# From KAM to KARMA: The evolution of Key Account Management for co-creation of value

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## Abstract

Background: This study investigates Key Account Management (KAM) from a Marketing and Business-to-Business (B2B) perspective. A review of literature finds that in recent years marketing scholars have proposed that KAM has developed from its traditional roots in sales management to having a greater focus on relational aspects to co-creation of value. However, whilst the principles of Customer Relationship Management (CRM) to co-creation of value are well grounded within the marketing literature there are no theoretical models proposed for the practical application within KAM.

Aim: To develop a new theoretical model for KAM by analysing the development of KAM over the past 30 years from a process driven discipline to today's more complex arena that draws on CRM, SDL and co-creation of value.

Methodology: Secondary analysis of literature, analysis of KAM as a discipline, followed by analysis of definitions of KAM from the past 30 years.

Findings: The emphasis of KAM has evolved into a Key Account Relationship Management Approach (KARMA), and a new theoretical model has been developed.

Conclusion: New theoretical model proposed based on the KARMA approach.

## 1. Introduction

Key Account Management (KAM) was first introduced in the fast-moving consumer goods sector (FMCG) during the 1970s in the USA, and subsequently in Europe in the 1980s (Randall, 1994). Langdon (1995) argued that most ideas and tools being developed and refined were in Business-to-Business (B2B) sectors such as computer hardware and software industries. KAM was adopted by selling companies aimed at building and developing a portfolio of loyal key accounts by offering them, on a continuing basis, a product or service package tailored to their individual needs. The key account was selected based on strategic importance (McDonald et al., 2000). McDonald and Rogers (1998, p. 120) also noted the requirement to 'manage' key accounts as opposed to 'sell' to them has evolved by increased sophistication of buying strategies, maturing markets and competition.

More recently, Davies and Ryals (2013) suggested that key account managers (KAMs) worked differently to those in traditional sales and even worked closer with internal teams and management with greater planning and customer flexibility. KAM was also seen as a facilitator of on-going processes of voluntary exchange through collaborative, value creating relationships based around service (Pardo et al., 2014; AL-Hussan and Fletcher, 2014).

Richardson et al. (2014) stated the importance of collaboration and cross-functional working for efficient solutions. According to Richardson et al. (2014) a new landscape existed which was more complex and challenging and included the digital age so initial conversations required deeper and broader preparation to add value. The author stated the importance of demonstrating greater expertise, stronger skills, more creativity and deeper motivation. Richardson et al. (2014) noted that the conversation between buyer and sellers was mutual with business equals in productive collaboration and that the conversation was still the most important sales tool, describing technology as being the vehicle, and knowledge the content. They also stated that KAMs were the differentiator with their expertise, while buyers directed, the buyer required cross-functional objectives with sellers to support their corporate goals.

This paper outlines the development of the KAM discipline over the past 30 years by experienced key authors who have published in high rated journals, the paper presents an analysis of definitions given in the literature to demonstrate a shift in emphasis that takes in ideas from customer relationship management (CRM) and service-dominant logic (SDL). While, recent papers in business history completed by Heller and Kelly (2015) noted brands in British society and culture from 1800 to 1980 had a predominance of low involvement brands with low relationships between stakeholders. Heller (2016) also reviewed history of advertising along with integrated marketing communications and stated that these concepts were present in Britain in the 1930s, the article also indicated that the highly advanced nature of marketing communications in Britain in the interwar period was evident with its combination of both PR and advertising for publicity purposes. However, little research has been completed towards a sales paradigm, particularly KAM. The paper concludes by presenting a new theoretical and contemporary model in the field of KAM.

## 2. Literature review

A review of literature considered KAM as a discipline and then analysed definitions of KAM presented over the past 30 years.

### 2.1. KAM as a discipline

The concept that KAM involved the interaction between selling and buying companies was supported by McDonald and Woodburn (1999), who acknowledged Millman and Wilson’s (1995) KAM relational development model, which defined several stages in a relationship between a selling company and a key account. Millman and Wilson (1995) revealed that the relationship initially started at ‘Early-KAM’ stage, moved to ‘Mid-KAM’ stage and then to ‘Partnership-KAM’ stage and potentially to ‘Synergistic-KAM’. The authors recognised that as the depth and intensity of the relationship developed, the selling proposition became tailored to the key account’s requirements. Millman and Wilson (1995) considered KAM to be the ultimate approach to a focus on the customer. In contrast, transactional selling was considered the opposite and was typified as being focused on the individual sale, with little emphasis on customer services, and as having short timescales. Alternatively, McDonald and Woodburn (1999) suggested that strategic intent lay more with KAMs’ offering, noting that adaptation of the selling company’s offer was consistently greater than in less successful companies.

McDonald and Woodburn (1999) also stated that a position may be reached where the buyer and seller work together to achieve 'joint problem resolution' (p.69). Cheverton (2001, p. 9) supported this statement, suggesting that 'KAM is about managing the future'. Gibas (1997) and McDonald and Rogers (1998) agreed with this declaration; however, McDonald and Woodburn (1999) stated that it was more logical to apply labels to the original Millman and Wilson (1995) model which described the nature of the relationship itself, rather than a description of the relationship stage.

Correspondingly, Francis (1998) suggested that KAM has developed considerably since it was first introduced and that globalisation has led to increased competition, which was reflected in the development of more collaborative customer–supplier relationships. Similarly, Rogers (1999) noted that decision makers were becoming ever more knowledgeable and sophisticated and that some relationships between suppliers and customers were therefore becoming more collaborative and complex. McDonald and Rogers (1998) had already noted the above statement in a previous study affirming that KAM was shaped due to internationalisation, market maturity and customer power. McDonald and Woodburn (1999) also suggested that KAM may be part of the newer discipline of relationship marketing, which related to customer orientation and leadership. Equally, the key account manager, according to McDonald and Woodburn (1999), was the person who enacted this process and has also been referred to as the guardian of the strategic relationship. However, defining the discipline of relationship marketing was considered difficult.

Bradford and Rollinson (2000) agreed with this notion and stated that KAM really needed to bed in a process that featured directors, adding invaluable input to performance development plans. Equally, Wilson (1999, p. 28) suggested that 'the communication of key account policies throughout the organisation and the development of information are appropriate to support the development of information systems to support those policies.' Nevertheless, Pardo et al. (2014) proposed a model that looked at desirable degrees of integration/differentiation to facilitate the effect of KAM programme implementation. They concluded that KAM must behave as an integrative device and develop 'buy-in' behaviours from other internal functions within the company, ideally with the support of management. It was therefore necessary for managers of KAM programmes to take a proactive, integrative approach to developing support for the KAM initiative, both through their own ability to communicate, influence and persuade and through enlisting not just the tacit support of senior managers, but their involvement.

A comparable view was taken by Cheverton et al. (2005), who affirmed that developing a global account management strategy required understanding the overall profitability of each client and its worldwide situation and needs. These views were like those stated by Millman and Wilson (1995) who suggested that unprecedented levels of international competition and technological change mean that the KAM approach was essential and that KAM had evolved due to globalisation, new technology in production and communication, economic turbulence and ever-accelerating marketplace dynamics. Furthermore, KAM according to McDonald et al. (2000) was a strategic, long-term activity, reliant on competent KAMs to develop loyal key accounts by offering them, on a continuing basis, a product or service package tailored to their needs. The key account was often selected as being of strategic importance by the selling company based on sales turnover, reference value, prestige or access to new markets and technologies. McDonald et al. (2000) also stated that most industry-to-industry product/service markets in the developed world were mature (McDonald et al., 2000) and required KAM.

The development of key account relationships between buying and selling companies evolved over time and typically unveiled two main features: first, an increasing involvement associated with a shift from one-off exchanges known as a 'transaction sell' to regular patterns of behaviour characterised as 'collaborative', and second, the development of trust and a commitment to shared goals. Additionally, identifying key accounts and putting plans in place to achieve their full potential was considered a long-term relational process. Account plans were required to include as much precise detail as the company's marketing plans and to use similar frameworks along with minimum 3-5-year outlooks, noting goals and objectives. Planning at granular level was considered necessary; the activity must also be integrated into other internal plans (Ryals and Rogers, 2007).

Brehmer and Rehme (2009) defined KAM as the organisation that caters for the management and the development of the relationship in a fairly formal structure. However, Homburg et al. (2003) suggested that a key account was defined in a KAM programme by top management's emphasis on, or with active participation in the key account. The views regarding management input with key accounts was also reflected by several authors including (Ivens et al., 2009; Piercy, 2009; Sheth et al., 2009), who all stated that attention should be paid to how ideas translate into 'organisational devices', or, in other words, attention must be rewarded to the 'organisational how to do' of several managerial orientations (relationship orientation, customer orientation and, of course, key account orientation).

Bradford et al. (2012) showed that dedicated strategic accounts were becoming more common as companies needed to foster close relationships with strategic customers. Although dedicated strategic accounts can have large teams, often they were smaller due to having to tailor towards customer's requirements. Also, using fluid teams was an efficient and effective manner to address strategic customer needs. Speakman and Ryals (2012, p. 367) acknowledged this and suggested that a critical success factor for a salesperson was adapting styles and behaviours to customers and internal colleagues, citing; 'KAMs use a wide and continually changing range of behaviours to attain the best possible outcome while continuing to service the customer requirements'. Also, Speakman and Ryals (2012) acknowledged that the conflicts KAMs experience within the organisation do not occur in isolation and that their perception of conflict was multidimensional; they also observed that conflict was seen as an inherent condition of KAMs' role.

When reviewing KAM challenges with implementation, Ryals and Davies (2013), suggested that KAMs aligning with customers was often the first challenge, they also noted the importance of social/relational aspects for co-creation of value. Furthermore, Davies and Ryals (2013, p. 928) cited 'There is a perceptible difference between KAMs and sales in how they approach their roles. This contribution therefore has two facets: firstly, we can demonstrate that the elements of the key account manager around internal management, adaptability to customers and planning do indeed signify an alternative role to traditional sales.' The authors also suggested that there were many issues such as goal orientation, close networks and strategic priorities which senior sales-people's attitudes present which were very similar to those of KAMs. Also, Senn et al. (2013) advocated that in today's dynamic B2B environment, which was marked by buyer consolidation and price pressures, suppliers must consider their customers as important firm assets that should be proactively managed, thus creating value and reducing associated risks.

Furthermore, the role of KAMs consisted of elements such as cross-functional working, multilevel leadership, treating value and risk considerations as core activity drivers, having long-term planning horizons, owning opportunities, adaptability and an ability to cope with uncertainty. To collaborate with daily interaction under the umbrella of a long-term relationship, selling companies typically formed dedicated teams headed up by a key account manager. This special treatment has significant implications for the organisation's structure, internal and external communications and for managing expectations. Ryals and Davies (2013) backed this view regarding organisational structure, suggesting that practitioners viewed their relationship types in terms of resource usage, which in turn was linked to structure. Similarly, Guesalaga (2014, p.1153) Argued that 'senior managers must be active in aligning the goals of different functional areas and motivate people in the organization to collaborate and share information, to support key account initiatives.' Also, Pardo et al. (2014) noted the importance of communication, influence and persuasion regarding customers and senior managements input for successful implementation.

AL-Hussan et al. (2014), noted social/relational dimension of business relationships was not only important but also crucial for managing key account relationships. Moreover, AL-Hussan et al. (2014) stated that the sales and KAM literature and the communication and transfer of literature on international marketing provide empirical evidence of the way in which 'external contingencies' impact on the design and implementation of KAM. Even so, not all theorists entirely agreed with the context above. Pardo et al. (2014, p. 8) stated the importance of KAM and coordinating resources to support co-production and co-creation with the key account. The authors also noted that KAMs rarely have dedicated resources or hierarchical power over support systems at their disposal to enable them to work at building the key account relationship. Yet, salespeople working with an integrated KAM strategy often work with internal multi-functional teams whose performance was measured against diverse objectives.

This review of KAM has demonstrated the importance of building long-term relationships with the ideas of CRM which is a longer-established theory but with coordinating resources and working in co-production for co-creation of value.

### 2.2. Definitions of KAM and academic theory analysis, exploratory study

Table 1 gives the definitions of KAM offered by scholarly authors since 1990. Each definition is assessed as being focused mostly on business functions and the processes of business (BF), mostly on selling (SELL), or mostly on relationships (REL). The assessment was made independently by 2 academics (A1 and A2) to guard against researcher bias.

Table 1. Academic theory analysis, exploratory study (source: author).

| **Year, page** | **Authors** | **Definition** | **A1** | **A2** |
|---|---|---|---|---|
| 1992, p. 6 | Burnett | The process of allocating and organising resources to achieve optimal business with a balanced portfolio of identified accounts, whose business contributes or could contribute significantly or critically to the achievement of corporate objectives, present or future. | BF | **BF** |

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|---|---|---|---|---|
| 1995, p. 51 | Cravens | The strategy of relationship building is a long-term proposition; more and increasingly productive relationships can be achieved in the long-term. | REL | **REL** |
| 1995, p. 9 | Millman and Wilson | A customer in a B2B market identified by a selling company as being of strategic importance qualifies as a key account. Strategic importance is sales turnover, prestige, reference value and access to new markets/technologies. | BF | **BF** |
| 1997, p. 103 | Shipley and Palmer | KAM is a process that provides a route map showing how increasingly productive relationships can be achieved in the long term. | BF | **BF** |
| 1998, p. 64 | Francis | Determining a key account is a kind of business discipline or thinking regarding long-term accounts. | BF | **BF** |
| 1998, p. 373 | Noonan | The strategy of relationship building is a long-term proposition, increasingly productive relationships can be achieved in the long-term. | BF | **BF** |
| 1999, p. 69 | McDonald and Woodburn | KAM requires strategic joint working between the customer and the supplier to overcome problems with solutions and future products/offerings'. | BF | **BF** |
| 1999, p. 329 | Millman and Wilson | Determining a key account is typified by the achievement of preferred supplier status in a customer management process, the provision of excellent service and long-term interaction. | BF | **BF** |
| 1999, p. 29 | Wilson | A long-term venture in developing KAM processes to define key accounts of strategic importance. The process then requires up to three years to see strong returns from the KAM strategy. | BF | **BF** |
| 2000, p. 127 | Jobber and Lancaster | To receive key account status, a customer must have high sales potential that could benefit the organisation. | BF | **BF** |
| 2000, p. 25 | McDonald et al. | A management approach adopted by selling companies aimed at building a portfolio of strategic and loyal key accounts by offering them, on a continuing basis, a product/service package tailored to their individual needs. | SELL | **SELL** |
| 2000, p. 19 | Tzokas and Donaldson | The selling approach that is based on the development of long-term relationships between the salespersons and their customers. | REL | **SELL** |
| 2001, p. 58 | Holt and Millman | Strategic importance is the main criterion for determining a business-to-business customer as a key account. | BF | **BF** |
| 2002, p. 81 | Bjerre | KAM is based on human and organisational asset specificity that recognises the internal and external need to focus on the key account(s) and is supported by varying degrees of financial, technological, reputational, brand and temporal asset specificity. | BF | **BF** |

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|---|---|---|---|---|
| 2005, p. 20 | Cheverton et al. | Using strategic understanding to develop a global account management strategy which includes the overall profitability, situation and needs of the customer. | BF | **SELL** |
| 2007, p. 219 | Ryals and Rogers | Key account planning and phase planning at granular level are necessary and strategically important; the activity must be integrated into other internal plans. | BF | **BF** |
| 2009, p. 962 | Brehmer and Rehme | The organisation that caters for the management and development of the relationship in a formal structure. | REL | **REL** |
| 2010, p. 1056 | Davies et al. | KAM is of strategic importance and is an approach to achieving goals and commercial interests to ensure long-term development and retention of strategic customers. | BF | **BF** |
| 2011, p. 279 | Atanasova and Senn | KAM requires support in the form of resource allocations and public recognition with input from senior management with account plans it supports overcoming potential resistance or power struggles within the firm, which impacts positively on performance, enhances internal and external collaboration, reduces conflict and enforces a more proactive approach. | BF | **BF** |
| 2012, p. 53 | Bradford et al. | KAM requires a strategic account manager ultimately responsible for the customer from the firm's perspective and the key advocate for the customer when faced with inherent conflict. | BF | **BF** |
| 2012, p. 367 | Speakman and Ryals | Relationship types are associated with contact structure rather than strategic intent. KAMs experience conflict when working within internal teams but adjust their behaviours to cater for customer needs. | REL | **REL** |
| 2013, p. 928 | Davies and Ryals | KAM requires customer adaptability, planning and goal orientation, close networks and strategic priorities; senior salespeople also present attitudes like those of KAMs regarding these aspects. | REL | **REL** |
| 2013, p. 161 | Day et al. | KAM requires relationship management skills, including empathy-driven skills and capability-driven skills that reflect a firm's philosophy. Both patterns of trust are built over time, and develop from embedded internal cultural and policy norms, which carry over into external relationships. | REL | **REL** |
| 2013, p. 1566 | Durif et al. | KAM is based on a set of moral and ethical principles designed to operate as mechanisms for building trust and commitment between customers and KAMs. | REL | **REL** |
| 2013, p. 43 | Senn et al. | Key account managers' role consists of internal and external collaboration, multilevel leadership and long-term planning with key customers, with support from senior management. | BF | **BF** |

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|---|---|---|---|---|
| 2013, p. 191 | Tzempelikos and Gounaris | The strategic importance of key account planning with management input, customer orientation and inter-functional coordination. | BF | **BF** |
| 2014, p. 600 | AL-Hussan et al. | The social and relational dimension of business relationships is crucial for managing key account relationships. | REL | **REL** |
| 2014, p. 8 | Pardo et al. | KAM's fundamental purpose is to coordinate existing resources within the supplier company to support the key customer during the value co-creation process. | REL | **REL** |
| 2015, p. 32-44 | Tzempelikos | Effective KAM requires top management commitment to be followed by active involvement in the KAM function. The study results showed that relationship quality positively affects financial performance. | REL | **REL** |
| 2016, p 15-24 | Ahmmed and Noor | KAM fundamentally based around manging the company's most important key customers and demonstrates how this norm can be developed in buyer-seller key account relationship. | REL | **REL** |
| 2018, p.160-172 | Guesalaga et al. | The key account selling function is more informed with demanding buyers, prompting firms to move toward a more consultative, solution-selling approach. The role has evolved and research according to the study is now a vital aspect of business outcomes and successes. | SELL | **SELL** |
| 2019, p. 988 | Pereira et al. | We demonstrate that the KAM literature has progressed from the selling and relationship-building approaches to the key network management, network innovation and governance, network-level performance, and co-creation of business solutions and values, while defining the challenges in KAM implementation and incorporating sustainability dimensions in KAM. | REL | **REL** |
| 2020, p. 134-149 | Baddowi and Battor | The research shows the importance of relational aspects of KAM by showing how the relational aspects of relationship quality and social capital influence the effectiveness of the supplier-key account relationship. | REL | **REL** |

The academics assessments shown in table 1 demonstrates that there was a predominance of BF aspects in the KAM role in 1990's and 2000's and with REL aspects beginning to dominate around 2012. This was perhaps surprising given that many theorists suggest the whole idea of KAM is to build long-term relationships. However, it appeared that since 2012 there has been a move towards a focus on relationships and co-creation, suggesting that co-creation and social/relational behaviours were now defining KAM, as opposed to KAM focusing on business, functional and process-driven elements. However, co-creation of value was not mentioned often enough to be identified as a strong theme in these definitions.

As relationships dominate the definitions in recent years the review will now consider ideas from the field of CRM.

## 2.3. CRM and KAM

CRM is considered a managerial philosophy that seeks to build long-term relationships with customers and dates back to the emergence of relationship marketing in the 1990's (Payne, 2005). Also, Buttle (2015, p. 16) notes that 'CRM is the core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to targeted customers at a profit. It is grounded on high-quality customer-related data and enabled by information technology.' Equally, Xu and Walton (2005) said that the purpose of CRM systems was to improve customer satisfaction, retain existing customers, provide strategic information and improve customer lifetime values. The authors suggested implementing an effective CRM achieved customer retention and close relationships. The similarities and links between KAM and CRM seem clear alone from these definitions although there are subtle differences.

Relationship marketing was also agreeable with Tapp (2008) who suggested that CRM supported cross selling along with direct marketing to acquire and maintain customers by providing a framework for an analysis of individual customer information, strategic information and the implementation with customers who respond directly. Also, Gummesson (2004, p. 139) proposed that 'when relationship marketing, CRM, and services marketing are combined with a network view they become drivers of a paradigm shift in marketing'. Opara et al. (2010) reiterated the importance of maximising customer relations, noting the importance of CRM and supplier departments working in cooperation to put much effort and time into retaining profitable customers in order to acquire, retain and maximise customer lifetime values. Kotler and Keller (2012) affirmed that acquiring a new customer can cost five times more than retaining a customer; they also stated that as relationships progress, customers become more profitable. Moreover, Kotler and Keller (2012) defined CRM as the process of carefully managing detailed information about individual customers or prospects to contact, transact and build customer relationships to deepen customer loyalty, reactivate purchases and avoid serious customer complaints.

In addition, Salojarvi et al. (2013) observed a need for more of a managerial emphasis on systematic processes linked to a CRM system that supported the storing and availability of key account-related knowledge. Payne and Frow (2006, p. 157) were agreeable stating 'the role of senior executives in facilitating employee engagement is vital'. It has also been argued among academics such as Ernst et al. (2011, p. 291) that CRM required involvement from the whole company to develop and maintain customer relationships; they stated that 'CRM puts the customer into a central focus of multiple organisational activities'. The view that CRM required the whole company involved was also shared by Baran et al. (2008), who noted that high-level commitment with senior management along with support was essential for CRM to be successful. The authors also emphasised that in order to achieve greater development and implementation, understanding relationships between satisfaction, loyalty and profits was fundamental to optimising revenue and profitability.

Furthermore, Baran et al. (2008), stated that the main objectives with CRM were satisfying customers, creating customer loyalty and creating relationships between the business and its customers. This is another similarity with KAM – involvement and commitment throughout the whole organisation is considered an important part of implementation. Teau and Protopopescu (2015) noted that CRM provided management with quick access to measurements including key performance indictors to support performance management.

The data could also be customised for coaching to address gaps and increase performance. Also, Tzempelikos and Gounaris (2013) completed a study in Greece examining KAM from a relationship marketing perspective by shifting the focus from the organisational issues to the relational aspects of a KAM programme. They noted from data collected from 13 interviews with people in senior management positions within corporate companies that relationship quality mediates the effect of KAM orientation on a supplier's performance. The literature provides further empirical evidence of the need to consider KAM from the relationship marketing perspective (Ivens and Pardo, 2007) since KAM orientation adoption enhances the customer's degree of satisfaction, trust and commitment which, in turn, influences the financial and non-financial results of KAM.

Similarly, Day et al. (2013) noted two patterns of trust development (empathy driven, and capability driven) that reflect a firm's approach to relationship development, which can be monitored. Fundamentally, each development pattern appears to raise different risks. Both patterns of trust are built over time and develop from embedded internal cultural and policy norms, which carry over into external relationships. It is clear in both case studies that these norms, shared by those at each case company, have considerable influence over the expectations of relationships with suppliers. Durif et al. (2013) supported elements of the above, noting that it is critical that KAM is based on a set of moral and ethical principles designed to operate as mechanisms for building trust and commitment between customers and KAMs (Gatfaoui, 2007), and ultimately building relationship capital (Vézina and Messier, 2005). Also, Wang (2012, p. 375) noted the importance of 'trust, stability, relationships and joint working commitments with good revenue key accounts.'

Friend and Johnson (2014) noted that key account relationships were crucial for companies involved in B2B sales. The authors also suggested that management must know how to motivate, support and provide knowledge and expertise when linking effort and performance to support KAMs to cultivate effective relationships based on customer-specific goals.

The success of the relationship-based approach required trust, referred to as the ethical bases of relationship marketing (Murphy et al., 2007). Vargo and Lusch (2004; 2008a) suggested that relationship marketing was a facet of CRM focusing on customer loyalty and long-term engagement that could be classified as SDL. Also, Lusch et al. (2006, p. 17) stated that 'in SDL, competition was a matter of knowledge creation and application. It was about the comparative advantage in service provision'; and value can only be created when a customer puts SDL into use, yet, Lusch et al. (2006) also stated that another important aspect was to do with treating employees, value-network partners and customers as collaborators to co-create value for all stakeholders. In essence, SDL emphasised collaborative processes and reciprocal value creation. Furthermore, Lusch et al. (2010) stated that SDL emphasising collaborative processes including reciprocal value creation was pertinent to CRM. The social and economic actors (suppliers) of a value network were bound together by competences, relationships and information. The authors confirmed it was essential to recognise and establish value-creation networks by learning to serve and accommodate necessary changes. Prahalad and Ramaswamy (2004) also suggested that CRM supports co-creation and stated it was a management initiative, or form of economic strategy, that brings different parties together. The parties included personnel from different companies to jointly produce a mutually valued outcome. These sentiments were accepted by Vargo and Lusch (2008b, p. 284), who noted that 'co-creation of value and co-production make the consumer endogenous'.

In summary, the key objectives of CRM according to the literature thus far, were to recognise, acquire, satisfy and retain profitable customers to support the business to enhance performance and increase revenues and profitability. CRM enables resources like co-creation of value, value networks and customer relationships to form a dominant logic for marketing and other departments that is entirely focused on services provision rather than goods as the central element of economic exchange. The link with KAM is, therefore, clear, as the stronger the relationship the better the chances of maintaining a key account and CRM supports the development of relationships, customer loyalty and long-term engagement. The links with ideas of co-creation of value from SDL are more recent and it is perhaps this reason that co-creation appears so seldom in table 1 and only since 2014.

Having established that CRM has links with KAM, the review will now consider the literature regarding SDL and co-creation.

### 2.4. SDL and co-creation of value

The fit between SDL, CRM and KAM seems so clear from the theory one would expect to see all three and the phrase ‘co-creation of value’ appearing in definitions of KAM from about 2010 onwards, yet they appear very rarely.

Lusch et al. (2006, p. 11), stated that co-creation embodies the notion that customers and employees jointly created the value that the service delivered to the customer, stating ‘co-creation can occur through shared inventiveness, co-design, or shared production of related goods, and can occur with customers and any other partners in the value network.’ In contrast, it has been suggested that integrating resources across the company means that customers and partners support the co-creation of customer value. This can be assessed to understand how well value promises have been completed, providing opportunities for co-creating value and discovering entirely new markets, according to Bettencourt et al. (2014).

Nonetheless, Lusch et al. (2006) confirmed that a new perspective has emerged that focuses on intangible resources such as co-creation of value and relationships to form a new dominant logic for marketing. While some researchers have described a transformation in KAM since 2012 where KAM is seen as a facilitator of on-going processes of voluntary exchange through collaborative, value creating relationships based on service (Pardo et al., 2014; AL-Hussan et al., 2014), Vargo and Lusch (2004) described a shift in marketing much earlier, stating this change was from goods-dominant logic (GDL) to SDL. The authors noted GDL focussed on the product and process elements, but SDL on the application of competencies where knowledge and skills were used leading to co-production and co-creation. SDL was also considered a proposed thought of theoretical foundation for service economy from a service centric viewpoint.

The underlying idea of SDL is that people apply their competences to benefit others and reciprocally benefit from others’ applied competencies through service-for-service exchange (Vargo and Lusch, 2004). SDL has its critics and Brown (2009) argued that the reality of GDL to SDL was less straightforward in empirical practice than in academic theory and described the research as having rhetorical changes. These views were echoed by Miles et al. (2014) who noted that SDL was greatly supported by persuasive and classical rhetorical techniques used to meet desired outcomes.

Hackley (2009) also noted that SDL required further clinical research to support the authors academic theory and argued that SDL reinforced the belief that academic research was not useful for professional practice. Nonetheless, as already mentioned SDL suggested that the application of competences such as knowledge and skills described as service for the benefit of another party is the foundation of all economic exchange, even when goods were involved which drive economic activity (Vargo and Lusch, 2008a, p.4). Vargo and Lusch (2008a) also stated that SDL premises that 'all economies are service economies and postulate that all businesses are service business liberates marketers to think innovation in new and innovative ways'. Equally, Vargo (2009, p. 378) wrote a further paper reviewing SDL based on a conceptualisation of a relationship that transcends traditional conceptualisations which confirmed that complete value-creation configuration was only possible if understood and dealt with effectively within CRM. The paper also noted that 'relationships, by any definition, are not limited to dyads but rather were nested within networks of relationships and occur between networks of relationships. These networks are not static entities but rather dynamic systems, working together to achieve mutual benefit (value) by service provision.' This does seem to have clear links to the ideas of KAM and can be seen in the more recent definitions in table 1, especially in the work of Parieria et al. (2019), which mentions networks.

Hammervoll (2014, p. 162) notes that 'customer-salesperson interaction is the nucleus of value co-creation, which is characterised by both parties' sense of commitment to each other and their dealings. This is indispensable, as disclosing (potentially personal) value systems and engaging in value-generating processes are a more complex process than the delivery and consumption of a standard service.' It is in this way that the buyer and seller co-create value in a relational exchange. Also, Flint et al. (2014, p. 29) confirmed that 'in SDL, markets have more to do with finding opportunities for (co) creating experiences with customers than about making and selling units of output, tangible or intangible'. In addition, Flint et al. (2014) stated that SDL required value-creating networks, integrating resources along with knowledge management skills, and other operant resources, including skill requirements, to improve marketing effectiveness. The relational skills and competencies that Vargo and Lusch (2008a) described as service were essential for SDL and customer co-creation; furthermore, although the skills were often not always apparent, they were essential for gaining a competitive advantage and driving competition, which were both difficult to measure and monitor. Vargo and Lusch (2008a, p. 6) described also stated that the 'customer-determined benefit and co-creation is inherently customer oriented and relational meaning value is uniquely determined by the beneficiary'. Vargo and Lusch (2014, p. 243) also reiterated this when updating their core ideas, noting; 'value is always uniquely and phenomenologically determined by the beneficiary'.

Terho and Jalkala (2017) completed a qualitative field survey study based on customer reference marketing linked to sales performance; they noted that firms move from product- to service-focused businesses (Sheth and Sharma, 2008) to customer-focused selling based on in depth customer value knowledge (Blocker et al. 2012). The authors affirmed that both internal and external theoretical knowledge were critical tools that can be used to achieve knowledge sharing that forms co-creation. Their study results also show that measurements were in place that were focused on recruiting reference customers that may be interested in current and upcoming key offerings, customer types/segments, application areas and geographic regions.

It is clear from this example of the co-creational approach and that there is a benefit from moving to a product focused to a service focused business model which fits with the evolution of KAM as mentioned earlier.

In summary, KAM is a service and SDL is a sensible theory to apply and co-creation of value fits very well with long-term relationships and building and maintaining long term relationships and configuration was only possible if understood and dealt with effectively within CRM.

### 2.5 Combining the theories and theoretical contribution

The change in KAM since 2012 seems evident with CRM, SDL and co-creation of value. Having analysed the theory, one would expect to see all these elements appearing in definitions of KAM from about 2010 onwards, yet the mentions of CRM as part of KAM and mentions of co-creation of value are few. However, the current literature does not present a new theoretical model for successful KAM that includes CRM and SDL to create a Key Account Relationship Management Approach (KARMA).

While, Pereira et al. (2019) suggest KAM is networked focussed and based on relationship-building and co-creation of value, and Baddow and Battor (2020) echo the importance of relational aspects of KAM and the importance of relationship quality to influence account performance, there are no theoretical models developed to test their theories. The model in figure 1 is based on the CRM, SDL and KAM to create KARMA.

The KARMA model is underpinned by SDL to form co-creation of value (figure 1) and is presented as a theory for testing.

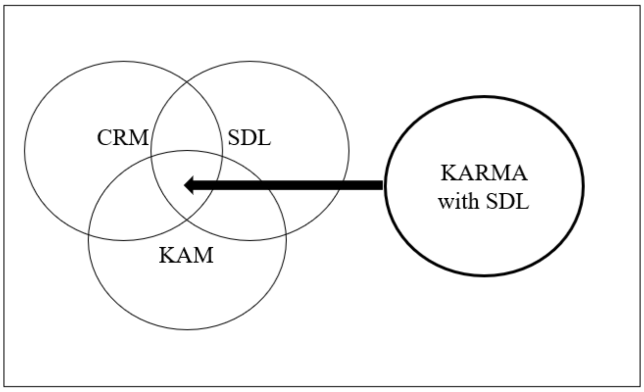


Figure 1. The KARMA model is a theory for testing.

### 3. Conclusion

KAM has evolved over the years and simultaneously marketing has evolved from transactional to relationship marketing to SDL which fit very well with KAM. The analysis of definitions has demonstrated this shift and shown the recent emergence of co-creation of value in the KAM discipline but there is no theoretical model that defines CRM, SDL and KAM in order to benefit successful KAM implementation. This paper therefore has proposed a contemporary theoretical model for KARMA in which a relationship is managed for the benefit of all parties for mutual long-term sustainability drawing upon ideas from all 3 fields.

## 4. Limitations of research

This research does have limitations as it is based only on literature, as already noted, however there were no studies at the time of review that addressed whether companies are evolving with KAM and using CRM, SDL and forming co-creation of value, so this study contributes to both academic theory and professional practice but also develops a KARMA theoretical model for testing.

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