain competencies that are relatively similar to Western ones (Wotruba & Castleberry, 1993) were important to selecting key account managers in Jordan. These include: sales experience and strategic selling skills, teamwork, strategic thinking and analysis and vision, creativity, leadership and decision-making abilities, problem solving, knowledge of the product, communication skills, pro-activeness, educational qualifications, computer skills, and English language. In relation to this, for example, the head of enterprise sales at A-ZT noted:

‘Some of the criteria used to evaluate our sales-people skills include: Pro-activeness, communication skills, negotiation skills, problem solving, selling techniques, self-confidence, customer oriented.... ’. (9, A-ZT).

Similarly, sales team leader at A-ST stated:

‘To start with they have to have excellent communication skills. They have to be equipped with a certain level of negotiation skills with the customer...They need to be visionary....they need to be smart and know how to handle objections with customers. At the personal level they must be pleasant to talk with, comfortable to talk with, humble with the customer, and show respect to the customer, and after that they need to have a brilliant selling skills...’. (42, A-ST).

In a similar vein, the head of education and government department observed that:

‘...the account manager must be proactive and must have good communication skills, sales skills, and possess a strategic vision. They have to master the way they are doing
sales, they have to be able to create the need and try to satisfy these needs with whatever products that we have... If a person has all these skills then they would qualify to be key account managers’. (24, A-ZT)

The findings also indicate that there are a number of “Arab-specific” competencies and characteristics that are different from the Western context and these may be considered even more important in order to succeed in an Arab context. More specifically, differences identified stem from five elements of the Arab culture relating to individual behaviour:

Wasta/close personal connections; seniority/older age with a family; Ethnic origin and religion.

**Wasta/Close personal Connections:** In relation to the first criterion, it was found that Wasta (which will be discussed in more depth in the next chapter), described as special personal connections and relationships, is significant for the success of key account managers, as it was found that it is important for an account manager to have a *pre-existing network* of relationships through family and friendship connections to be selected for the job. In relation to this, for example, the corporate relationship manager at A-AR stated:

‘When the relationship manager (RM) finds another vacancy in another bank, he takes his customers with him and the other bank will recruit you only if you bring your customers and connections with you. In fact it is a perquisite of the recruitment process, because this means that the firm will use the relationship manager’s (RMs) network of connections to access other resources’ (29, A-AR).

Similarly, A-AC branch manager explained how personal connections and who one knows is an important recruitment and selection criteria and noted that:
'When I was interviewed for my new job, one of the questions in the interview that I was asked about was about my connections and relations with customers and how strong my connections were and whether I can bring them to this firm... So I told them about the customers that I have strong relationships with and whom I have an influence over, hence this helped me in being recruited at A-AC’ (35, A-AC).

This may be in contrast to the Western context in which key account managers are selected on the basis that they are capable of developing relationships with customers on the job, while in an Arab context the account managers are more likely to be selected because the relationships are pre-existing with the customers. For account managers and the firm in which they operate, Wasta is significant because it has many benefits, such as gaining access to influential people and decision makers; hedging against competitors, and acquiring business opportunities. These benefits are explained in more detail in the following chapter under the Wasta section.

Clearly, due to the significance of Wasta companies may make concessions in terms of qualifications or other technical criteria, as it was pointed out by some respondents that it is possible to recruit someone who does not have the required qualifications or experience and even failing a test, if that person had strong Wasta connections. For example, the head of LCA division stated:

‘I personally have recruited a person like that in my company (KAMgr) that has no IT background in-fact he is initially real estate agent but because of his connection’s I have recruited him in our company. This is one of the ways we decide on recruiting our key account managers... if someone fails his English language test, the HR will not give him the job, but at the end of the day I am the decision maker, and if I see I can benefit from this person I will still recruit him even if he failed the test (43, A-ST).

It must be noted that although some organisations try to downplay Wasta as it is considered by Westerners and younger generations in the Arab world as unethical,
evidence obtained shows that Wasta still is an imperative force in conducting business in the Arab world.

**Seniority, authority, and with Family:** The second substantial divergence found was encapsulated by the respondents relating to “older age with family”. Seniority or older age, and having a family and being family-oriented, seem to be important and preferred selection criteria because in an Arab culture with high power distance (Hofstede, 1994), where older people are respected more, and are perceived to be more ‘trustworthy’, more reliable, more persuasive as they would have more experience in life, and ‘with whom it is possible to do business with’ (Usunier & Lee, 2005: 51). This may also be related to the dominant family and patriarchal/parental models in the Arab world that reflect their tribal societal structure. This criterion seems to be in contrast to Western countries like the USA where younger people are more valued (Usunier & Lee, 2005).

It follows that according to the account managers interviewed, to break the ice an account manager will not start discussing business in the first customer meeting, or will only speak very briefly about business in the last 5 or 10 minutes of the meeting. Instead, the account manager typically resorts to socialising with the key customer, particularly by talking about their families. This gives him (as they were all male) an acceptable topic to discuss that also demonstrates key account manager’s capacity to fulfil cultural expectations of a responsible senior and family man. One senior manager at W-LA commented that:

*In the Middle East I would choose as a criterion a senior person. You want someone who can talk about children and can talk about life. You want someone who has experience in life. The first question the key customer would ask the account manager is
In a similar vein, the SME unit manager at A-AR observed that:

‘Having an account manager that is little bit old in age, gives a lot of credibility, because we have this in our culture, and we respect the elders. Hence, such an account manager is more convincing to the key customer when they negotiate deals.’ (27, A-AR)

This fits with the requirement of Arab customers to be serviced by the most senior member of the supplying firm. There is a strong desire for customers to perceive their key supplier contact as the decision maker and the one who will get things done. The customer therefore would be uncertain and uncomfortable in dealing with more junior key account managers or just a sales person (due to low status of sales work), or people who have to refer decisions up the organisational hierarchy. Accordingly, firms were changing the titles to include for example the word manager such as key account managers to give them status in the eyes of the customers (see Table 6.4 for a summary of these titles used in the sample companies). In relation to these issues, the corporate market manager at W-OT as follows and the account manager at A-ZT:

‘...the customers do not appreciate talking to sales people. We even changed their title from sales consultants or sales representatives to account managers to make them stand more empowered in front of the customers and to elevate their status in their eyes by having more authority’ (23, W-OT).

‘...our titles were at first sales reps, then the management decided to change our titles to account managers so that the customer feels appreciated and also to give us more prestige when doing business with the key account and to be looked as a regular salesperson’. (10, A-ZT)

The above shows how the cultural elements of respect for age and authority influence the perception of the key customers, and account managers’ behaviour and how they
deal with their key accounts, and hence the need to take these criteria into consideration prior to the recruitment and selection in Arab countries.

**Table 6.4  Key Account Manager Titles**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Title</th>
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<tbody>
<tr>
<td>Telecommunications</td>
<td>Strategic Account Manager &amp; Large Corporate Account Manager</td>
</tr>
<tr>
<td>Banking</td>
<td>Corporate Relationship Manager</td>
</tr>
<tr>
<td>IT</td>
<td>Account Manager</td>
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<tr>
<td>Manufacturing</td>
<td>Territory Manager</td>
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**Ethnic Origin and Religion:** Two interlinked factors were found to be important characteristics that influenced the selection criteria of key account managers: ethnicity and religious persuasion. The ethnic origin, represented in the family, clan and tribe, is a significant quality to be found in the account manager. This attribute has been highlighted by sales directors and managers to play an important role in the relationship with key customers in particular in establishing trust, maintaining the commitment and achieving customer loyalty. Coming from the right ethnic origin may provide the account manager with many opportunities for the company, including access to customer’s company, acquiring sensitive information and guarding against competitors. If the account manager doesn’t have the right ethnicity, it can be difficult for him or her to sell in the market.

This was witnessed firsthand by the researcher when one interviewee identified a link between the researcher’s ethnic / clan origin and his own. The account manager identified a family feud that happened a decade ago, and when he saw that I was from
the opposing tribe he did not see me as an independent researcher; he only saw my bloodlines and that his tribe has a conflict with mine, which had nothing to do with me directly. Based on this alone he refused to deal with me or continue the interview. This shows how Arabs within the same tribe therefore feel responsible for each other, have to support each other and take the side of each other against outsiders (Abukhowsa, 1987; Picke, 1928). This had implications in terms of recruitment and selection of key account managers as shown in the following quote by the head of enterprise sales at A-ZT:

‘We are selective in terms of our employees...we chose our sales people from the well-known families because in our community families respect each other and know each other well....Also, In our business, family and friends network is very important for the key account manager because this gives him access to the customer and paves the road for him in securing the deal with the customer’ (9, A-ZT).

A further explanation was provided by a sales manager at A-ST. He related how his ethnic origin and family name were important criteria against which he was selected for his present job. He noted that:

‘The family name is important and belonging to a certain clan helped me in acquiring the job that I am in today. The top managers knew that members of my clan occupy certain posts in the government and other large firms and saw me as an asset in opening doors for them through my connections and facilitating work and getting the accounts’ (44, A-ST).

Overall, family names in Arab countries indicate a person’s ethnic origin and his or her religion or faith style – orthodox or secular, Sunni or Shia’a. Indeed, the family name can be seen as a brand name in the Arab world, and it is so important for the companies to recruit and select account managers who will have the right backgrounds and families. If the account manager is not in harmony with the key customer’s societal standards – that is, the person is not from the right family or religion, it can have a
negative effect on the company, and therefore it affects the recruitment and selection
criteria of key account managers. Thus, the account manager at W-OT noted:

‘...If the family of the account manager and his social status is in harmony internally
with the customer it is an advantage. ....If the purchasing manager comes from a
certain family or tribal background, or religion, I send to him a salesperson who
comes from that background as well, because he wants someone like that to interact
and do business with. I am compelled to do it to able to sell, because in my culture
there is nothing wrong with it if I do it in this way. The work circumstances compelled
me to do it in this way...therefore we are compelled to interact with our customers in
this way due to the presence of such culture in our country and we have to go with the
follow-it is not us who put such rules’. (19, W-OT).

Arab key account managers tend to present their capabilities to fulfil this role to their
company by demonstrating their book of contacts, family origin, and religion rather
than their CV. Other ‘technical’ skills are becoming increasingly important in response
to globalisation and increased competition.

6.5 CONCLUSION

The findings in this chapter regarding the formal aspect of managing the relationship
with key customers demonstrated that the different companies used a number of inter-
organisational KAM practices along the three dimensions of KAM programmes,
namely: Activities (A), Resources (R), and Actors (A). The practices in these three areas
showed some similarities but differences in terms of their extent and intensity.

The results show that all companies are increasingly adopting key account management
programmes in order to improve performance and gain a competitive advantage over
their competitors. This was clearly highlighted by the companies which were moving from a monopolistic position to a more competitive market structure in their industry, as a reflection of the change of government policies which was liberalising the economy and privatising national industries. For example, W-OT which was a national industry and had a monopoly in the telecommunication sector adopted KAM practices with a Western approach when it was privatised and overtaken by a French MNC and when the market became more competitive. Similarly, W-LA, which also had a monopoly in the cement industry and was overtaken by French MNC when it was privatised, is moving towards the adoption of Western KAM practices and is in the process of establishing the necessary organisational infrastructure to face the competition.

In general, it seems that these formal aspects of KAM practices, mostly followed Western approach and principles but differed in some aspects and were considered to be used to manage the key accounts effectively. In summary, these included, among other things, along the three KAM dimensions the following:

A) Activities:

- Use of segmentation and classification criteria to identify and classify key accounts. Classification criteria included, in order, revenue, volume of sales, size of customer, growth potential, social and political sensitivity, and being registered as a company. However, revenue and sales volume seemed to be the most important factors.

- Developing and analysing personal and business profiles. The personal profile was very important and included personal data about the key customer and decision makers such as their marital status, religion, their family origins and background, family and friends’ network, and education. The business portfolio included such
things as customer plans and projects, market analysis and trends, competitive position of the customer, and so on.

- Activities, to give key customers special treatment, differentiate them from regular accounts and paved the way to long term partnerships by giving special pricing and offers, provision of quality products with latest technology, efficient services in terms of speed and service, sharing information, co-branding and joint projects.

B) Resources

- Appointment of qualified and dedicated key account managers who have very good qualifications and competencies.

- Appointment and/or use of support/sales teams to support key accounts. These varied from dedicated support teams exclusive to key accounts, as was the case in the telecommunication companies and to some extent in the IT company, to general support teams for the whole organisation.

- Access to information and market intelligence through support intelligence departments.

- Decision-making authority and escalation authority and direct contact with top levels. Also, access to sales and marketing and other functions.

- Training and development of key accounts, as well as their dedicated teams. External Western and local training facilitators were used, as well as in-house training.

- Time to socialise with key customers.

- Allocating funds and physical resources such as budgets for gifts and socialisation with customers, cars, petrol, laptops, mobiles, presentation kits, etc.
C) **Actors**

- A heavy top/senior management involvement in KAM at strategic and tactical levels, as well as in formal/business and informal/social interactions. This was seen as imperative and as a “must” rather than a choice, primarily due to socio-cultural reasons. That took a “hands on” approach rather than a Western “hands off” approach.

- Support teams, varied from dedicated teams with special competencies and qualifications to serve exclusively the account customers as in the telecommunication and IT companies and provide serviced before and after the sales, to less dedicated teams to key accounts as they served the whole organisation not exclusively key accounts.

- Dedicated key account managers were utilised. They were given different titles in different companies. However, the titles given were chosen to reflect high status so that they perceived by key customers as people with power and status. Key account managers were also increasingly being assigned as the focal/single point of contact and to be the interface between the seller and buyer organisations. He was also responsible for managing the accounts in general and for building trust and long term relationships with key customers. The account managers also acted as a negotiator, planner and developer of new ideas and business opportunities.

- The recruitment and selection criteria of key account managers, incorporated criteria for some formal qualifications such as education and languages, communication and negotiations skills, and product knowledge. It also included some personal attributes and preferences for age/seniority and with family, Wasta connections/established personal networks of contacts, ethnic origin and religion.
Overall, in terms of activities, resources and actors it was noticed that these seemed to be more developed and intense in the telecommunication and IT sectors than in the other financial and manufacturing sectors. There also some similarities with Western practices in all companies (local and Western MNCs), which indicates that a transfer of Western KAM approaches at the formal level, not only by Western MNCs but also by many purely Arab organisations was taking place. Thus, at the policy level it seems that some Western KAM practices are considered universal which can be applied in different contexts. However, in practice, it is clear that some aspects of these practices needed to be adapted to take into consideration and respond to different local conditions and national contexts such as differences in cultures, infrastructure, technological base and national business institutions in general.
CHAPTER SEVEN: DISCUSSION

7.1 INTRODUCTION

The aim of this chapter is to discuss the findings and the contribution to knowledge made by this thesis through an exploration of the two main themes under investigation, namely: an investigation of the KAM informal aspects that are used by the management in developing and maintaining long-term relationships as perceived by key account managers; and an investigation of the formal aspects in the management of KAM relationships.

The chapter is divided into three main sections. In the first, the findings regarding the informal aspects of managing the relationship with key customers are discussed. The second section delineates the similarities and differences of organisational/formal KAM practices and how firms organise, cooperate and coordinate internally their activities, resources and actors to manage the formal aspect of the relationship with the key customers. The final concluding section summarises the preceding two sections.

7.2 INFORMAL ASPECTS OF KAM

Relationship quality is ‘generally conceptualised as being concerned with the extent to which relators trust each other, are satisfied with the relationship, and are committed to its long-term maintenance’ (Smith, 1998: 78). Thus, these three factors are considered
essential ingredients for successful long-term relationships (Gundlach et al., 1995; Ivens & Pardo, 2007). The findings confirm this view, as all participants confirmed that effective key account management depends on establishing, maintaining and strengthening these three key interrelated factors, namely: trust, satisfaction and commitment.

The findings also suggest that there are three sub-variables/dimensions that act as antecedents to business relationships and the above three key factors. These are: Wasta; personal characteristics and similarity; and social bonding and communication.

7.2.1 Relational Antecedents

Three main antecedents that appeared to influence the relational factors are discussed below under: Wasta; personal characteristics and similarity; and social bonding and communication.

Wasta

The findings suggest that Wasta ‘social networks of interpersonal connections which are rooted in family and kinship ties’ (Hutchings & Weir, 2006a: 143) is another important relational antecedent that is used by firms to generate relationship-sustaining factors of trust, satisfaction and commitment. The findings also indicate that Wasta interpersonal networks, and as an informal institution (El-Said & Harrigan, 2009) continue to play a significant part in business activities and in the daily life of Arabs, similar to the Chinese practice of guanxi (Hutchings & Weir, 2006a; Rabaaai, 2009). The evidence also supports the view that regulating, reducing or ‘taming’ Wasta is difficult and not easy because it stems from the intrinsic social structures and family connections.
(Hutchings & Weir, 2006b: 281; El-Said & McDonald, 2002; Al-Ramahi, 2008), as was revealed by the respondents when an attempt was made to curb Wasta. Like guanxi, Wasta is also considered as social capital and is based on personal trust therefore firms with strong social capital can be assumed to be trustworthy or at least they have developed a trusting relationship with several other firms. A summary of their comparative key features is provided in Table 7.1.

**Table 7.1 Comparing Wasta, Guanxi and Social Capital**

<table>
<thead>
<tr>
<th></th>
<th>Wasta</th>
<th>Guanxi</th>
<th>Social Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>How it is built /How it works?</strong></td>
<td>Wasta is the medium to reach the key-person in the purchasing company. For the Arabs it is rooted in the family and clan (Al-Ramahi, 2008; Elsaid &amp; Harrigan, 2009; Hutchings &amp; Weir, 2006a,b). The interaction of members in a network creates obligations and reciprocity amongst these members. Highly relies on interpersonal trust for its establishment. It is a highly organic process that is integrated in daily lives of the Arabs and it is transferable</td>
<td>Guanxi is seen as special relationships between individuals that necessitates and involves reciprocal obligations (Leung et al., 1996; Park &amp; Lou, 2001; Lou, 1997). Guanxi starts in the family/clan and trust is the essential element in the formation between the network members. It is an organic process and it is transferable (Gu et al., 2008)</td>
<td>Social capital relates to the assets and resources created by, available through and derived from network connections, held by and between individuals, groups and organisations. Networks are formed when individuals or organisations develop a relationship in which they begin to exchange resources in some way, share intellectual capital, or collaborate on some venture (Davies &amp; Ryals, 2010: 320). For partners to take part in the exchange it is voluntarily and it is done infrequently and in exceptional conditions (Gu et al., 2008)</td>
</tr>
<tr>
<td><strong>Benefits</strong></td>
<td>1.Business facilitator</td>
<td>1.Source of Information</td>
<td>Inter and intra firm resource exchange (Hitt et al., 2002); Creation of intellectual capital (Hitt et al., 2002); Interfirm learning (Hitt et al., 2002); Supplier relationships (Hitt et al., 2002)</td>
</tr>
<tr>
<td></td>
<td>2.Creating trust</td>
<td>2.Source for key resources</td>
<td>Product innovation and entrepreneurship (Adler &amp; Kwon, 2002)</td>
</tr>
<tr>
<td></td>
<td>5.Business opportunity</td>
<td>5.Economic benefits, for example tax avoidance (Sharkey, 2008)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.Access to decision makers</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cause of failure</strong></td>
<td>Not meeting obligations and not reciprocating, thus losing face and reputation damaged in a “shame society”. Also doing actions that will jeopardise trust and lead to</td>
<td>Not meeting obligations and not reciprocating, hence the person loses face (Park &amp; Lou, 2001; Lou, 1997).</td>
<td>A defection by one party will destroy social capital. Breach of trust damages social capital (Davies &amp; Ryals, 2010: 332).</td>
</tr>
</tbody>
</table>
Wasta, and similar to *guanxi*, is social capital because it incorporates exchanges of social obligations among the network members, the giving of face, and the reciprocation of favours (Lou, 1997; Xin & Pearce, 1996; Park & Lou, 2001; El-Said & Harrigan, 2009; Cunningham & Sarayrah, 1994). The norms of reciprocity and face saving in Wasta, and as proposed by Coleman (1990), provide a structural framework that precludes self-seeking opportunism, enhances trust between exchange partners, and preserves social capital within the existing network structure. Thus, in the Arab world, as highlighted above, business transactions follow successful Wasta (Hutchings & Weir, 2006b), while in the West a relationship follows successful transactions (Lou, 1997; Park & Lou, 2001). It must be noted, however, that reciprocity in the Arab world is relatively similar to guanxi reciprocity in that reciprocation is not expected to be equal and there is less hesitation in acting first, and it is not expected to be immediate nor symmetrical. In contrast, reciprocation in the West is expected to be equal and symmetrical (Yen et al., 2007; Hutchings & Weir, 2006a). Guanxi-based behaviour is similar to the West in that they only take place if mutual benefit is expected (Mavondo & Rodrigo, 2001), while in the Arab culture material benefit or reward was not necessarily expected as traditionally respect from the community was the highest reward sought (El-Said & Harrigan, 2009). Also gift giving which is crucial in guanxi is not a condition in Wasta.
The findings also confirm that Wasta was used in its two forms of “Bonding” social capital and “Bridging” social capital. Wasta as bonding social capital was used when the key account managers internal/personal network ties, that are represented by his clan/family and friends network, acted as their concentric circle and closure group (Oh et al., 2004; Coleman, 1988; Leonard, 2004) which they and the group members belonging to that network can only benefit from the opportunities and benefits created in that network. At the same time, Wasta was used as ‘bridging social capital’ (El-Said & Harrigan, 2009; Leonard, 2004), since firms were developing it, through key account managers’ relations and other managerial ties, to also broker structural holes and alter the existing network structure (Burt, 1992; Walker et al., 1997; Oh et al., 2004). Thus, Wasta acted to help firms to overcome the uncertainties, bureaucracy and lack of formal institutional support, and ensuring compliance with social and cultural norms. This was also quite evident in the Western companies which tried to restrict Wasta but had to revert to it to manage its key customers more effectively and to be more flexible and responsive to customers’ demands. These findings, supports Weir’s (2003) claim that the different efforts to regulate Wasta usually fail because Wasta stems from intrinsic social structures and family connections that power the social fabric of Arab society.

Wasta and its closest equivalent in the literature, guanxi, share many similarities in terms of their structure and tie formation. The literature suggests that guanxi is built at the personal level and not the organisational level (Barnes et al., 2011, Lou, 1997; Park & Luo, 2011). This is very similar to Wasta, as it also starts at the personal level and like the Chinese, the Arabs are a clan/tribal society hence functioning as clan-like networks (Al-Ramahi, 2008; El-Said & Harrigan, 2009). Thus, the family/clan and close friends are the primary stage and the main hub for Wasta and guanxi network formation.
However, compared to social capital in the west, the boundaries are wider, which means social capital can be formed between individuals, groups and organisations.

The findings also indicate that there are two main types of Wasta: personal and intermediary. The personal Wasta, is the key account managers’ personal connections that he/she possess through family and friends network. For example, the key customer can be from the account manager’s family/clan hence he/she is connected by the blood tie to the account manager. The supplier company may not have direct relationship with key customer, thus the account manager becomes the Wasta between the supplier company and the key customer.

On the other hand, when the account manager’s Wasta is not sufficient then he borrows Wasta to reach the decision maker in the purchasing company. The account manager in this case uses bridging social capital to be connected with an intermediary outside of his network through the help of his existing connections who aid in the finding of that intermediary who can influence the decision making process in the purchasing company. For example A and B have Wasta relationship, however, C is not connected to A, but it is connected to B. Thus, A asks B to link him with C. Because B trusts A, and believes that he will not make him lose face he will support and link A with C.

The literature and the research findings indicate that Wasta, guanxi and social capital bring benefits for the participating parties in the relationship since they are perceived as a valuable resource to acquire benefits and opportunities such as access to information and social capital, and access to business opportunities. These benefits are summarised in the Table 7.1 above.
On the other hand, the findings and the literature have suggested a number of factors can lead to the failure of Wasta. Failing obligations and not being able to reciprocate can cause the account manager to lose his Wasta connections. This is negative effects are very serious as the Arabs are known to be part of the ‘shame society’ (Hutchings & Weir, 2006a: 145), hence the ripple effect of the account manager not reciprocating and not being able to meet his/her obligations towards his/her Wasta members, can make him/her lose face. Losing face is associated with the honour of the family, so if the account manager does anything to lose face it is not only him/her who actually loses-face but also that shame is extended to his family and clan. The situation can be also worse when there is an intermediary/Wasta involved, and if the account manager does anything to lose-face with the Wasta, then it is the whole network that can suffer because the members of the account manager’s network who have connected him with the Wasta also suffer because they acted as his bridge of trust between him and the Wasta. However, losing face is not only bound to not reciprocating and not meeting obligations, if the account manager does anything to lose his credibility this also leads to losing of his Wasta. This goes hand in hand with guanxi, if a person does not meet his obligations and refuses to reciprocate the favours that he has received this can make him lose face which is considered to be a disgrace in the Chinese community (Park & Lou, 2001; Lou, 1997; Yeung & Tung, 1996).

Finally, the evidence in the present study also indicates that Wasta becomes an asset at the organisational level as personal ties and relationships of managers are dedicated and utilised by the organisation. Hence, interorganisational Wasta is built upon and expanded through strong personal relationships among senior and key managers in the
organisations. This was evident, for example, in the projects and bids won by suppliers based on Wasta connections of the managers with buyer companies and/or decision makers, and not based on efficiency or capacity.

**Personal Characteristics and Similarity**

In addition to social bonding and communication, the literature suggests that a number of variables can act as antecedents to trust, satisfaction and commitment. Among these are personal characteristics such as personality attractiveness and cultural background, age, gender (Rylander et al., 1997; Usunier & Lee, 2005), similarity and shared values, honesty, and benevolence (Doney et al., 1998; Palmatier et al., 2006; Nicholson et al., 2001). The findings support these views as it found these antecedents important variables that influenced the level of trust, satisfaction and commitment.

**Social bonding and Communication**

The literature suggests that social bonding which consists of elements of mutual personal friendship, social interaction, closeness, personal contact, and liking shared between the buyer and seller or interpersonal liking (Wilson, 1995; Mavondo & Rodrigo, 2001; Nicholson et al., 2001) and communication are very important antecedents that influence the level of trust, commitment and satisfaction (Palmatier et al., 2006; Halinen & Salmi, 2001). Social bonding also acknowledges the impact of personal or emotional elements on business relationships (Mavondo & Rodrigo, 2001). Indeed, Mummalaneni & Wilson (1991) found that ‘buyers and sellers who have strong personal relationship are more satisfied and committed to maintaining the relationship than less socially bonded people’ (Smith, 1998: 77).
The results confirm the above views and demonstrate that establishing strong social bonds through continuous communication, frequent contact, social engagement and taking part in private occasions such as weddings, birthdays, funerals, and social visits, gift giving, closeness, friendship, empathy and care, personal contact and deep involvement in a relationship were considered very important for the effective management of key account relationships, particularly for establishing trust and long-term commitment.

Establishing strong personal relationships first (before business relationships) was seen essential and a pre-requisite to building trust, first at the personal level and subsequently at the organisational business level, and for maintaining the relationship in the long-run. This confirms Weir & Hutchings (2005) that socialisation is the basic rule to establish a relationship first, then to build connections, and only discuss business in later meetings after these social bonds and connections been established. The findings also confirm Rodriguez & Wilson (2002: 68) findings that ‘the formation of trust and commitment is preceded by relationship bonding’. The findings also indicate that Arab managers are driven more by social bonds and place great value on socialisation like Mexican managers who are also of high context and collectivist culture. This is in contrast to a Western researcher who claimed no association between social interaction and business relationships (e.g. Iacobucci & Ostrom, 1996). And others (Rodriguez & Wilson, 2002: 58) found that American managers, who come from low a context individualist culture, ‘viewed socialisation as unimportant and believe there is no purpose in building long-term relationships’. The authors also found that for American managers structural bonding had stronger influence in building trust than social bonding, while Mexican
managers, who come from collectivist and high context culture, similar to Arab managers’ culture, perceived social bonding as more important than structural bonding in building trust.

The results also indicate that the effort to create close relationships and investment in the relationship with customers thus, extends to combining business life with personal life (or not making any division between the two) to please the customer. This confirms that as a high context culture no distinction is usually made between private and business life (Hall, 1976). They also confirm the importance and dominance of informal interpersonal relationships in the Arab world (Rabaai, 2009), and the significance of ‘strong personal relationships to the generation of relationship-sustaining factors such as trust and commitment’ (Sharma, 2006: 144).

7.2.2 Relational Factors

The three key relational factors that constitute the relationship quality, namely: trust, satisfaction and commitment are discussed in this section under: trust; satisfaction and commitment.

Trust

Previous research has suggested that trust is of fundamental importance for economic exchange and cooperative business relationships, and that it is an important antecedent of commitment and satisfaction (Smith et al., 1995; Hakansson, 1982; Wilson, 1995; Morgan & Hunt, 1994; Ganesan & Hess, 1997). The evidence obtained in the present study supports both views and extends the first view by suggesting that trust in the Arab world is the most critical factor for economic exchange and for establishing and
maintaining long terms business and KAM relationships. Secondly, the findings confirm, and are in line with e.g. Hutchings & Weir (2005, 2006), Al-Omari (2001, 2008), that in the Arab world building trust is a pre-requisite for the development of any business relationship and that it has to precede any business transactions. In contrast, in the West, business exchange-processes lead to friendship and trust (Bjorkman & Kock, 1995), as people particularly in the early stages of the relationship act within their organisational roles and over time ‘personal relationships supplement role relations’ (Halinen & Salmi 2001: 4).

Thirdly, the literature maintains that there are two main levels of trust, namely interorganisational cognitive trust and interpersonal trust which are reciprocally positively related and distinct (Zaheer et al., 1998), and that trust is a combination of a feeling/affective component and rational thinking/cognitive component that are both important for trust to exist (Mavondo & Rodrigo, 2001). The evidence obtained in the present study supports these views. However, the findings indicate and confirm that in the Arab culture interpersonal trust is the norm in social and business relationships and it is based primarily on affection and emotional ties. This demonstrates the affective and collectivist nature of Arab culture where people perceive affective trust as a critical condition for full business and professional interaction and economic exchange, while people in the West and individualist cultures devote more space for professional interaction and very little space for personal interaction (Hampden-Turner & Trompenaars, 1997; Abosag et al., 2006; Doney et al., 1998). This also lends support to Zaheer et al. (1998: 149) findings which indicated ‘the emotional form of trust emerged in the interpersonal trust construct but not in the interorganisational one’.
More specifically, in the Arab world, the findings suggest that it is critical to build trust first at the personal level, as argued by Al-Omari, (2008) and Hutchings & Weir, (2006a), since it is most often achieved through personal relationships of Wasta (which is personalistic) and socialisation between individuals. However, personal trust may be supplemented and enhanced by organisational trust. This is in contrast with Zaheer et al. (1998) who argue that interorganisational trust has a more dominant influence over the exchange relationship than interpersonal trust and transcends the influence of the individual boundary spanner, indicating that in the West interpersonal trust may complement legal obligations and organisational trust (Mavondo & Rodrigo, 2001), contrary to Arab culture.

The present study’s findings also are in contrast with Zaheer et al. (1998) who claim that ‘high interorganisational trust and low interpersonal trust can coexist in the same relationship given that boundary-spanning individuals come and go, whereas the institutionalised structures and processes accompanying interorganisational trust are more stable and enduring’ (1998: 156). In the Arab world the boundary spanner KAMgr plays a crucial role in establishing trust at the interpersonal level first, and given the weak institutional systems in the Arab world in general (El-Said & Harrigan, 2009), formation of strong interpersonal trust transcends interorganisational trust. Furthermore, the dominance of familistic basis of much enterprise in the Arab world (Hutchings & Weir, 2006a; Smith et al., 2011) serves to maintain trust in the persons rather than in the system/organisation. Thus, this contrast reflects the different nature of Western culture and business relationships which are “systems trust” and “organisation specific” (Oliver, 1990) built up at the impersonal organisational level to increase the legitimacy
of transactions and make the personal guarantees more dispensable (De Ruyter & Wetzels, 2000; Leung et al., 2005; Wilson & Brennan, 2001, 2009; Lowe, 2001; Fang & Kriz, 2000; Pels et al., 2009).

**Satisfaction and Commitment**

The findings indicate that key account managers attach more importance to affective/social satisfaction than economic satisfaction, through increased personal interaction, particularly where product and service differentiation becomes difficult to achieve, and when competition is fierce and products offered are more homogeneous. This supports Geyskens & Steenkamp’s (2000) findings that when economic satisfaction is low, social satisfaction becomes increasingly important for the success of the relationship. The findings also indicate that social satisfaction, which is achieved through trust and more personal contact and stronger personal bonding with the key customers are important for maintaining their commitment and this may also be very relevant to the personalised and particularistic and affectionate nature of exchange in Wasta which will provide a high degree of satisfaction to the exchange partners, once it is further developed. This also lends support to Mummalaneni &Wilson (1991) who found that strong personal relationships positively influenced buyers and sellers’ satisfaction and commitment to maintaining the relationship (Smith, 1998).

The evidence obtained in the present study also indicates that in the Arab world commitment is usually established more on a personal basis, leading to what is known as ‘interpersonal commitment’ (Rylands et al., 1997). This means, and as explained by Mavondo & Rodrigo (2001: 112), that dedication is usually to a long-term interpersonal relationship of individual A (representing company A), with individual B (representing
company B). Consequently, as the findings indicated, more often, when an account manager moved to another organisation, the key customers tended to follow that person to the other organisation. Thus, the findings obtained in the present study support the view by Rylander et al. (1997: 65) that ‘much of commitment occurs at a personal rather than organisational level’. This is in contrast to ‘customer’ and ‘market’ commitment portrayed in the West as pointed out by Ford (1984: 103).

The findings also suggest that key account managers attach a great deal of importance to affective commitment to establish and maintain long-term partnership. This may reflect the fact that most often business relationships in the Arab world are based on interpersonal trust and Wasta relations that make people who share a Wasta relationship committed to one another through the norms of obligation, reciprocity and face. Active involvement and commitment in the relationship also means developing closeness through sentimental attachment, which reflect the affective nature of Arabs (Hampden-Turner & Trompenaars, 1997) as mentioned above. Thus, the evidence obtained in this study supports the findings by Abosag et al. (2006) who found that Saudi managers gave significant importance to affective commitment. The findings also support the view that ‘interpersonal commitment is an important antecedent to inter-organisational commitment’ (Mavondo & Rodrigo; 2001:119).

The study thus, demonstrates that a key difference between Arab and Western business relationships lies in the relative significance of personal relationships. The second difference is that in the West trust, satisfaction and commitment in business relationships first develop on economic calculative basis (Shapiro et al., 1992 cited in Doney et al., 1998: 605), where in the Arab culture trust, satisfaction and commitment
in business relationships first develops on affective bases, in line with Abosag et al. (2006). A summary of the main similarities and differences found in KAM in Arab context compared to Western KAM are provided in the Table 7.2 below:

**Table 7.2** KAM in an Arab Context vis-à-vis KAM in the West

<table>
<thead>
<tr>
<th>ORGANISATIONAL ASPECTS OF KAM</th>
<th>Similarities to Western KAM</th>
<th>Differences from Western KAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staffing</td>
<td>Dedicated key account managers, with boundary spanning role (Ryals &amp; McDonald, 2008)</td>
<td>Age/seniority; having a family; Wasta/ possession of personal network of contacts; ethnic origin; and religion</td>
</tr>
<tr>
<td></td>
<td>Sales teams (Moon &amp; Armstrong, 1994)</td>
<td></td>
</tr>
<tr>
<td>Recruitment and Selection/ key account managers’ characteristics</td>
<td>Education, languages and Qualifications &amp; Skills; product and customer Knowledge; proactive (McDonald &amp; Woodburn, 2008)</td>
<td></td>
</tr>
<tr>
<td>Structure</td>
<td>Formalised structure Policies &amp; procedures (Homburg et al., 2002)</td>
<td>Decision making power seen as an asset and important resource</td>
</tr>
<tr>
<td>Top Management Involvement</td>
<td>Hands-off in the West (Francis, 2004)</td>
<td>Higher involvement</td>
</tr>
<tr>
<td></td>
<td>Hands-on</td>
<td></td>
</tr>
<tr>
<td>Sales/Support Teams</td>
<td>Dedicated Teams from different functions (Perry et al., 1999)</td>
<td>Depends on intensity of product, complexity of product and customer</td>
</tr>
<tr>
<td>Key Account Activities</td>
<td>Special offerings, customised solutions, identifying key accounts (Ojasalo, 2001)</td>
<td>Profile search includes family name, religion, friends and Connections</td>
</tr>
<tr>
<td>Resources</td>
<td>Western Training courses (Cheverton, 2008)</td>
<td>Not all applied in practice due to cultural and institutional factors, needs some adaptation</td>
</tr>
<tr>
<td></td>
<td>Events and social meetings very</td>
<td></td>
</tr>
</tbody>
</table>
important; Communications & IT given higher authority than in Banking sector

### RELATIONAL ASPECTS OF KAM

<table>
<thead>
<tr>
<th>Trust</th>
<th>Benevolence and honesty</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Structural/Cognitive</td>
</tr>
<tr>
<td></td>
<td>Inter-organisational trust/</td>
</tr>
<tr>
<td></td>
<td>(system-trust) more important (Zaheer et al., 1998)</td>
</tr>
<tr>
<td>Wasta and Family connections</td>
<td>Benevolence – stronger than in the West</td>
</tr>
<tr>
<td></td>
<td>Honesty and fulfilment of promises</td>
</tr>
<tr>
<td></td>
<td>Emotional and Affective</td>
</tr>
<tr>
<td></td>
<td>Interpersonal trust more important</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Personal networking</th>
<th>In the West</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Important</td>
</tr>
<tr>
<td></td>
<td>Exchanges discrete in time</td>
</tr>
<tr>
<td></td>
<td>Outside the workplace</td>
</tr>
<tr>
<td></td>
<td>Dyad-based relationships</td>
</tr>
<tr>
<td></td>
<td>Usually non-personal exchange (Michailova &amp; Worm, 2003)</td>
</tr>
<tr>
<td>Wasta: Vital &amp; Crucial</td>
<td>Highly frequent exchanges</td>
</tr>
<tr>
<td></td>
<td>Inside/ at the work place</td>
</tr>
<tr>
<td></td>
<td>Extended relationships</td>
</tr>
<tr>
<td></td>
<td>Usually personal exchange</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Relational Bonds</th>
<th>Structural Bonds more important than social bonds in the West (Mavondo &amp; Rodrigo, 2001)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Personal contact and involvement very heavy and must be established before business relationships</td>
</tr>
<tr>
<td></td>
<td>Social bonds and personal relationships more important than structural bonds.</td>
</tr>
<tr>
<td></td>
<td>Social interaction and socialisation crucial before conducting business</td>
</tr>
<tr>
<td></td>
<td>No division between work and private life</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commitment</th>
<th>Structural and affective important (Rylander et al., 1997)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Focus much more on affective commitment</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Satisfaction</th>
<th>Structural and social important (Geyskens &amp; Steenkamp, 2000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Focus much more on social satisfaction</td>
</tr>
</tbody>
</table>
The above factors indicate that both formal and informal KAM aspects are also important in an Arab context. The differences highlight the importance of paying attention to the social factors in an Arab context, and Arab specific cultural and societal values.

7.3 SIMILARITIES AND DIFFERENCES IN KAM PRACTICES

This section initially details the main KAM practices applied in the different sectors and highlights their similarities and differences. These are summarised in Table 7.3 below.

Table 7.3 Elements and Level of KAM Implementation

<table>
<thead>
<tr>
<th>RESPONDENTS NO.</th>
<th>Telecom</th>
<th>IT</th>
<th>Finance</th>
<th>Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>I) ACTIVITIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined Key Account selection criteria</td>
<td>Revenue, Sales Volume, Political/Social Sensitivity, Growth potential</td>
<td>Sales Volume, Political/Social Sensitivity,</td>
<td>Revenue, registered company</td>
<td>Sales Volume, growth potential, geographic, size of the customer</td>
</tr>
<tr>
<td>KA Plans (Action and Strategic)</td>
<td>Action &amp; Strategic Plans for each strategic customer</td>
<td>Informal Plans</td>
<td>Action plan for the accounts and strategic plans for the whole corporate unit</td>
<td>Informal plans</td>
</tr>
<tr>
<td>KA Customer Reviews</td>
<td>Reviews are done on periodic bases 6 months – 1 year</td>
<td>Reviews are done on yearly bases.</td>
<td>Reviews are done on yearly bases</td>
<td>Reviews are done but – Period not specified</td>
</tr>
<tr>
<td>Established policies and procedures for handling key accounts</td>
<td>Clear procedures and policies for key accounts</td>
<td>Guidelines and some procedures for key accounts</td>
<td>Clear procedures and policies for key accounts</td>
<td>Newly implemented – some under design</td>
</tr>
<tr>
<td>Differentiated and higher service levels for key accounts</td>
<td>Higher service level was provided to key accounts</td>
<td>Higher service level was provided to key accounts</td>
<td>Average service level was provided to key accounts</td>
<td>Average or below average was provided to key accounts</td>
</tr>
<tr>
<td>Joint activities and/or investments with key accounts</td>
<td>High level of joint activities and investment</td>
<td>High level of joint activities and investment</td>
<td>Medium to low level of joint activities and investment with key account</td>
<td>Low level of joint activities and investment with key accounts</td>
</tr>
<tr>
<td>II) RESOURCES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key account managers having good access to internal resources</td>
<td>Resources are available for Account managers</td>
<td>Resources are available for account managers</td>
<td>Medium level of resources is available for account managers</td>
<td>Low level of resources are available for account managers</td>
</tr>
<tr>
<td>Changes in organisational structure to accommodate KAM</td>
<td>Specialised organisational structures for KA</td>
<td>Specialised organisational structure for KA</td>
<td>Specialised organisational structure</td>
<td>Will be implemented</td>
</tr>
<tr>
<td>IT support for KAM</td>
<td>High IT support</td>
<td>High IT support</td>
<td>Average IT support</td>
<td>Low/non-existent</td>
</tr>
<tr>
<td>Fully trained key account</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
### III) ACTORS

<table>
<thead>
<tr>
<th>Managers Authority</th>
<th>High</th>
<th>Medium/high</th>
<th>Low</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Active involvement of top management in KAM</strong></td>
<td>High Involvement</td>
<td>High Involvement</td>
<td>High Involvement</td>
<td>High Involvement</td>
</tr>
<tr>
<td><strong>Use of KAM Teams</strong></td>
<td>Strong / high \ Dedicated specialised teams</td>
<td>Strong / high dedicated teams</td>
<td>Weak / low use of teams</td>
<td>Still in infancy stage</td>
</tr>
<tr>
<td><strong>Dedicated key account managers &amp; Role</strong></td>
<td>Dedicated key account manager available</td>
<td>Dedicated key account manager available</td>
<td>Dedicated key account manager available</td>
<td>Dedicated key account manager available</td>
</tr>
</tbody>
</table>

7.3.1 **Key Account Activities**

As can be seen in Table 7.1, a lot of similarities existed across the sectors in terms of the activity intensity and what was offered to key customers. Thus at the formal level, suppliers carried out a number of activities for their key accounts such as special pricing, customisation of products, information sharing, provision of special services, integrated solutions, joint investments, and taking over business processes that customers outsource. However, some variations existed across the sectors in terms of the extent of their application and the specific details of these activities. For example, there was a low level of joint activities and investments in the manufacturing sectors compared to the telecommunications and IT sectors. Overall, these activities seem to be similar to what has been advanced by previous research and literature (e.g. Montgomery & Yip, 2000; Lambe & Spekman, 1997; Napolitano, 1997; Ojasalo, 2001; Homburg et al., 2002).

Other activities included segmenting and identifying key accounts, analysing key accounts and developing strategies to maintain long-term relationships. These activities were also similar to what is suggested in the literature (e.g. Ojasalo, 2001; Pardo et al., 1995; McDonald et al., 1996, 1997). Thus, this research validates this perspective,
suggesting that suppliers in the Arab countries seem to utilise some similar activities to what is adopted in the West. On the other hand, some divergence was noticed in terms of: identifying and selecting key accounts, and in analysing key accounts as shown below.

**Identifying Key Accounts:** in terms of identifying and selecting key accounts, which is a significant aspect of KAM (Wengler et al., 2006, Ivens & Pardo, 2006), the study shows that there is still relatively more emphasis on economic criteria like revenue and volume rather than on strategic criteria. Although these criteria may be considered to be rather limited from a Western perspective, they seem to be in line with some of Western studies which found that the major criterion for selecting key accounts was still sales volumes. For example, Wengler et al. (2006) found that sales volume was used as the main selection criterion by around 80% of companies in the B-2-B market. Similarly, Ivens & Pardo (2007: 471) claim that ‘many companies still rely solely upon sales volume to identify key accounts’. At the same time, the authors identify a number of factors that need to be considered when selecting key customers, namely: lead user function, benchmarking, reputation, and internationalisation that need to be taken into consideration when identifying and selecting key accounts.

However, the companies in Jordan seemed to differ from the West in terms of their emphasis also on “social and political” criteria rather than strategic criteria that is more spread in Western firms (Woodburn & McDonald, 2011). The social and political criteria may be considered as Arab-specific in this case as it may reflect the political uncertainty and instability in the Middle East region, and the role that businesses in general may serve as an economic arm of governments’ macroeconomic policy (Al-
Husan & James, 2007), and the collectivist culture and social structure, tribal values and Islamic values which emphasise the importance of social solidarity and mutual assistance (El-Said & Harrigan, 2009).

**Analysing Key Accounts:** in terms of analysing key accounts an important aspect included the segmentation of the market and the use of a number of variables that incorporated a combination of “hard” industry-wide data, such as industry sector characteristics and product nature and technical features, with “soft” customer-specific data such as demographic and personality, decision attitudes and decision rules, which are considered to be the main variables that are used in business-to-business segmentation literature (e.g. Palmer & Millier, 2002; Naude & Cheng, 2003; Shapiro & Bonoma, 1984; Wind & Cardozo, 1974; Goller et al., 2002). However, it seems that in the according to Western segmentation models (e.g. Shapiro & Bonoma, 1984) the process starts by analysing the hard outermost data which is readily available, more visible and cheaper to obtain, and then completes the segmentation process by analysing innermost personal characteristics/data that is more expensive and more difficult to obtain and require extensive research by the supplier.

By contrast this research indicates that in the Arab world more emphasis is put first on the personal profile and on the personal characteristics that includes as a major element the social background in terms of family, clan and tribal affiliation; friendship circles and connections; and religion. Western companies in Jordan also seem to have adapted to the local practices and hence showing an understanding of the personal nature of the business in the Arab world (Al-Omari, 2008). Thus, in the Arab world it seems that
business profiles are secondary to personal profiles of key customers, while in the West personal profiles are secondary to business profiles.

7.3.2 Key Account Resources

A number of resources were seen by key account managers to be important for the management of key accounts. These included, decision making authority and ability to escalate matters and reach higher levels and obtain support from other functions, training and development, time and funds necessary for socialisation with key customers.

**Decision Making Authority & Structure:** in terms of organisational structure, some companies were found to have established key account departments to deal exclusively with key account customers, while others dealt with key customers under the general umbrella of sales with the sales division department. However, all the companies structured their sales and key accounts along a customer-oriented structure.

More specifically, companies like the telecommunications companies which operated in an intensely competitive and dynamic market, and dealt with complex products and often complex customers established dedicated teams to provide support to key account managers and to coordinate the complex demands and activities. The adoption of key account management also implied a shift in management style towards more decentralisation and empowerment, thus, giving key account managers, in particular, more authority to negotiate with key customers. It also gave them quicker access to top management and the ability to ‘escalate’ matters when necessary in support of relational
strategy. This supports Millman & Wilson’s (1995: 17) argument that the adoption of KAM systems typically requires setting up dedicated teams to coordinate the day-to-day interaction. This has implications for the organisational structure and communication processes, and facilitates a fast reporting route from account managers to top management. This also validates the view that empowering sales teams and sales people is important for the effective management of relationships and key accounts (Perry et al., 1999; Anderson & Huang, 2006).

It must be noted that decentralising some decision making authorities to key accounts was perceived by the key account managers to be a very significant resource, particularly in a high power distance culture where decision making is very centralised (Hofstede, 2001) and people in Arab countries like to deal with people at high ranks as this ensures to them they will have faster decision making process and they will be able to overcome bureaucracy and other institutional barriers. Also it is an indication of respect and appreciation since the position in these ascription cultures (Hampden-Turner & Trompenaars, 1997) also indicates the status of the person. Hence, companies were changing the titles of key account managers to indicate higher positions in the company to be more credible in the eyes of the key customers.

*Training and Development:* all key account managers perceived the specialised training they received on a range of issues related to their job as a resource that helped them in managing their accounts more effectively by acquiring the necessary skills and knowledge in the field. In terms of training provided to key account managers, it was found that most of the companies investigated implemented training courses that were provided by Western firms or consisted of Western content that was provided in-house
or by local facilitators. The content of these training courses also seemed to be relevant to the competencies desired and which also appeared to resemble the competencies emphasised by Western models (e.g. Ryals & McDonald, 2008; Wotruba & Castlberry, 1993; Cheverton, 2008; McDonald & Rogers, 1998). For example, in terms of selling training, the findings also validate Millman & Wilson’s (1995: 16) view that key account managers’ training on selling should shift from ‘confrontational’ and ‘transactional’ selling styles towards relational and consultative selling. However, some courses had to be adapted to suit the local culture and readiness of the employees.

_Time and funds:_ key account managers also perceived time and funds allocated to socialise with key customers as every important resources to manage the relationship effectively and to be able to establish friendship and personal relationships, and to generate trust and commitment. This validates the view that in collectivist, high context and relationship-oriented cultures it is important to allocate time and funds to break the ice and establish trust before conducting the business transactions. This is in contrast with Western culture which is task-oriented and in which time is money and an ice breaking period is not so important (Usunier & Lee, 2009; Blythe, 2005).

### 7.3.3 Key Account Actors

_in top management involvement:_ in terms of top management involvement, it was found that there was a relatively high degree of top management involvement in all the participant companies and that was perceived as an indicator of commitment and effectiveness. This involvement included visiting and participating personally in meetings with customers, providing support to key account managers in all aspects,
monitoring the relationships and regularly reviewing customer accounts, and participating in the planning activities of key accounts. Thus the findings lend support to the ‘upper-echelons’ theory (Hambrick & Mason, 1984; Nishii et al., 2007) and are line with other studies (e.g. Homburg et al., 2002; Workman et al., 2003; Napolitano, 1997; Weitz & Bradford, 1999; Millman & Wilson, 1999) that stress the importance of top management support and advocate the involvement of top management in key accounts for KAM success.

However, two points need to be taken into consideration. First, the findings indicate that senior managers in Jordan adopt a ‘hands-on’ approach to the management of key accounts, rather than a ‘hands-off’ approach as in Western countries (Francis, 2004). Secondly, the involvement of top managers in Jordan is important for the implementation of successful/effective KAM programs not only from a rational and calculative point of view as in the West, but also from a cultural and affective point of view. More specifically, it seems that one of the main reasons for such a ‘hands-on’ approach is the Arab culture, which is characterised by high power distance and hence a high degree of centralisation of decision making, contrary to the Anglo-Saxon culture which is characterised by lower power distance and decentralisation of decision making (Hofstede, 2001).

This higher power distance also partly explains why customers in general in the Arab world insist on dealing with senior managers, because they believe that they are the decision makers and the ones who will get things done, something called by Al-Faleh (1987) as ‘top-man syndrome’. Also due to being high in power distance, decision makers in buying organisations usually wish to meet with supplier representatives and
senior managers of equal or greater status to themselves, which also helps in establishing credibility between the two organisations (Usunier & Lee, 2005). Thus, it seems that high involvement of top managers in key accounts is a “must” in Arab culture, rather than a strategic choice as in the West (Guesalag, 2007).

**Sales Teams:** in terms of the use of teams, the findings from the interviews indicate that some companies, similar to the trend in Western companies (Moon & Armstrong, 1994; Napolitano, 1997; Weilbaker & Weeks, 1997; Moon & Gupta, 1997; Perry et al., 1999; Homburg, et al., 2002; Workman et al., 2003; Jones et al., 2005), have specialised teams who are fully dedicated to key accounts. These teams include personnel who provide support from different functions such as IT, finance, technical, marketing and logistics. These teams can provide pre-sales and after-sales support to key accounts. At the same time, the findings indicate that the degree of support and use of teams varied among the sectors. Thus, in the telecommunication and IT sectors, which had more complex products than the other sectors in the sample, it was found that the use of teams was more intense and more structured with clear processes compared to the financial companies and the cement manufacturing company.

**Key Account Managers:** in terms of key account staff, it was found that some companies have appointed dedicated sales/key account managers to coordinate the activities and manage the relationship with key accounts, as was found in some studies in the West (e.g. Homburg et al., 2002). The main responsibilities include: managing the entire inter-organizational relationship; acting as consultants to key customers; providing business solutions; conducting customer profile analysis; building
relationships with key decision makers in buying organisations; building trust, loyalty and partnership with key customers. This confirms the role of the key account manager as advanced by previous studies (e.g. Kothandaramn & Wilson, 2000). However, some differences were found regarding the required competences as explained below under the recruitment and selection criteria of key account managers.

**Recruitment and Selection Criteria of KAMgrs/Characteristics:** The study provides evidence that there are characteristics similar to those identified in the literature that are seen necessary for the success of key account managers (Millman & Wilson 2003; Holt & McDonald 2001; Sengupta et al., 2000). At the same time, the study identifies a number of diverging characteristics that are seen as important for KAMgers to succeed in Arab context. There are summarised in Table 7.4.

Table 7.4  Similarities and Differences of Western and Arab Kam Characteristics

<table>
<thead>
<tr>
<th>Similar Characteristics (Western &amp; Arab)</th>
<th>Different Characteristics (Arab-Specific)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge of the product</td>
<td>Age / Seniority</td>
</tr>
<tr>
<td>Knowledge of the customer</td>
<td>Having a family</td>
</tr>
<tr>
<td>Inspire trust</td>
<td>Wasta/Pre-existing network of relationships</td>
</tr>
<tr>
<td>Selling and negotiation skills</td>
<td>Ethnic origin</td>
</tr>
<tr>
<td>Communication skills</td>
<td>Religion</td>
</tr>
<tr>
<td>Pro-activeness</td>
<td></td>
</tr>
<tr>
<td>Strategic thinking and analysis</td>
<td></td>
</tr>
<tr>
<td>Language and IT skills</td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td></td>
</tr>
<tr>
<td>Creativity</td>
<td></td>
</tr>
<tr>
<td>Building relationships</td>
<td></td>
</tr>
</tbody>
</table>

McDonald & Woodburn (2008), Platzer (1984), Sengupta et al. (2000), Ryals & McDonalds (2008), and Wotruba & Castleberry (1993) identify a number of widespread and relevant requirements of a Key Account Manager in the West, largely based on the core business management skills expected of a CEO such as people management,
strategic planning, creative thinking and selling capability. However in this study some similarities towards this were found. The similarities were found to lie in characteristics that can be termed as ‘technical’, ‘non-cultural’ or ‘universal’ criteria that involve acquiring explicit know-how that can be easily transferred within and across borders, such as planning, problem solving and so on. This may reflect the implementation of modern management principles that have been transferred to many Arab and developing countries through such means as the application of Western educational syllabus in local universities, receiving education in Western universities, working in foreign western firms, and the in-flow of western expatriates working mainly for multinational companies and international firms.

At the same time, substantial divergence from this was found, based on the customers’ cultural and social configuration. Indeed, marked differences were found in terms of what can be termed ‘cultural’ or ‘informal personal qualities’/ characteristics that were rooted in Arab culture and tribal norms, and were perceived to be more important criteria for the success of key account managers. More specifically, the study shows the importance of existing contacts and social networks (Wasta), seniority and family-orientation, ethnic origin, and religion to a key account manager in an Arab culture, indicating that in an Arab context, social structure rather than the adaptive selling or planning skills prized in the West, are more important. Thus, confirming the significance of such informal institutions such as Wasta and social institutions of the family and religion in the Arab world (El-Said & Harrigan et al., 2009; Hutchings & Weir, 2006a). Furthermore, the study reveals that when the key contact and decision-maker in the customer organisation was an Arab, the suppliers (Arab and Western alike)
felt it necessary to rely on an Arab account manager. This was ratified post the completion of this study when one major British bank informed the researcher that it was replacing all its current expatriate account managers with Arab managers due to the difficulty of trading in this environment without local autonomy.

7.4 MODIFIED CONCEPTUAL FRAMEWORK OF KAM

Based on the findings and the themes and categories that have emerged from the data analysis, the original descriptive conceptual framework has been modified to incorporate the relational antecedents: Wasta; personal characteristics and similarity; and social bonding and communication. These may also be regarded as cultural manifestations of two interrelated socio-cultural influences, namely tribal traditions and Islamic values. The framework also incorporates a conceptualisation of Wasta which is unique to Arab culture and governed by such norms as reciprocity, face, cooperation, loyalty, family and friendship ties. Thus firms need to consider and incorporate these socio-cultural antecedents in their KAM plans and strategies to succeed in implementing the informal and formal aspects of KAM to succeed in forming long-lasting relationships with the strategically most important customers and thus succeed in achieving the main aim of KAM. The modified conceptual framework is presented in Figure 7.1 below.
7.5 CONCLUSION

The results show that companies in this sample are increasingly adopting key account management programmes in order to improve performance and gain a competitive advantage over their competitors. This was clearly highlighted by the respondents who were working in industries that were witnessing a move from a monopolistic position to a more competitive market structure in their industry, as a reflection of the change of government policies which was liberalising the economy and privatising national industries.
In general, it seems that the formal/organisational aspects of KAM mostly followed Western principles in terms of the activities and resources utilised, and actors involved. This indicates a transfer of Western KAM approaches at the formal level, not only by Western MNCs but also by many purely Arab organisations. However, they differed in some aspects such as, the recruitment and selection criteria of key account managers, as they incorporated preferences for age and established personal networks of contacts, religion and ethnic background; and a heavy senior management involvement in KAM that takes a ‘hands-on’ approach rather than a Western ‘hands-off’ approach.

Thus, at the policy level it seems that Western KAM practices were considered universal which can be applied in different contexts. However, in practice, it is clear that some aspects of these practices needed to be adapted to take into consideration and respond to different local conditions and national contexts such as differences in cultures, infrastructure, technological base and national business institutions in general.

It must also be noted that key accounts are provided with activities that were different from regular accounts such discounts and better prices, customised and better products and services, fast services and better logistics, investments and partnerships with key customers.

Intensity of competition and ownership were also important factors that influenced the design and implementation of key account programmes. For example, O-Telecom which was a national industry and had a monopoly in the telecommunication sector adopted KAM practices with a Western approach when it was privatised and overtaken...
by a French MNC and when the market became more competitive. Similarly, Cement Co, which also had a monopoly in the cement industry and was overtaken by French MNC when it was privatised, is moving towards the adoption of Western KAM practices and is in the process of establishing the necessary organisational infrastructure to face the competition. The intensity and the range of activities also differed according to the complexity of the product and the customer. Thus, in the telecommunications and IT organisations, which involved the provision of highly complex products, the level of intensity of activities, dedication and resources allocated are much higher than in the banking sector which involved the provision of relatively simpler or less complex products and was limited by governmental regulations through the Central Bank directives.

At the informal relational social aspect of KAM in an Arab context, the findings indicate three main issues. Firstly, the investment of time and resources in cultivating strong connections and personal and long-term personal relationships seems to be more important than placing all efforts on the product/service delivery, cost and efficiency. Secondly, the ability to utilise Wasta networks and to enter insider relationships, through family, friends or intermediaries who possess insider status, to establish trust and acquire tacit knowledge and information, is essential for developing long-term relationships and signal long-term commitment to the business relationship. Thirdly, the intended business should be discussed only after the relationship is established and connections built. This may further imply as Mitchell (1969) cited in Hutchings & Weir, (2006b) pointed out that in the Arab World the quality of the relationship may be determined by ‘reciprocity’; the intensity of the relationship may be determined by the
‘strength of obligations’; and ‘durability’ may be determined by the strength of connections and perceived loyalty.

This research clearly contributes to our knowledge regarding key account management in an Arab context and shows how both the formal and informal aspects of the relationship with key customers are managed and what Western firms need to consider when planning to embark on business partnerships in this part of the World.
CHAPTER EIGHT: CONCLUSIONS

8.1 INTRODUCTION

In this concluding chapter, the overall aim and related objectives of the study are reviewed. The key findings that emerged from the literature review chapter and the field work chapters are then underlined. Finally, the last section discusses the present study’s contributions, limitations and, in the light of these, identifies possible avenues of future research.

8.2 THE AIM AND OBJECTIVES

The primary aim of the study was to explore and understand how key accounts are managed in an Arab context. The sub-aim was to explore differences between KAM in an Arab context vs. the forms and approaches to KAM adopted in the West according to the literature.

Thus, at the start of the study, three key objectives were defined:

Objective 1: to review the literature on key account management

Objective 2: to investigate the informal aspects utilised in the management of key account relationships in Jordan

Objective 3: to investigate the formal aspects utilised in the management of these KAM relationships
Accordingly, the literature on key account management was reviewed and presented in chapter 3. Following this, the informal and formal aspects of KAM relationships, were described, analysed compared, and discussed in chapters 5, 6, and 7.

8.3 SUMMARY OF THE KEY FINDINGS

This section will provide a summary of the literature review’s key findings, followed by a summary of fieldwork and empirical findings.

8.3.1 Summary of the Literature Review

The literature review on key account management revealed that four broad themes dominate it. First, the organisational aspects that are used in KAM including the activities implemented to manage the business relationships, the actors involved, and the resources utilised in activities (e.g. Homburg et al., 2002; Workman et al., 2003; Ojasalo, 2001). Secondly, the relational/soft aspects that can be utilised to influence the strength of the relationship with key customers (e.g. Ryals & Humphries, 2007; Ivens & Pardo, 2007). Thirdly, the factors that influence the design, approach and implementation of KAM (e.g Wengler et al., 2006). Fourthly, there is a growing literature on global account management (GAM).

In terms of the first issue, it was found that KAM has its roots in relationship marketing and focuses on establishing long-term relationships and partnerships with key customers who are considered the most important and most strategic for the firm. KAM may be interpreted as a concept comprising organisational as well as relational aspects (Ivens & Pardo, 2007; Zupancic, 2008). The evolution and development of these relationships
take place in terms of the change in actor bonds (A), resources ties (R), and activity links (A). The actors include the individuals and firms, including top managers, key account managers and selling teams, who perform and control the activities, based on access to resources directly through ownership or indirectly through relationships, and develop relationships among them through an exchange process. Resources are heterogeneous and may be classified and characterised according to the actors controlling them and the way they are utilised. Activities include the development, exchange, or creation of resources that are utilised in the development of the relationship (Hakansson & Johanson, 1992). These interrelated variables also represent the basic variables of industrial networks according to the Network Approach by the IMP Group – one of the relationship marketing schools.

Turning to the relational aspects of KAM, it was found that core dimensions of relationship marketing may be used to strengthen the relationship with key customers and assess its success. These are: trust, commitment and satisfaction, which are perceived as the building blocks of successful KAM (Ryals & Humphries, 2007; Brashear et al., 2003; Walter et al., 2000). Consequently, it is argued that to manage key accounts successfully it is imperative to be armed with and incorporate relationship skills that ensure the building of trust with buyers and commitment to key account management programmes, which lead to reduction in risks and uncertainty in the relationship and provides value and satisfaction to buyers/exchange partners.

With regard to the factors that influence KAM relationships, it was found that a number of factors can be seen to influence the way key accounts are managed. These include
intensity of competition, product complexity, customer complexity, intensity of coordination and integration, demand concentration, culture and institutional factors (Boles et al., 1999; Wengler et al., 2006; Homburg et al., 2002). As for global account management (GAM) this has been seen by some as an extension of KAM and based on the same principles of KAM but with some differences to make the international approach specific (Zupancic, 2008), and as a response to globalisation and rapid internationalisation of many supplier and buyer organisations. Thus, it includes strategies of providing a globally integrated product and service offering to select customers (Wilson & Weilbaker; 2004) and business solutions that can be implemented and managed consistently across worldwide locations. However, cultural diversity and complexity are seen as the most challenging aspect of GAM (Millman & Wilson, 1999).

More generally, the literature review verified the main weakness of the existing literature on Key Account Management that provided the essential rationale for this thesis (see chapter 1), namely marked lack of research into the management of key accounts relationships in developing and emerging economies, particularly in the Middle East region and the Arab world. Consequently, the literature review acted to further validate the potential of exploring and investigating KAM practices adopted by Western and indigenous companies in Jordan and the factors that influenced their application.
8.3.2 Summary of Fieldwork Key Findings

The fieldwork undertaken, in general, and as demonstrated in the previous chapter, found there were similarities and some degree of convergence towards the formal aspects of KAM, but marked differences and divergence along the informal aspects of KAM.

More specifically, the findings revealed that the companies in Jordan, whether indigenous or foreign MNCs, were implementing or moving towards the implementation of what may be considered as “modern Western practices”, particularly in the formal aspects of KAM in terms of the activities implemented, the resources utilised and the actors involved in the management of key accounts, to improve efficiency and competitiveness. The activities included identifying and selecting key accounts, analysing key accounts, offering special treatment to key accounts with special prices, customisation of products, information sharing, provision of special services, integrated solutions and taking over business processes that customers outsource, and establishing strategic partnerships.

The actors dimension incorporated the active involvement of senior management at the operational and strategic levels with a more hands-on approach than the West; the appointment of dedicated and qualified key account managers and teams as required. As for resources, these included such things as changes of organisational structures to allow implementation of policies and procedures that facilitate the access to and cooperation of different functions, and to enhance speed of communication and empowerment of
key account managers. They also included quick access to top management, training and development, and support teams.

On the informal aspect of KAM in an Arab context, the findings indicate that the three main relational factors, namely trust, satisfaction and commitment were also very important for the success of the relationship with key accounts. The greatest emphasis was put on establishing and maintaining trust which was mainly established at the personal level. This trust was based on Wasta personal relationships and connections that were essentially rooted in the family and clan and formed the first nuclear of social capital. It was also based on the norms of reciprocity and face saving and shame of losing one’s reputation. It also depended on building affective trust and social bonding and the establishment of strong personal relationships and friendships, and other personal characteristics such as honesty and benevolence, liking and similarity. It was also vital to establish this trust before any business transactions can take place which was contrary to Western principles which emphasise establishing calculative/economic bonding (Rodriguez & Wilson, 2002) and to conduct of a number of successful transactions before trust is established (Bjorkman & Kock, 1995; Tsai & Ghoshal, 1998). This trust is considered to be impersonal and mainly organisational as it is built on the trust of the system and the institution rather than on people who come and go. As regards satisfaction and commitment these also were found to be more dependent on the emotional and affective trust and bonds than on the calculative bonds which are more important in the West. Commitment was also mainly based at the personal level rather than the organisational level since often relationships start at the personal level and through personal Wasta that leads to personal trust and personal satisfaction and
leading in turn to personal commitment. Wasta which is “personal” in nature, may also be seen as a major force which also influences the personal and emotional nature of relational factors; trust, satisfaction and commitment.

Differences were also noticed in terms of the recruitment and selection criteria of key account managers as some criteria reflected powerful idiosyncrasies stemming from Arab culture and social institutions, and rooted in strong tribal influence which rules that the family, solidarity and loyalty to the family are sacred. This is also supported and strengthened by the Islamic religion which dominates the Arab world.

### 8.4 RESEARCH CONTRIBUTIONS

The contribution of this study to knowledge is presented below under the following two sub-headings: contribution to theory; and contribution to practice.

#### 8.4.1 Contribution to Theory

The findings add new theoretical insights into the management of key accounts in an Arab context and how this compares to the management of key customers in a Western context. More specifically, this research contributes to the literature and knowledge in six main areas. First, this research adds new empirical data and further conceptualisation of how KAM relationships are managed in an Arab context; an area where there has been a dearth of research. This research contributes to theory in terms of our theoretical understanding of how relationships with key customers are managed, and in extending and supporting the theory on key account management. The study shows how managing
the formal/organisational aspects of key account management (the roles, involvement and interaction of inter- and intra-organisational actors, and the activities and resources utilised by suppliers), complement the management of the informal aspects of a KAM relationship.

Secondly, the findings confirm that similar to other emerging economies there is an ‘institutional void’ (Khanna & Palepu, 1997) in Arab countries represented by weaker formal institutional constraints, that result in a stronger role played by informal institutional constraints such as those embodied in the interpersonal ties across organisational boundaries nurtured by managers such as ‘Wasta’ connections and networks in the Arab world (Hutchings & Weir, 2006b), Guanxi in China, Blat in Russia (Peng & Luo, 2000), and Ubuntu in Africa (Sulamayo, 2010), and familial/tribal and religious institutions. Indeed, this study for the first time shows that Wasta has benefits for the key account managers, and how it acts as a hidden force that affects all aspects of life in the Arab world and how it influences key account management relationships. Moreover, the thesis highlights how a network of relationships like the ‘Wasta’ can be a source of competitive advantage and “social capital” to those who possess it, within the context of business relationships, an issue that has not been dealt with in the literature before.

Thirdly, this study contributes to our understanding of the skill requirements of Arab key account managers, and the identification of the divergence in what companies operating in Arab countries look for in a quality key account manager compared to that suggested in the extant literature. Rather than a race to employ the top sales performers
and rising stars of the organisation then setting them to research the customer organisations as often exemplified in western KAM (Blythe, 2005; Ojasalo, 2001; Davies & Ryals, 2009; McDonald & Woodburn, 2007), in the Arab context you would be better served investigating the customer’s key decision-makers’ heritage and cultural background, and identifying the best connected person of high seniority available to work with this account. This seniority again provides a difficult situation for GAM programs, because even in a circumstance where the industry requires high local autonomy with only a light touch GAM program (as suggested in the financial service sector by Yip & Bink, 2007), if the customer perceives their account manager as lacking decision-making power and being superseded by another more senior manager (potentially from a different geography), it would completely undermine the local manager from a cultural perspective and make their position untenable. This has a significant contribution to our understanding of cross border KAM, and draws into question of the possibility of truly integrated Global Account Management, especially if suppliers are reliant on Arab decision makers from the customer’s side. This also has a theoretical implication, in that we cannot extrapolate our existing theoretical understanding from a Western perspective to the Arab context.

Fourthly, this study contributes to the literature on the transfer of practices in the fields of international marketing and business-to-business marketing where there is also lack of research. Hence, the study also contributes to the theories of convergence and divergence (Orru, et al., 1991; Quintanilla & Ferner, 2003). The findings indicate and confirm that there is what may be termed ‘constrained convergence’ (Muller, 1999) or ‘crossvergence’ (Ralston, 2008), as there are some similarities and convergence along
the following: a) the formal/organisational aspects of KAM in terms of the activities carried out, the resources utilised and the actors involved in the management of KAM; b) in terms of recruitment and selection criteria/competencies as a number of these were similar and in line with Western competencies; c) the application of Western and similar training programmes and management principles. These were mainly transferred through the expatriate managers, local managers who received education and had work experience in Western countries and/or Western companies, direct transfer of parent company policies and practices to the subsidiaries in Jordan. At the same time, there is divergence and marked differences in terms of the informal aspects of KAM as some selection and recruitment criteria had to include Arab-specific qualities that were rooted in Arab culture and social systems indicating the dominant influence of the tribe and religion, and the need to adapt certain practices particularly in the informal aspects by focusing on social bonding and Wasta connections leading to what can be seen as hybrid KAM practices (Ralston, 2008).

Fifthly, the study further serves to extend knowledge in terms of the informal aspect of KAM and how the relational factors depend more heavily on the affective dimensions than on the calculative/economic dimensions and how this helps to establish trust stood out as the most important factor for Arabs. This has implications in terms of the resources devoted to the management of key accounts and the approach to establishing relationships particularly with new customers. Hence, the study also confirms that in an Arab context firms need to take the social aspects of the relationship more seriously and devote more time and resources to facilitate this kind of social interaction and personal involvement, to establish successful and long-lasting relationships.
Finally, as for the formal aspect of KAM, the study extends our knowledge also in terms of segmentation and the importance of the personal profile that takes precedence over the formal criteria, since account managers start collecting data on the personal profile before the business profile, contrary to Western practice (Shapiro & Bonoma, 1984).

### 8.4.2 Contribution to Practice

This thesis makes a valuable contribution to practice because it illuminates the way for expatriates and foreign MNCs in terms of how to conduct and implement KAM in the Arab world, and it highlights the types of inter-organisational relationships and how to build and maintain these relationships. It also shows why it is necessary to recruit a local account manager with a specific set of attributes that can be seen as a resource to the company. This research has given a different dimension to the role, skills and attributes that are necessary to be found in the account manager, particularly for those who want to implement a key account management programme in the Arab world.

The study showed the importance of Wasta which reflects the tribal mentality of Arab nations, and which gives priority to family and kin and in-group members over organisational objectives (Branine & Anloui, 2006). This implies that to manage key accounts effectively in an Arab context, and, for example, to gain access and business opportunities, and hence to initiate a relationship with key customers, it is essential to focus on having the right connections first in Arab countries, rather than on activities and effectiveness of products and services offered to business partners, as in the West. Having the right connections is also vital to gain the trust that is necessary to be established before proceeding with any business interaction.
Furthermore, the study demonstrates the importance of dedicating the necessary resources in terms of such things as time, gifts, and social events, that are necessary to building trust and the relationships first before moving on to business deals, and hence the necessity of allocating the required resources for this. Thus, this suggests that Western firms need to take the social aspects of the relationship more seriously and facilitate this kind of social interaction, for example, between key account managers and the customers by providing them with more resources to fulfil the social obligations, such as contribution in personal occasions of customers like weddings, deaths etc. and offering presents on specific occasions such as birthdays and feasts.

The study also highlights the importance of top management’s continuous involvement with key accounts and direct contact with key customers as this is essential and “compulsory” from a cultural aspect, rather than being from pure rational business aspect which may be “voluntary” or optional for some managers depending on their management style and belief. At the same time, the thesis demonstrates the importance of empowering and devolving decision-making authorities to key account managers and choosing titles that indicate high status to comply with another cultural belief that focuses on dealing with people with decision-maker power without having to refer to others. The study also pinpoints the importance for recruiting Arab key account managers to deal with Arab key customers. The contributions are summarised in Table 8.1 below.
Table 8.1 Research Contributions

<table>
<thead>
<tr>
<th></th>
<th>Confirming</th>
<th>Extending</th>
<th>Discovering</th>
<th>Theoretical</th>
<th>Practice</th>
</tr>
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<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Challenge the view that KAM can be rolled out unchanged into any international context</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Competencies and characteristics of Arab key account managers</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Wasta and its benefits to KAM</td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Focus on the affective/emotional aspect of the relational factors</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Analysis of key accounts - emphasis on personal profile in Arab context</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer of practices</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

The contributions clearly demonstrate that this study for the first time provides a comprehensive examination of how KAM relationships are managed in an Arab context. However, there are some limitations to the study as shown below.

### 8.5 LIMITATIONS AND FUTURE RESEARCH AVENUES

In terms of the limitations of the study, initial limitations involve the long time involved in conducting the face-to-face interviews, transcribing and translation. Although the qualitative data stemming from the interviews provided ‘thick’ and ‘rich’ data (Yin, 2003) that provided good understanding of the dynamics underlying key account relationships, and was most adept at providing justification for analytical/theoretical generalisation, it is limited in terms of statistical generalisation.
Secondly, this study focused on the management of key accounts relationships and what is perceived to be effective elements in the management of key accounts from the suppliers’ perspective. It did not explore this phenomenon from the customers’ perspective, which features relatively scarcely in the KAM literature. Consequently, there seems to be substantial scope for addressing this gap in both the current study and the wider literature.

Thirdly, the present study focused on KAM organisational and relational aspects and the factors that influence them in companies operating in Jordan. However, given that there is a lack of research in KAM in Arab and developing economies, there is substantial scope for conducting comparative studies in the Middle East region and other developing countries to adequately explore the important features of key account management in different contexts and the factors that shape their implementation processes and approaches. At the same time, this study can be used as a reference point for comparison with other countries in the region and other developing countries.

Fourthly, the study’s findings reveal that some MNCs which have taken over public companies have just embarked on transferring KAM practices, and as the research design did not encompass a longitudinal element, it was not possible to explore and follow up the transfer dynamics and processes. Given the fact that MNCs are expanding their operations in the Arab World and developing countries and given the potentially essential role they play in transferring KAM practices, there would seem a case for future research to utilise longitudinal studies to explore this in more depth.
Finally, the study focused mainly on the management of key account relationships in indigenous and subsidiaries of MNCs in Jordan and the factors that influenced them. It did not explore global account management and how these MNCs manage their global accounts in Arab countries and other subsidiaries in the developing countries. There does consequently seem substantial scope for dealing with this gap in this study and the wider literature, given the lack of research in this area.
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Cranfield School of Management

March 8, 2013

My name is Fawaz Baddar and I am a PhD researcher at Cranfield University. I am requesting your kind assistance in granting me access to your company to conduct my research for my PhD studies. Please find below my proposal for the research to be undertaken.

Kind Regards,

Fawaz Baddar
Proposal for research into Key Account Management

Cranfield School of Management has over 15 years research and teaching experience in KAM (Key Account Management) having trained over 2000 key account managers. It is one of, if not the, foremost research institution in this field with its models used globally in both the teaching and implementation of key account management.

As part of this institution, I am undertaking a research project on Key Account Management in Jordan. The aim of the research is to broaden our knowledge of KAM in Arab countries and see the extent to which the model has to be altered from the programs in place in the West. As such your company would be a perfect example for undertaking this study.

My research needs

I would need access to your organisation to analyse how you carry out your customer management and complex relationship selling operations in Jordan. This requires your kind assistance in identifying a number of people in your organisation to gain their insights and discuss their experience of customer management.

I perceive the need to conduct a minimum of 4-5 interviews in your company with as many of the following individuals as possible (if different people):

- The KAM Champion – the person who originally decided KAM was the approach to take
- At least 3 Key Account Managers

Each interview would last in the region of 30-40 minutes and conducted by myself (Fawaz Baddar, PhD Researcher in KAM – Centre for Strategic Marketing and Sales, Cranfield School of Management). The research is confidential and anonymity can be guaranteed to the individuals involved.
Expected Outcomes

The research outputs from this type of work take a number of forms:

1. Practitioner reports: as a participant you will receive the results of this research.
2. Teaching materials: the research conducted by Cranfield University has always directly led to teaching materials for practitioners. I shall be more than happy to come and spend a day demonstrating my research and new research carried out at our university at one of your events to help disseminate knowledge and support for your KAM program.
3. Academic papers: the work will be published in a different form for an academic audience – demonstrating how it adds to the existing body of knowledge. You are more than welcome to receive these papers which you may choose to demonstrate or report to your stakeholders to show your commitment to the community, learning and education.

Thanking you in anticipation and look forward to meeting you.

Yours sincerely

Fawaz Baddar
### APPENDIX B

**Summary of Participant Codes and Attributes**

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Code</th>
<th>Title</th>
<th>Company</th>
<th>Education</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
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<td>1.</td>
<td>LA-1</td>
<td>Executive Director Sales</td>
<td>W-LA</td>
<td>Bachelors/USA-Lafarge Europe</td>
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<td>2.</td>
<td>LA-2</td>
<td>National Sales Manager</td>
<td>W-LA</td>
<td>Bachelor/USA – sales field in USA</td>
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<td>3.</td>
<td>LA-3</td>
<td>Marketing &amp; Strategy Executive Director</td>
<td>W-LA</td>
<td>Masters/France</td>
<td></td>
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<td>4.</td>
<td>LA-4</td>
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<td>5.</td>
<td>LA-5</td>
<td>Territory Account Manager</td>
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<td>6.</td>
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<td>Refused</td>
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<td>7.</td>
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<td>W-LA</td>
<td>Secondary School</td>
<td>7 years</td>
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<tr>
<td>8.</td>
<td>LA-8</td>
<td>Marketing Manager</td>
<td>W-LA</td>
<td>Masters/UK</td>
<td>5 years</td>
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<tr>
<td>9.</td>
<td>ZT-9</td>
<td>Head of Sales Enterprise</td>
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<tr>
<td>10.</td>
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<td>4 years</td>
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<tr>
<td>11.</td>
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<td>12.</td>
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<td>13.</td>
<td>OT-13</td>
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<td>PhD/USA Motorola</td>
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<td>14.</td>
<td>OT-14</td>
<td>Strategic accounts post-sales support Manager</td>
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<td>Bachelors/Jordan</td>
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<tr>
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<td>17.</td>
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<td>Key &amp; Major Accounts Section Head</td>
<td>W-OT</td>
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<td>Key Accounts Manager</td>
<td>W-OT</td>
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<td>Major Accounts Manager</td>
<td>W-OT</td>
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<td>3 years</td>
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<td>21.</td>
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<td>22.</td>
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<td>Vice President of Large Corporate Banking Unit</td>
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<td>Bachelor/Jordan</td>
<td>3 years</td>
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</table>
APPENDIX C

Interview Topic Guide

A) Starter Questions:

A.1) How did you get into KAM?
A.2) How long have you been working in KAM?
A.3) What did you do before this?
A.4) What is your qualification? Degree?

A.2) To what extent is the KAM programme the same in every geographic region? If different, what is different and how is it different?

B) Main Questions

B.1) What is your role? What are your main responsibilities?
B.2) What do you actually do when you visit a key account customer?
B.3) How are key customers classified? What are the criteria used to categorise them?
B.4) How does the treatment of key customers differ from regular customers?

B.5) Who is involved in the management of key accounts?

B.6) To what extent is top management involved in managing the relationship with key customers? And how are they involved and why?

B.7) Do you get support? If so how, from whom? How do they support you?

B.8) What are the main resources utilised in managing key accounts and how are they utilised?

B.9) How do you communicate with your key customers? Why?

B.10) How do you build the relationship with a new key customer?

B.11) What are the most important factors required to build a strong and long term relationship? And why?

B.12) How do you develop the business relationship for the future?

B.13) Do you have plans for key accounts? If so, Are you involved in the planning of KAs plans?

B.14) Do you receive training for managing key accounts? If so, what type of training? Who provided it?

B.15) What are the impediments in building long term relationship with Key Accounts?

B.16) How important is the personal contact (how often they meet, contact means?)

C) Senior Management

1. What makes a good Key Account Manager and the extent they are different in an Arab context?

2. How do you recruit the Key account Manager? Why?

3. What are the most important factors required to build a strong and long-term relationship?

4. Do you get involved with Key Accounts? If so what is your role and what do you actually do when you visit Key Accounts?
**Appendix D**

Start List of Codes

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<tr>
<th>Description of category and code</th>
<th>Code &amp; Sub-Code</th>
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</thead>
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<td><strong>FORMAL ASPECTS</strong></td>
<td>FA</td>
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<tr>
<td>FAT: Activities</td>
<td>FAT-ACTIV</td>
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<td>FAC: Actors</td>
<td>FAC-ACTO</td>
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<tr>
<td>Top management</td>
<td>FAC-TM</td>
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<tr>
<td>KA Managers</td>
<td>FAC-KAM</td>
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<tr>
<td>Support Teams</td>
<td>FAC-TEM</td>
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<tr>
<td>FAR: Resources</td>
<td>FAR-RES</td>
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<p>| <strong>INFORMAL ASPECTS</strong>            | IA              |
| IA: Trust                       | IA-TRT          |
| Honesty                         | IA-TRT-Ho       |
| IA: Commitment                  | IA-COMIT        |</p>
<table>
<thead>
<tr>
<th>IA: Wasta</th>
<th>IA-WAS</th>
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<tr>
<td>IA: Personal Involvement</td>
<td>IA-INV</td>
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<td>IA: Communication</td>
<td>IA-COM</td>
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## APPENDIX E

### Formal Aspects Categories and Codes

<table>
<thead>
<tr>
<th>Description of category and code</th>
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<tbody>
<tr>
<td><strong>ACTIVITIES</strong></td>
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<tr>
<td>Identification of key accounts</td>
<td>ACT-Idf</td>
</tr>
<tr>
<td>Analysing key accounts</td>
<td>ACT-Anz</td>
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<tr>
<td>Activity intensity</td>
<td>ACT-Int</td>
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<tr>
<td><strong>RESOURCES</strong></td>
<td><strong>RES</strong></td>
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<tr>
<td>Dedicated HR</td>
<td>RES-HR</td>
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<tr>
<td>Information &amp; Marketing Intelligence</td>
<td>RES-Inf-Mrk</td>
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<tr>
<td>Decision Making Authority</td>
<td>RES-Dec-Mak</td>
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<tr>
<td>Funds</td>
<td>RES-Fnds</td>
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<td>Physical resources</td>
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<td>Training Development</td>
<td>RES-Tra-Dev</td>
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<td>RES-Time</td>
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<td>Top-management Involvement</td>
<td>ACT-Top-Inv</td>
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<td>Support Teams</td>
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<td>Account Manager</td>
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<td>Account Manager Role</td>
<td>ACT-KAMgr-Rol</td>
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<td>Account Manager Selection Criteria</td>
<td>ACT-KAMgr-Sel</td>
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### APPENDIX F

#### Informal Aspects Categories and Codes

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<td>Trust</td>
<td>Trus</td>
</tr>
<tr>
<td>Satisfaction and Commitment</td>
<td>Satis-Comt</td>
</tr>
</tbody>
</table>

| **RELATIONAL ANTECEDENTS**       | **REL-ANTC**      |
| WASTA                            | WAT               |
| Personal Wasta                   | Wat-Per           |
| Intermediary Wasta               | Wat-Int           |
| **BENEFITS OF WASTA**            | **WAT-BEN**       |
| Business Facilitator             | WAT-BEN-bf        |
| Business Opportunity             | WAT-BEN-bo        |
| Cost & risk minimizer            | WAT-BEN-crm       |
| Information & Intellectual       | WAT-BEN-Inf &Int  |
| Access to Decision-Maker         | WAT-BEN-AccD      |
| Creating Trust                   | WAT-BEN-Trus      |
| **PERSONAL CHARACTERISTICS &**   | **PER-CHA-SIM**   |
SIMILARITY

SOCIAL BONDING AND COMMUNICATION

SOC-BON-COM