



**REDUCING THE GAP BETWEEN KEY ACCOUNT'S EXPECTATIONS AND  
THE ACTUAL PERCEIVED LEVEL OF SERVICE**

Case study, forest industrial company

Lappeenranta–Lahti University of Technology LUT

Master's Thesis in Economics

2023

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## ABSTRACT

Lappeenranta–Lahti University of Technology LUT

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### **Reducing the gap between key account's expectations and the actual perceived level of service**

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100 pages, 14 figures, 9 tables and 4 appendices

Examiners: Associate professor Mikko Pynnönen, D.Sc. (Business and administration)

Post-doctoral researcher Luke Treves, D.Sc. (Business and administration)

**Keywords:** value creation, key account management, customer's perceived value, customer solution, industrial business, B2B-business

This master's thesis examines value creation for specific customer group, key accounts. The aim is to gather new significant information to be used in the literature holistically and considered in the case company. The objective is to find elements that supplier companies shall focus on in order to increase customer value for their strategically chosen key account customers in the context of industrial B2B business.

The case study first states the research problem and presents an extensive literature review regarding value creation, customer solutions and key account management. After that, the research methodology, inductive thematic analysis, is justified. The research questions are answered after the results are presented by comparing them to the existing literature. Finally, the study's main takeaways are concluded.

The empirical data is gathered by interviewing suppliers and key account customer representatives. As a main takeaway, suppliers need to focus on five particular themes to increase value creation for key account customers. In order of importance, these themes are *internal processes* that include good strategy, company policy and structure, *humanitarian drivers* such as trust and transparency, efficient *communication*, *service-related aspects* such as customer service, and *product-related drivers*, meaning compliance and quality. According to the implemented study, companies should consider proprietary value as a direct-value-creating aspect instead of indirect value.

## TIIVISTELMÄ

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Kauppatieteet

Eveliina Saari

### **Avainasiakkaiden odotusten ja todellisen palvelun välisen eron kaventaminen**

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Post-doctoral researcher Luke Treves, D.Sc. (Business and administration)

**Avainsanat:** asiakasarvon luominen, avainasiakas, asiakasratkaisu

Tässä pro gradu -tutkielmassa tarkastellaan arvon luomista avainasiakkaille. Tavoitteena on syventää olemassa olevaa tutkimustietoa, sekä lisätä case-yrityksen tietoisuutta aiheesta. Työn tarkoituksena on kaventaa avainasiakkaille tarjotun palvelun tason odotusten ja toteutuman välistä epäsuhdannetta. Ongelman ratkaisemiseksi tavoitteena on löytää elementtejä, joihin case-yritysten tulisi keskittyä mahdollistaakseen asiakasarvon kasvattamisen teollisessa B2B-liiketoiminnassa.

Pro gradu alkaa tutkimusongelman sekä -kysymysten asettamisella, jota seuraa laaja kirjallisuuskatsaus. Työn teoreettisena viitekehyksenä toimii avainasiakastoiminta, asiakasratkaisut sekä asiakasarvon luominen. Tämän jälkeen valittu tutkimusmetodologia, induktiivinen temaattinen analyysi, perustellaan. Tutkimuskysymyksiin vastataan vertaamalla saatuja tuloksia olemassa olevaan kirjallisuuteen. Työn lopussa tutkimuksen tärkeimmät huomiot vedetään yhteen.

Empiirisen analyysin data kerätään puolistrukturoiduilla haastatteluilla. Työn tuloksena voidaan todeta, että toimittajayritysten tulee keskittyä viiteen teemaan lisätäkseen arvon luomista avainasiakkailleen. Tärkeysjärjestyksessä nämä teemat ovat *humanitaarisia*, kuten luottamus ja läpinäkyvyys, *sisäiset prosessit*, korostaen hyvää strategiaa ja rakennetta, tehokas *kommunikaatio, palvelu*, kuten asiakaspalvelu, sekä *tuotteisiin* liittyvät odotukset, kuten vaatimustenmukaisuus ja laatu. Toteutetun tutkimuksen mukaan yritysten tulee myös pitää omistusarvoa (eng. proprietary value) suoraa asiakasarvoa lisäävänä tekijänä.

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in Kotka, November 18th, 2023

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# 1 INTRODUCTION

In today's business, customers constantly demand distinctive operations from suppliers to build and maintain long-lasting relationships (Smith and Colgate, 2007). That's why, during the last decades, most organizations in international business have been going through a significant transition process phase by constantly focusing on providing more customer-centric and professional services (Abratt and Kelly, 2002; Biggemann et al., 2013; Friend and Malshe, 2016), especially for their important customers.

Especially in industrial business, the ability to transfer the approach from goods-dominant to service-dominant logic has been significant. In that sense, manufacturing companies have been moving towards customer value and -solutions. (Tuli, Kohli and Bharadwaj, 2007; Ulaga and Reinartz, 2011; Vargo and Lusch, 2004) Research has proved that customer value creation is central in today's business environment (Itani, Kassar and Loureiro, 2019; Woodruff, 1997). Besides that, if a supplier succeeds in value creation, it predicts additional satisfaction and increases customer loyalty (Woodall, 2003). From the demand to creating more value, it has been mandatory for organizations to think more broadly, and by that, the strategy has been in transit from selling products to providing solutions to the customers (Nordin and Kowalkowski, 2010; Sawhney, 2006; Tuli, Kohli and Bharadwaj, 2007; Windler et al., 2017).

As all the customers are not categorized to have strategically same importance to the seller, there exist disparate kinds of relationships between suppliers and buyers, and the customer-supplier relationship usually changes and develops over time. That phenomenon of categorizing customers by different variables is called relationship marketing and has been acknowledged since the 1980s by Leonard Berry (1983). Key account management, then again, is a part of a bigger entity called relationship marketing (Wengler, Ehret, and Saab, 2006). It is confessed in the literature that if the relationship is managed well and different setups are implemented wisely, both parties involved can increase retention and loyalty over time. The benefit of key account management programs is that it enables the supplier company to compete more effectively in the market. At the same time, customers can benefit from unique customized services and solutions and perceive more value. (Georges and Eggert, 2003; Zupancic, 2008)

## 1.1 Research gap

A significant number of researches, theories, and information regarding customer value or key account management are separately available. However, these two large entities have mainly been studied independently. This means the focus in existing literature regarding customer value creation is often targeted to all customer groups without considering customer categorization, different account management systems, or the natural desires of customer groups. In the literature regarding key accounts, the scope is primarily on studying the design of key account management (Kempeners and van der Hart, 1999; McDonald, Millman, and Rogers, 1997; Wengler, Ehret, and Saab, 2006), the drivers that lead to key account management (Brehmer and Rehme, 2009), benefits and challenges (Peters, Ivens and Pardo, 2020; Piercy and Lane, 2006), and how to engage sales and top managers into key account programs (Mahlamäki, Rintamäki and Rajah, 2019; Tzempelikos, 2015).

Research exists regarding the drivers and barriers to value creation and service success (Bolton, Grewal and Levy, 2007). However, a study from Bain & Co. shows that 21% of companies achieve real success with their existing strategy regarding services (Baveja, Gilbert and Ledingham, 2004). Also, according to Standely and Wojcik (2005), roughly 50% of solution providers experience only the most apparent advantages, while 25% incur financial losses due to inadequate management. Nevertheless, the practical importance and interest in literature regarding account management in the 1970s-1980s has been described as a new phenomenon of an innovative sales channel, when in mid-1990s, it was called a practical approach of relationship marketing, including key account management, and from 2000s onwards as a creative type of organization that is capable of managing complex relationships with global customers (Gosselin and Heene, 2003; Homburg et al., 2000; McDonald et al., 1997). To conclude, from 1975 to 2000, key account management in terms of value creation has still been an under-researched area. (Gosselin and Bauwen, 2006)

Only a few articles have considered the value creation focused explicitly on key account customers. Georges & Eggert (2003) are some researchers interested in this topic. Even when value creation and key account management have engaged attention, still only little is known about customer value focused on key account customers. Also, Pardo, Henneberg, Mouzas, and Naudè (2006) explain that the definition of value in the context of account management has not been explored throughout the existing literature, and the perspective of value within



key account management has not been adequately studied. Researchers are currently unsatisfied with the approach that value is seen only from the customer or supplier's perspective since they suggest that value should be considered from a mutual perspective.

The issue with current literature is that the results and conclusions already acknowledged regarding customer value creation are generalized too broadly to consider all kinds of customer groups no matter their strategic importance, even though it is confessed that via long-lasting key account relationships, the supplier company can have higher chance to create more value with better success (Hengstebeck, Kassemeier and Wieseke, 2022). The author predicts that key account customers are even more demanding and expect outstanding performance, commitment, and solutions from their suppliers compared to standard customer groups.

Knowing the topic's importance, Graf and Maas (2008) have acknowledged that more consensus is needed regarding the notation of customer value. Authors wonder if the relationships may be even more complex than currently known and should be investigated more, especially to understand better chosen and targeted groups. Researchers state that the focus is too likely on one customer instead of customer groups and brand communities. According to Georges and Eggert (2003), suppliers should focus on creating value for their key accounts. By that, both parties can benefit from better and more efficient partnerships. To conclude, it is justified to continue filling this research gap in this master's thesis.

## 1.2 Objectives and research questions

In today's business world, companies need to be more interested in customer's accurate, actual, and relevant needs in practice (Leischnig, Ivens, Niersbach, and Pardo 2018), which will be the central core of this research. As Ulaga (2003) explains, the highest value and customer satisfaction stem from personal interaction and service support, indicating that the core product has a comparatively less impact on customer value. This master's thesis examines the management of key account customer processes so that the provided quality meets the expected desires. The study aims to deepen the common understanding of value creation in a specific context among key account customers. The objective is to gain a more in-depth understanding of how the supplier can guarantee that the provided service is

satisfying and that the customer is receiving the expected amount of value - or even more. The purpose is to find out how the imbalanced gap can be reduced and how this can be done with the company's existing resources and range of tools. The research aims to bring more understanding to an existing practical problem and theoretically achieve more applicable knowledge.

From a managerial point of view, the benefit that the suppliers could gain when having more knowledge about the critical account's actual needs and expectations would help to understand the differentiation process and help when planning more customized services and solutions. Also, from the solutions point of view, there still exists a poor understanding of the particular strengths and operations the supplier could improve and tune to succeed in service and solutions. (Ulaga and Reinartz, 2011) According to Tuli, Kohli, and Bharadwaj (2007b), there is still too little evidence of how customers perceive the suppliers' solutions. Considering this, it is justified to study the topic more, as the lack of existing literature explaining the relationship between key accounts and value creation has been confessed. Considering the above, this study aims to fill the key account value creation gap from the supplier's perspective. This leads to a research problem, as the existing literature does not answer how suppliers can create value for their key account customers and how to manage the key account process so that the provided quality meets the expected or at least does not fall below it.

To be able to provide an overall picture and gain an understanding of the topic described above, the research questions consist of a main question (MQ) that is broader, and with the help of three sub-research questions (SQ1, SQ2, and SQ3), the aim is to answer the defined main research question. Sub-research questions are questions formed from the main research question, which the research aims to answer (Eriksson and Kovalainen, 2008).

The main research question aims to combine the three key concepts of this research: value creation, customer solutions, and key account management. The questions are formed in a way that makes it possible to provide knowledge theoretically in the eyes of literature but also managerially for the case company's representatives of the needed actions to perform better in the eyes of the key account customers. To get an answer to the research problem, the research questions are formed as follows.

***MQ: How can the gap between provided and perceived level of service for key account customers be reduced?***

The first sub-question aims to understand the most critical factors from the key account customer's side to be satisfied with the perceived level of service from the supplier. The objective is to collect valuable information to help answer the main research question. That's why the first sub-research questions are formed as follows:

***SQ1: What are the core expectations from the key account customer towards the supplier?***

The second sub-question explains the core competencies that the supplier needs to focus on in daily business to create value for the customer. This sub-question's perspective is more on the supplier's side and wants to examine aspects and drivers that increase value creation in their opinion for the key account customers.

***SQ2: How supplier can guarantee realization of value creation for key account customers in daily business?***

The third sub-question is formed to understand the differences in perceptions of value creation. This question aims to understand how the definition of value may differ when asking from different parties involved in the key account customer-supplier relationship.

***SQ3: How the viewpoints of the supplier and buyer regarding value creation in key account relationship are distinguished?***

### 1.3 Theoretical framework and key concepts

The thesis framework (Figure 1) draws upon existing literature and prior research on the subject under examination, incorporating two established frameworks. The first framework is centered on value creation, encompassing the second theory of customer solutions. The third theoretical framework employed in this thesis is more specialized, focusing on key account management, a component of a broader concept known as relationship marketing.

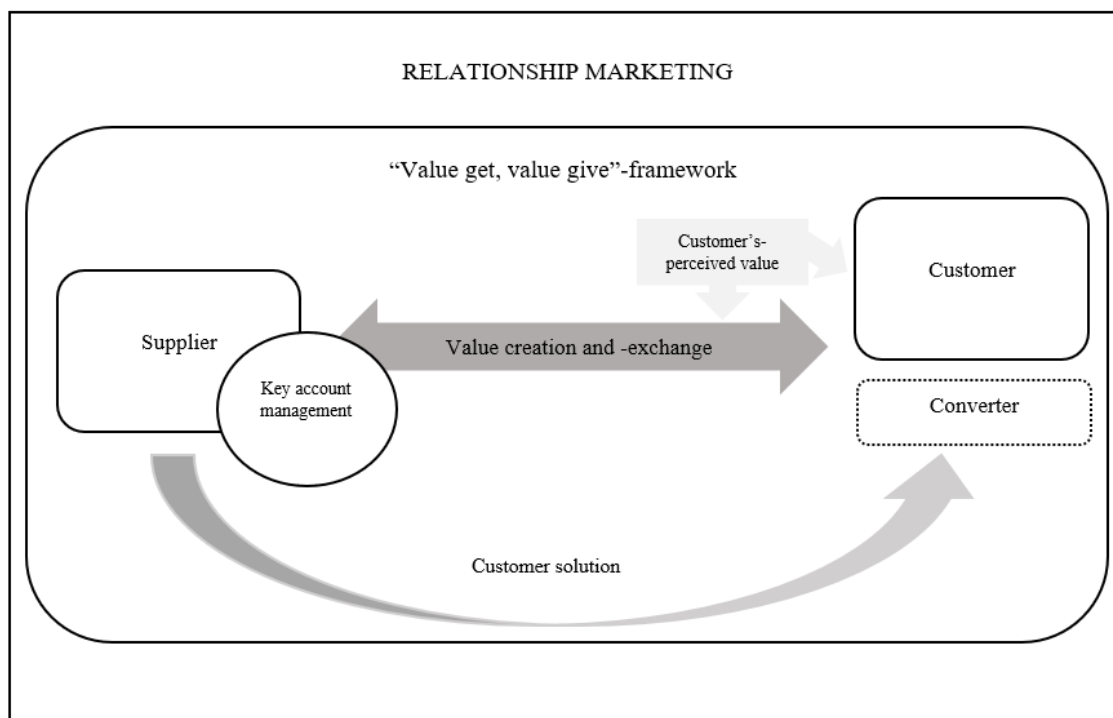


Figure 1. Theoretical framework of the thesis.

**Relationship marketing** primarily revolves around customer value, positioning it at the core and as a key approach when serving customers. (Itani, Kassar and Loureiro, 2019) Relationship marketing centers around nurturing and sustaining connections between an organization and key players in its environment, including suppliers, the public, and customers. The primary goal is establishing customer loyalty and fostering a stable, mutually beneficial, and enduring partnership. Value holds a significant role in relationship marketing, with a company's capacity to deliver exceptional value to its customers recognized as one of the most effective competitive strategies of the 1990s. This capacity has evolved into a

method of setting the company apart from others and is considered a critical element in solving the puzzle of attaining a sustainable competitive advantage. (Ravald and Grönroos, 1996)

**Customer value** encompasses a multitude of interpretations, but two primary perspectives exist: one focused on the *value for the customer*, which is commonly termed customer's perceived value or customer received value, and another centered on the *value for the firm*, which is also known as customer lifetime value. (Smith and Colgate, 2007) Woodruff (1997) defines customer value as "the subjective preferences and evaluations of customers regarding product attributes and its performance, and outcomes from the usage of the product, all of which aid in achieving the customer's objectives and purposes within specific usage scenarios." In a different vein, Holbrook (2005) characterizes customer value to be an "interactive and relative preference and experience." A more straightforward definition of how customer value is perceived is what customers gain in terms of benefits, quality, worth, and utility from and use of a product in contrast to what they expend in price, costs, and sacrifices.

**The framework of "value get, value give"** draws from the principles of engagement theory and the literature on relationship marketing. From the customer's perspective, this framework suggests that customers will return the favor by delivering beneficial value to the company through their engagement behaviors related to the company. The theory of engagement suggests that a customer-firm relationship founded on satisfaction, trust, and commitment can stimulate greater customer engagement. This heightened engagement leads to a mutually beneficial partnership in which customers interact more frequently with the company and become advocates for the brand. (Itani, Kassar and Loureiro, 2019)

**Customer solution** is an approach where manufacturers have transitioned the focus and attitude towards service and customer solutions to keep their market share in the constantly increasing competitive market (Ulaga and Reinartz, 2011; Vargo and Lusch, 2004; Windler et al., 2017). The aim is not to focus only on the product itself but to offer something beyond that, with most often additional services that are included and agreed to be included in the selling price. (Tuli, Kohli and Bharadwaj, 2007) Ravald and Grönroos (1996) emphasize that the solution should be a "value carrier," and the supplier company has the urge to provide an offering that the customer perceives as better than the one received from the competitors.

**Key account management** is a strategic direction in B2B relationships between the supplier and the client. KAM represents a customer-centric approach in all services to achieve a long-term, strategic, but primarily collaborative partnership and enables higher revenue and turnover to the supplier company. (Abratt and Kelly, 2002) This trend has led companies to implement a new strategy and marketing philosophy, which means focusing on key customer activity. With this new way of thinking, key account management has been one of the marketing trends in B2B over the past decade. By serving chosen customers better, the supplier organization tries to achieve a competitive advantage in the market. (McDonald, Millman and Rogers, 1997). To provide the expected service to the customer, the supplier organization might consider building a specific key account organization to increase the service's performance level. Despite the system's complexity, key account management has drawn significant attention globally, and companies want to achieve a competitive advantage and good reputation among customers in international business by creating value for their key accounts. This trend has enjoyed strong interest in management in practice and academic research (Leischnig et al., 2018) during the past decades.

#### 1.4 Research methodology and data collection

The chosen research methodology for this master's thesis is a qualitative case study. The method is selected because, with this approach, it is possible to gain more insight into the complexity of the topic examined. Qualitative research is a justified method as it usually relies on consistency and many direct observations of behavior and its context (Scruggs and Mastropieri, 2006). According to Gummerson (2000), the benefit of case study research is that it generates a more in-depth understanding and richness of the topic. Appropriate chosen methods for data collection are semi-structured interviews. This approach is in line with Patton (2002), who states that a typical case study is based on the personal experiences of the people interviewed. Interviews are categorized into external and internal ones. Even though the main impact of this thesis is aimed at supplier companies, it is justified to interview the buyers' representatives. This decision is made for the sake of reliable and transparent information.

After the data collection, gathered information will be analyzed using inductive thematic analysis with the help of nVivo-program. Inductive thematic analysis is chosen because of

the nature of this study, which aims to code and create meanings and contributions to themes created with the help of the codes. (Vaismoradi, Jones, Turunen and Snelgrove, 2016) The main objective of the empirical part of the thesis is to be able to answer the research questions placed in chapter 1.2 and, by that, to give relevant insight regarding value creation to companies that have key account programs in use.

## 1.5 Limitations

This thesis has delimitations as it focuses on one supplier company's way of creating value for its chosen vital accounts. The supplier company operates in a global forest manufacturing market that practices business only in the B2B market. Ulaga and Reinartz (2011) have identified four primary resources, especially for manufacturers; they explain that all the factors must be well managed and organized to gain a competitive advantage. These factors are 1) product usage and processing data, 2) product development and manufacturing assets, 3) experienced product sales and network, and 4) *service organization*. However, this master's thesis focuses only on the fourth resource regarding service organization, which means it will leave out the three aspects that have been proven to affect success. This might affect the results since it does not consider other variables and focuses mainly on the service-providing performance that the supplier company is providing.

Also, because of the nature and the context of this research, the chosen method is a case study, and the obtained results cannot be directly copied or repeated and centralized to all supplier companies in the manufacturing industry. Also, Day et al. (2004) have acknowledged that implementing and developing customer solutions that work, create value for everyone, and can be easily copied is slightly tricky and even impossible. As the sample size also being negligible, it may affect the reliability of the results. With the available resources and time limitations, relatively few people will be examined and interviewed. However, even though this study has delimitations, it still aims to provide value and new insight to be considered in other companies' key account management.

## 1.6 Structure of the study

This thesis consists of seven primary chapters that are presented in Figure 2. The first chapter introduces the topic and overviews the thesis's framework, subject, and primary goals. The purpose is to give the study some background and define the research problem, -questions, and limitations. At the end of the introduction, the reader should be able to understand the study's purpose and relevance.

The second and third chapters are based on a comprehensive literature review and previous research. The aim is to provide more insight into the current topics and findings. The objective regarding the theoretical part is to explain the examined phenomenon more in-depth, provide a more common understanding of the chosen phenomena, and present what is already known in the eyes of the literature. The second chapter focuses on customer value creation and customer solutions, and the third chapter presents key account management and its implications.

The fourth chapter justifies the chosen research methodology, and the structure of the empirical research in practice is explained. The fifth chapter includes the main findings from the data gathered by the interviews. Finally, the sixth chapter discusses the compiled results, compares them with existing literature, and answers the research questions. The last chapter concludes the thesis and gives insight into delimitations, reliability, validity, and topics that should be examined in future research.

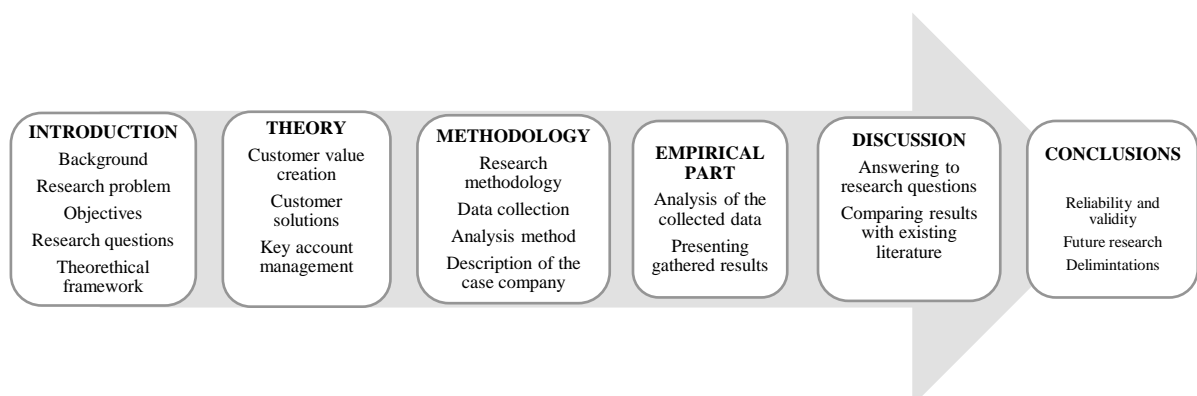


Figure 2. Structure of the thesis.



## 2 VALUE CREATION

Companies operate in a business environment where interactive participation, customer experience, customer value, and competitive advantage are necessary to succeed (Itani, Kassar and Loureiro, 2019). During the last decades, focus in the field of business has been transforming towards a more customer-centric approach (Figure 3), meaning that two-sided and mutual value providing is seen as a crucial and underlying element in customer satisfaction and -success, especially in long-term relationships (Anderson, 1995; Biggemann et al., 2013; Hallencreutz and Parmler, 2021; Tuli, Kohli and Bharadwaj, 2007; Ulaga and Reinartz, 2011). This significant change in organizations way of thinking in the nineties has driven companies towards *value creation* (Figure 3) that has emerged much attention in the literature (Anderson, Narus and Van Rossum, 2006; Georges and Eggert, 2003; Lapierre, 2000; Parasuraman, 1997; Smith and Colgate, 2007; Vargo and Lusch, 2004; Woodruff, 1997). Even though the importance has been acknowledged for decades, only a few supplier companies have the fundamental ability to assess value and gain a return for the value being delivered to the customer in practice, explains Anderson, Jain, and Chintagunta (1992).

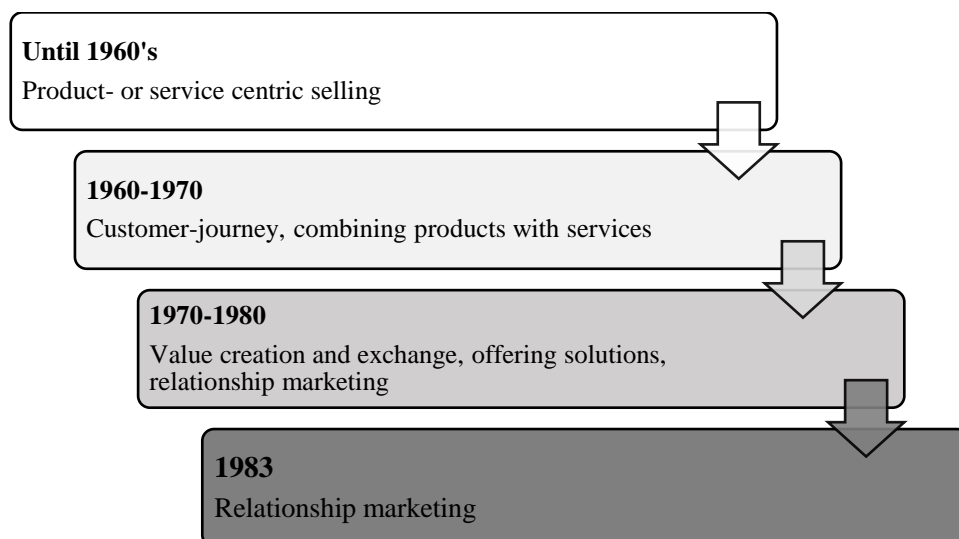


Figure 3. Historical development of relationship marketing.

Different approaches exist when defining value creation in a business environment, and the definition is still constantly evolving and developing, increasing the topic's complexity. (Graf and Maas, 2008; Sullivan, Peterson and Krishnan, 2012) However, Porter (1996) and Woodruff (1997) amplify the identification and creation of customer value in practice as essential for a company's survival and success, especially in the long term. The most known definition of customer value is a process of exchange between the customer and supplier that culminates in value creation (Zeithaml, 1988). In the field of B2B, the majority of implemented practices are indeed based on exchanging (Hallencreutz and Parmler, 2021), meaning the phenomenon is about managing different sorts of relationships and being interactive, which are the actual notions of value. Also, Pardo, Henneberg, Mouzas and Naudè (2006) explain that if there is no existing value in the action and the needs of either supplier or customer are not being satisfied, exchange will not happen in the first place.

Smith & Colgate (2007), Kumar & Reinartz (2016) and Graf & Maas (2008) have found in their studies that for value, there exist two dominating definitions. The most traditional approach for value creation is *value for the customer*, which means the value the customer perceives and receives by close cooperation with the supplier company. The other well-known definition is *value for the firm*, which is about the supplier's capability to gain value well; this has later been called *customer lifetime value*. Customer value creation and its implications have interested many other researchers. For example, Anderson, Jain, and Chintagunta (1992) have defined that value can have *four* dimensions of benefit: economic, technical, service, and social. Möller and Törrönen (2003) have described *three* dimensions of benefits: supplier's efficiency, effectiveness, and network function. Grönroos (2008) then states the value in a way that if the customer feels more satisfied by interacting with the supplier than before, the supplier has created value for the customer. In Grönroos's previous research (1997), he determines the customer value formula of which key elements affect the perceived customer value, sharing the same approach with Zeithaml's study (1988). Their slant is based on that value is defined to be trading between benefits and sacrifices as per the following:

$$\text{perceived customer value} = \frac{\text{core solution} + \text{additional service}}{\text{price} + \text{relationship cost}}$$

Anderson and Narus (2006) conclude that customer value is the most needed and essential factor in collaborative relationships between the supplier and customer when the aim is to gain outcomes together as a win-win situation where both parties may enjoy the benefits and this approach is still widely used in the field of business. Ravald & Grönroos (1996) and Ulaga (2003) take the importance of customer value even further by suggesting that the actual value the customer can gain from the relationship can have an even more significant impact on the total value of the customer-perceived value compared to when offering only the product itself, even though when in the first place the customer's need was only in a specific product. This means the trend has transformed to provide solutions rather than purely products or services. (Brady, Davies and Gann, 2005; Tuli, Kohli and Bharadwaj, 2007; Windler et al., 2017)

Another approach, as described by Itani, Kassar, and Loureiro (2019), is the customer-related concept model, often referred to as the "value get, value give" framework (Figure 4). This model draws on engagement and relationship marketing theories. The authors posit that a supplier's actions can influence the customer's value creation. Still, it also acknowledges that customers can contribute value to the supplier, which is why it's termed the "value get, value give" model. From the customer's perspective, this framework suggests that after receiving valuable offerings from the firm, customers reciprocate by engaging in behaviors such as referrals and knowledge sharing, providing practical benefits to the firm. This reciprocal process aligns with the social norm of reciprocity and various social exchange mechanisms between customers and firms. Additionally, cultivating and maintaining the customer-firm relationship plays a significant role in facilitating this process. The framework encompasses multiple variables that are believed to influence the value get-value give dynamic.

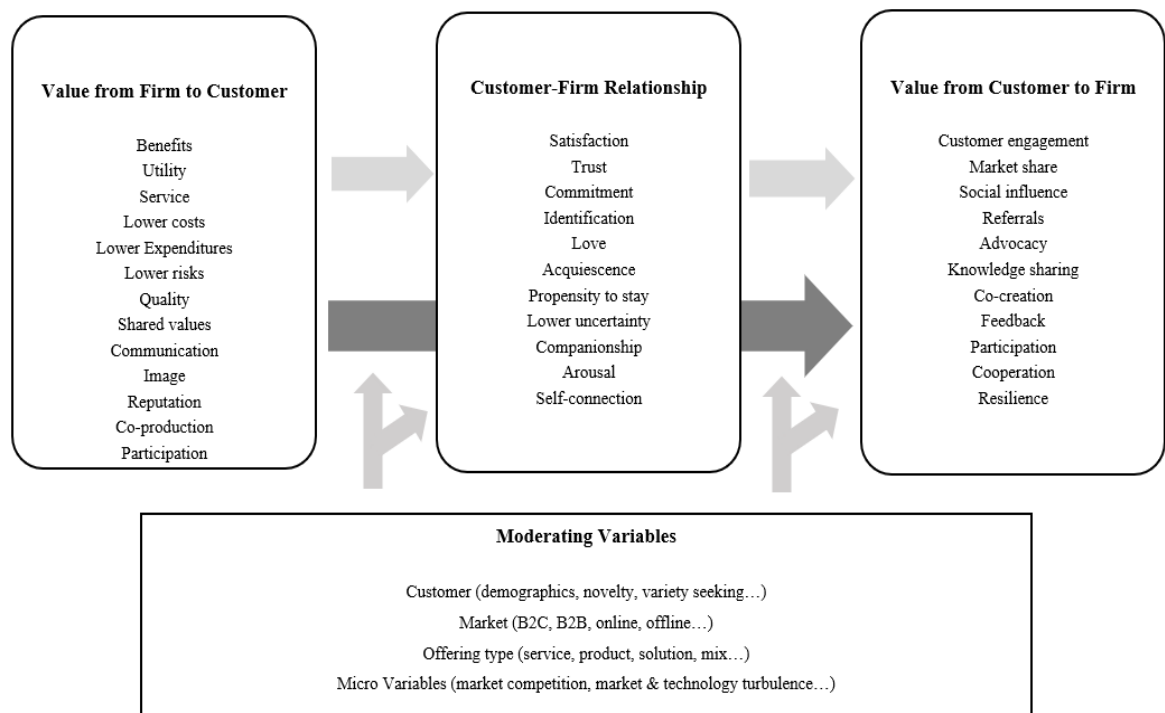


Figure 4. Customer-related concept, according to Itani, Kassab, and Loureiro (2019)

## 2.1 Customer solution

The aim is to continuously develop and improve innovations and ways to create more value for the customer and be worth their price. Supplier companies are under pressure in the globalized markets, and they need to differentiate themselves by offering different customer solutions (=a combination of products and services) instead of a single product or service to gain a competitive advantage (Biggemann et al., 2013; Tuli, Kohli and Bharadwaj, 2007). Because of the pressure, companies have acknowledged the ability to create value by offering customized solutions, the expertise of products and services, and engaging the customer by providing extra value (An and Han, 2020; Kumar and Pansari, 2016). To become a solution provider, the company must know how value can be created in a customer's eyes. (Brady, Davies and Gann, 2005) In fact, besides the core product itself, multiple other significant factors widely affect customer satisfaction and value creation. These factors, according to McDonald, Millman, and Rogers (1997),(1997) are the practices that are included in the whole supply chain process, e.g., purchasing process, delivery, installation, end-use, and possible supporting service after the actual selling process. Also,

Ravald & Grönroos (1996), Ulaga (2003), Singh & Koshy (2011) and Brady, Davies & Gann (2005) have acknowledged the importance of understanding that the definition of customer value should be widened beyond product offering to *solution offering*. Researchers encourage companies to actively include customers' perceived value by providing solutions by discussing, meaning each customer's perception determines value. The same product or service can be seen as having varying levels of value among different customers. (Itani, Kassar and Loureiro, 2019)

Also, Grönroos (2011) has acknowledged the importance of *offering solutions*; the author explains that it can support customers' operations in practice and enhance its business, which creates value. Möller and Törrönen (2003) state the importance of effectiveness in value creation, which means the supplier's ability to provide solutions and by that customer receives value from the purchase and relationship. Grönroos (2011) suggests that suppliers must pay close attention to actions that can be implemented to generate value for the customer. The author clarifies that, in practice, a supplier company should focus on providing natural solutions in close cooperation, which can then support the customer's business in practice.

Galbraith (2002) and Tuli, Kohli, and Bharadwaj (2007) also confess the existing and increasing trend where companies have started determinedly offering solutions rather than selling stand-alone products. Different perspectives and definitions, however, contain the definitions of customer solutions, and the concept has been marketed and sold since the 1960s. (Cova and Salle, 2008) The dominant view in the literature is that "solution is a customized and integrated combination of goods and services for meeting a customer's business needs" (Sawhney, 2006). Some researchers suggest that solutions are created in close cooperation with customers when Tuli, Kohli, and Bharadwaj (2007) found that a solution is always a set of customer-relational processes. Ulaga and Reinartz (2011) suggest that solutions are offerings from the supplier that can support the customer's operations by creating more value and helping the customer achieve the aimed result. For example, Cova and Salle (2008b) say the best solution is often co-created with the customer. Also, it is notable that customer-supplier relationships are not isolated processes as they often influence other relationships and can shape even the whole business industry in the long term (Biggemann et al., 2013).

Tuli et al. (2007) propose a slightly different way of thinking about customer solutions; they see it as a set of other (four) independent processes that, on a larger scale, are closely related and linked. These processes are called 1) defining requirements in where all the valuable background work is done, 2) customizing and integrating into where the right products are chosen, 3) deployment, which means the moment of actually delivering the sound, and 4) post-deployment where the focus is keeping on track that everything is fine (Figure 5). The authors found that it is vital for the supplier company to focus on the requirements, especially regarding one carefully) definition, 3) deployment, and 4) post-deployment. They justify that these three processes are the most valuable moments in which the supplier company can create contribution and extra value.

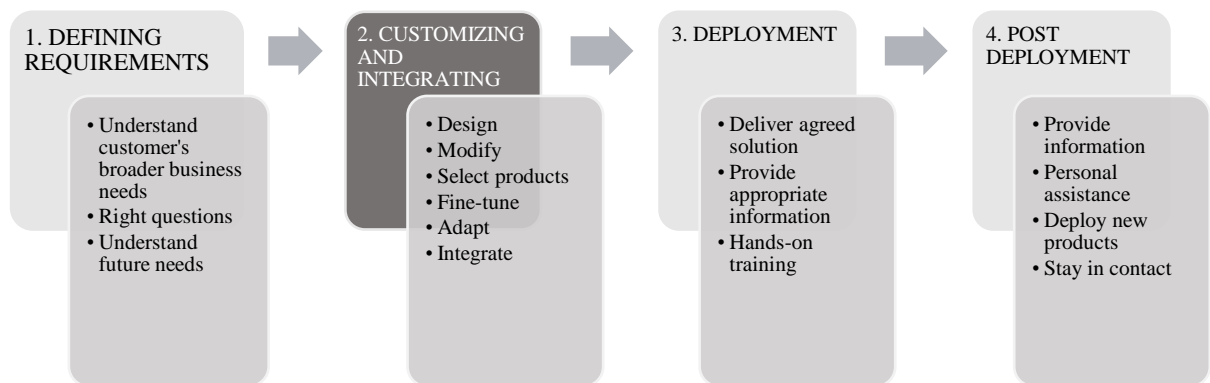


Figure 5. Customer solution as a relational process from the supplier's perspective (according to Tuli et al. 2007)

Tuli et al. remind that their process-centric view will enable effective solutions with careful investigation. Still, it can be challenging for supplier companies to provide practical, profitable, and unique solutions. Tuli et al. (2017) state that if the supplier can understand the real value that can be received when buying from the supplier, the customer is most likely willing to pay an even higher price when the whole of their unique process has been considered. Suppliers also often need to pay more attention to the power of a process-centric view in customer solutions, even though customers perceive these steps as crucial parts of the relationship. When the supplier does not observe these four factors well enough, it increases the possibility of dissatisfied customers, lower profitability, and sales opportunities never realized as final contracts.

### 2.1.1 Communication

Even though customer solutions are recommended to be implemented in solid cooperation with the customer, Windler et al. (2017) explain that suppliers might quite easily overestimate how motivated the specific customer is with multiple other suppliers in the co-planning and creation. This might lead to challenges as customers often expect to receive the ready, tailored, simple solution that is already thoroughly evaluated, tested, and implemented *for* them, not *with* them. That's why, according to Anderson, Narus, and Van Rossum (2006), communication is crucial when the mission is to achieve loyal trust between the parties involved. The research from Tuli et al. (2017) also expressed a significant difference when comparing what customers consider a good solution and how the supplier sees it. Without proper and transparent communication, there often exists a gap. That's why they highlight the importance of supplier companies never assuming but discussing and negotiating with the buyers to get the real and honest needs and expectations out loud. When this part is done appropriately and with time taken care of, the best possible solution can be achieved, considering the given resources from the customer's side.

When providing successful customer solutions, it is also essential to understand that it is crucial to share information and integrate different business processes well in advance and *internally* to guarantee excellent and effective outcomes. (Biggemann et al., 2013) Also, Tuli et al. (2017) highlight the significant impact internal communication has on the supplier's end. The researchers state the name of ensuring everyone is on the same page to provide accuracy before the offer is sent to the customer. Besides that, the supplier also needs to be realistic and promise only something achievable from all the internal stakeholders of the supplier company.

## 2.2 Competitive advantage through customer's perceived value

Value creation is closely linked to competitive advantage, and according to Woodruff (1997), customer value is the source of competitive advantage. Companies that succeed in customer value creation and -engagement are seen to gain sustainable competitive advantage. (An and Han, 2020; Kumar and Pansari, 2016) Competitive advantage is

traditionally seen as elements that enable a company to manufacture products or offer services with greater efficiency or lower costs than its competitors. These elements will allow the company to achieve higher sales or better profit margins than its competitors in the market. (Barney, 1995)

When the company knows how to create value and which existing processes create it the most, it is easier to choose the practices the supplier company should focus on to compete and gain a competitive advantage (Smith and Colgate, 2007). Also, Graf and Maas (2008) explain that a crucial trigger point has been accomplished when the company truly understands what the customers expect to perceive and value. This significant knowledge will help the company implement processes to achieve competitive advantage. That's why organizations should evaluate and be familiar with the drivers often proven to create value for their customers, and a competitive advantage can be achieved. (Lichtenthal, Wilson and Long, 1997)

Also, Lapierre (2000) has understood the importance of concreteness. That's why he has identified these factors regarding value in customer-supplier relationships and classifies them into benefits and sacrifices, which are again divided into product and service-related categories. In total, Lapierre found 13 activities that usually foster companies toward value creation; these factors can be found in Figure 6. Lapierre explains that service-related drivers such as flexibility and responsiveness are crucial value drivers for all business customers. This approach with value creation drivers has been fundamental and provided a more in-depth understanding of which drivers create value for customers. That kind of information is essential to build a competitive advantage. Lapierre also acknowledges that if a driver is not a source of competitive advantage, the company should re-evaluate and consider outsourcing it.



<b>Benefits, product related</b>	Alternative solution
	Product Quality
	Product customization
<b>Benefits, service-related</b>	Responsiveness
	Flexibility
	Reliability
	Technical competence
<b>Benefits, relationship-related</b>	Supplier's image
	Trust
	Supplier solidarity with customers
<b>Sacrifices, product related</b>	Price
<b>Sacrifices, relationship-related</b>	Time/effort/energy
	Conflict

Figure 6. Value drivers, according to Lapierre (2000)

### 2.3 Collaborative relationships

Value creation, especially in collaborative relationships, has achieved growing interest among researchers (Lapierre, 2000; Ulaga and Eggert, 2005). Relationship marketing rose as a phenomenon in 1983 by Leonard Berry. He started to acknowledge the importance of hearing customers' real needs and admitted that customers should be treated as valuable partners, and processes regarding loyalty in long-term relationships should be examined further (Berry, 1983; Wengler, 2007). Also, Grönroos (1990) has confessed the importance of this theory by saying it is remarkable if a supplier company can support the customer's value creation process. He also adds that well-organized, coordinated, and managed interactions between supplier and customer predict positive outcomes in purchasing behavior from the buyer. The purpose of including collaborative relationships in daily business is also, according to Andersen (2001), to create and improve the continuous exchange between the parties included in the relationship to enhance commitment and long-term collaboration.

Relationship marketing has many characteristics similar to Tuli et al.'s (2017) view regarding customer solutions. E.g., Grönroos (2004) has stated that relationship marketing is about seeing customer demand from a holistic perspective. This means that instead of selling only

a product or service, the supplier should evaluate which goods become a part of a process together with the relationship elements. Gordon (1998) has identified six dimensions that help to define relationship marketing. The first factor defined is that the overall purpose is to create value. Second, he reminds that the customer always purchases and determines the value. Third, Gordon says the aim is to support customer value creation by aligning technology, good communication, and well-organized processes. The fourth dimension is that the firm, continuous, two-sided collaborative effort is crucial in relationship marketing. Fifth, the supplier company needs to recognize the customer's lifetime value, and the sixth dimension is a reminder to include all the necessary parties in the collaborative relationship.

### 3 KEY ACCOUNT MANAGEMENT

As presented in Chapter 2.3 relationship marketing has achieved attention and acceptance among researchers (Berry, 2002). After founding this theory, the research has developed, focusing on certain factors that stand up to the performance of some specific individual relationships (Reinartz, Krafft and Hoyer, 2004). To explain this phenomenon more in-depth, the approach was called key account management (Wengler, Ehret, (Wengler, Ehret and Saab, 2006). The definition was established in the United States in the late 1970s and early 1980s (Kempeners and van der Hart, 1999; Wengler, Ehret and Saab, 2006). Key account management was first founded and designed to systematically treat customers geographically dispersed in multiple locations (Brehmer and Rehme, 2009). Over the decades, key account management has been transforming to its current shape, and nowadays, it is perceived to be a value-adding marketing approach instead of simply selling anything to a customer (McDonald, Millman, and Rogers, 1997). However, the most significant transformation was in the 1990s when supplier companies were forced to react to their customers' needs to internationalize and globalize. This was the period when key account management activities started. As a result, key account management is nowadays explained to be a strategic, carefully planned management decision as the supplier focuses more strongly on single customers. (Wengler, Ehret and Saab, 2006)

Key account management means the specific management of inter-organizational relationships. These relationships are usually taken care of with extra attention and care. The aim is to choose critical buyers for the company so that the key accounts are committed and the ones with the highest level of strategic importance for the performance measured in the long term. (Peters, Ivens and Pardo, 2020) In key account management, a specific team or people are responsible for their most strategic customers. According to Yip and Bink (2007), there is a connection for a 15% improvement in profit and revenue if the company has a thriving, well-organized key account program. Regardless of the sales force, the key account customers have influenced the supplier's sales significantly. When explaining the activities correlated to the key customers of the supplier company, there are many different terms. Besides key account management, there has been research made with the definition of, for example, NAM (National Account Management) and GAM (Global Account Management.

Even though all of the abbreviations mentioned above mean the same, in this thesis, the one term to be used is KAM (Key Account Management).

According to Guesalaga, Gabrielsson, Rogers, Ryals, and Cuevas (2018) key account management can help the international organization build a solid and beneficial competitive advantage with its B2B long-term customer relationships. Kempeners and van der Hart (1999) define the importance in the way that with the process of key account management in the supplier company, it is possible to build and uphold the business unit with the cooperation of the key account customer at different levels, operations, and departments. Gosselin and Bauwen (2006) explain the drivers for starting account management systems, and they found factors (Figure 7) such as globalization, which has led to a scenario with global customers, necessitating the safeguarding of customer bases from competitive forces. Furthermore, the maturity of most business and industrial markets has reduced the number of suppliers within the global arena, often due to mergers, acquisitions, and strategic alliances. This reduction in supplier numbers is further compounded by the growing influence of customers who centralize their purchasing decisions in global markets, amplifying customer power. Simultaneously, technological advancements have accelerated competition and enabled mass customization. These technological shifts, combined with globalization, eventually give rise to industry consolidation. Additionally, the characteristics of revenue structures in business and industrial markets play a pivotal role in shaping market dynamics.

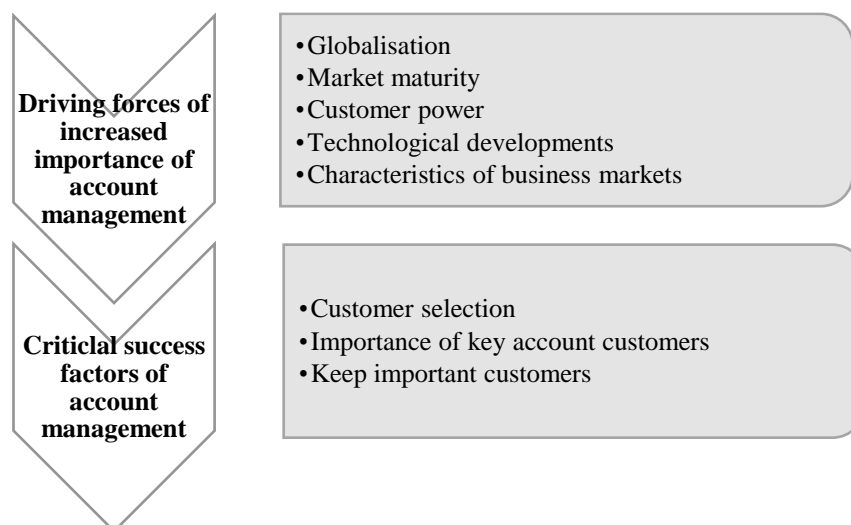


Figure 7. According to Gosselin and Bauwen (2006), drivers of increased importance of account management.

According to Geiger and Turley (2006), to be worth the key account requires a lot from the organization. Key account management requires teamwork, integrated internal processes, communication, leadership, and interactive cross-functional teams (McDonald, Millman and Rogers, 1997). Also, Wengler, Ehret, and Saab (2006) have studied the drivers and circumstances that push and motivate organizations in different industries to implement their key account strategy and organize operations in business-to-business markets.

### 3.1.1 Industrial environment

Key account operations are widely established, especially in the industrial field. These kinds of unique services that can be provided are, for example, product development organized for the needs of the key customer, adaptation of the logistic system, and provision of special services, especially in customer service. (Workman, Homburg and Jensen, 2003) Also (Wiessmeier, Thoma and Senn, 2012) accomplish that in industrial business the strong collaboration between research and development (R&D) is seen as a binding element to a successful relationship between the key account customer and the supplier. Researchers say the motivation for leveraging synergies between key account management and R&D fosters and forecasts meaningful engagement and alignment. However, when it comes to productional competencies, this research still wants to highlight the importance of the findings from Ulaga and Reinartz (2011) regarding four primary resources, especially for manufacturers; they explain that all the factors need to be well-managed and organized to gain the competitive advantage. These factors are 1) product usage and processing data, 2) product development and manufacturing assets, 3) experienced product sales and network, and 4) *service organization*.

## 3.2 Challenges in key account management

As Hunt (1999) explains, key account relationships usually represent a small number of customers in the organization's portfolio; the key accounts substantially contribute to the company's profit and sales revenue. The challenges are usually spread wide in the organization, requiring specific and carefully organized resources. According to Mahlamäki,

Rantamäki, and Rajah (2019) success is strongly related to the individual's commitment and motivation to serve the key account best. Also, Andersson, Pruth, and Rehme (2007) highlight the complexity of the key account management system. They claim the complexity to be structurally and operationally challenging. Structurally complex means geographical dispersion of customers and consignees, meaning several units can deliver the goods across national borders. An operationally complex key account management chain means that there is a need from the customer for a particular product line or even technologically advanced commercial solutions.

Sometimes, it is also relatively difficult to distinguish between key account management and how regular customers are treated. Successful key account management requires that the teams working with key accounts perform their work at the complex interface, meaning it is between the internal network in the company and then again be involved in a grid on the key account's side. (Peters, Ivens and Pardo, 2020) Kempeners and Hart (1999) claim that although key account management is well-known and established in theory, problems still occur when the company decides whether to implement the customer as their key account customer. According to Piercy and Lane (2006) key account customers are not always categorized as just the primary or large accounts for the company. Still, they should be considered customers significantly impacting the company's strategy, such as prominent market access, reputation, or lead user status (Ivens and Pardo, 2007). Katzenbach and Smith (2005) remind us that a team – also a key account team can be effective when it has an understandable purpose and clear, easily measurable goals. This key account team can know what is expected from it and how to fulfill the customer's needs.

### 3.3 Building key account program

Usually, when a company wants a key account program to be implemented, it wants to develop existing relationships further, increase sales, and better meet customer demands and expectations. (Brehmer and Rehme, 2009) The main goal for starting the operation is to achieve a "win-win" situation, i.e., both parties must gain an advantage from the activity. Otherwise, the whole activity is not worth starting or continuing. In key customer operations, the organizations of the supplier company and customer companies should form a multifaceted network with multiple contact levels and surfaces. (Birkinshaw, Toulan and

Arnold, 2001) According to Zupancic (2008) professional key customer organization construction requires a systematic program developed and created with clear and suitable structures and processes and by choosing the right people for the right tasks.

According to Ojasalo (2001) four main elements can be recognized in a successful essential account operation. These four definitions are 1) a clear definition of the key account that benefits the supplier company strategically, 2) analyzing and evaluating the key account, 3) choosing a beneficial strategy for treating the key account customer, 4) improving and developing the relationship continuously to be more profitable and long-lasting. McDonald, Millman, and Rogers (1997) are diving even more profoundly and presenting a so-called model of the relative development of crucial customer activities. This model has five main stages: Pre-KAM, Early-KAM, Mid-KAM, Partnership-KAM, and Synergistic-KAM (Figure 8). Besides the five main stages, the so-called Uncoupling-KAM also exists, but this specialty comes in the sense that the sixth stage can appear at any time in the key account development process.

Pre-Kam for the representative company is mostly about scanning, searching, and seeking attraction, in which the buyer and the supplier show signs of interest and interaction. In the second phase, Early-KAM, the selling company's primary focus is identifying opportunities to expand within the account they've already secured. This requires tailored solutions, and the key account manager's main task is to gain a deeper understanding of the customer and their competitive market. Meanwhile, the buying company may still evaluate other potential sellers and look for a clear demonstration of value for the investment. Therefore, the supplier company must strongly emphasize their product, service, and intangible factors. The customer seeks assurance that the product offering is the primary driver for the relationship and expects it to deliver results.

In the Mid-KAM phase, the seller should have established the reliability with the customer, but the buyer still feels the need to look for alternatives. The selling company's offering undergoes occasional market testing, but it consistently maintains a reputation for being a valuable choice. As a result, the selling company has become a "preferred" supplier. Once the Partnership-KAM stage is achieved, the buying company perceives the selling company as a strategic external partner. This collaborative relationship involves exchanging sensitive information and joint efforts to address challenges. Pricing arrangements become more long-term and steadier, possibly even fixed, with a mutual understanding that both sides will

operate profitably. The purchasing company will demand assured supply continuity and access to top-quality materials. Knowledge sharing is anticipated, and the buying company also looks forward to benefiting from ongoing enhancements and improvements.

Synergistic-KAM represents the ultimate stage within the relational development model, signifying a partnership where the selling and buying companies collaborate to create value in the marketplace. It's essential to note that the selling company does not assume an automatic entitlement to the customer's business, yet substantial exit barriers have been established. The buying company, confident that its relationship with the selling company has improved quality and reduced costs, has little incentive to explore alternative options. Transparency in costing systems prevails, fostering joint research and development efforts. This partnership involves interconnected interfaces across all organizational levels and functions, encompassing standard business plans, strategies, and market research. Streamlined information flow and integrated information systems become central to operations, reducing transaction costs and increasing work processes' efficiency.

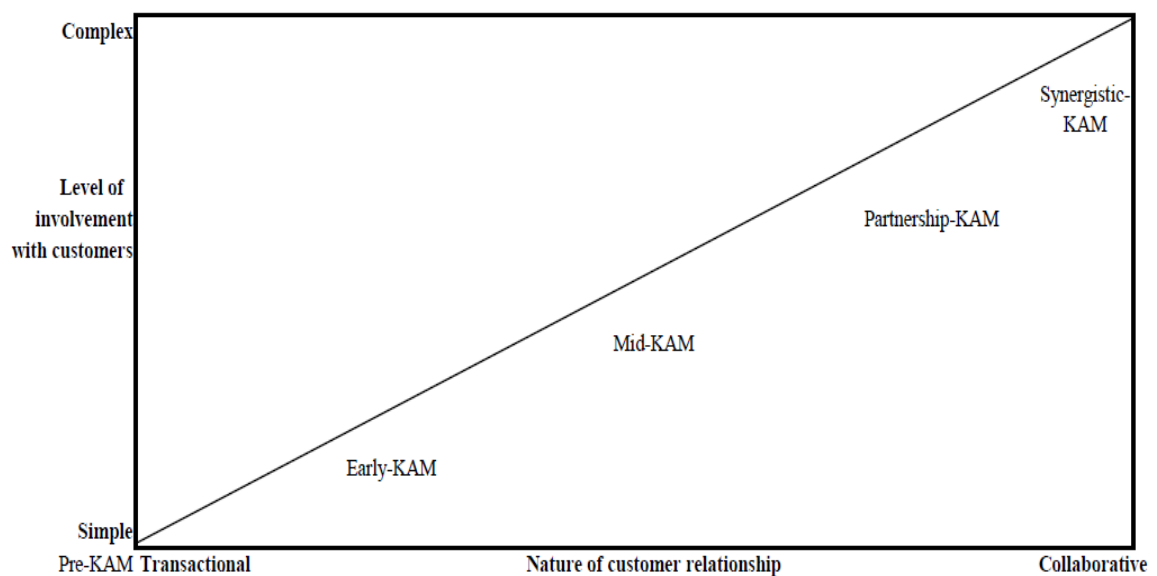


Figure 8. Stages of key account management according to McDonald, Millman and Rogers (1997)



### 3.4 Value creation in key account relationship

Key account programs require constant maintenance in long-term relationships regardless of customer relationships (Eggert, Ulaga and Schultz, 2006). A remarkable finding has been from Sullivan, Peterson, and Krishnan (2012) who present that the actual competency to create value is closely related to the supplier's aptitude to manage relationships with key account customers. Another significant approach regarding customer value creation by working strategically with important (key) account customers has been from Gosselin and Bauwen (2006). Researchers found that managing accounts well predicts a competitive advantage for the supplier company. Then, the company can develop crucial competencies inside the organization and implement processes that integrate and satisfy the strategically important, chosen customers.

Georges and Eggert (2003) are some researchers who have examined the value creation of key account customers so far. They have implemented value drivers that key account managers do impact on. Researchers found eight factors: offer adjustment, coordination, lateral interaction, vertical interaction, buying center consultation, role formalization, decision authority, and transparency. Besides that, the authors found that key account managers can create value for their customers through good external communication and internal coordination. They also identify that offer adjustment, coordination, lateral interaction, vertical interaction, role formalization, decision authority, and transparency impact customer-perceived value. The authors suggest creating value internally and externally for the customers with key account management is possible. Internally, value creation is possible by coordinating the complex and customer-related process inside and externally by improving the setup between the organization's value offering and the customer's needs.

Also, researchers examining the link between key account management and customer value are Pardo, Henneberg, Mouzas and Naude (2006). They say that key account management programs are usually built between companies to achieve mutual gains; in this context, it would be essential to forget the approach in which the value is seen from only the supplier's or customer's perspective. Pardo et al. investigated the value perspective by examining value sources and destinations that can be linked to the phenomenon - of key account management. They have developed and clarified the three existing facets of key account management

value factors: benefits and sacrifices, creation and appropriation, and finally, the customer, supplier, or relationship.

In this thesis, it is reasonable to look into an exchange of customer KAM value, proprietary supplier KAM value, and relational supplier KAM value (Figure 9). Exchange customer KAM value can be created when the customer appropriates the supplier. This view highlights the importance of, for example, customized solutions, individualized service, good responsiveness, and reliability. Proprietary supplier KAM value, then again, is emphasizing focusing on resources and processes internally and improving communication. In relational KAM value, the exchange value refers to the value that arises from a significant account exchange relationship, wherein a supplier provides an offering to a value-consuming customer. However, exchange value doesn't encompass the value generated within the exchange relationship.

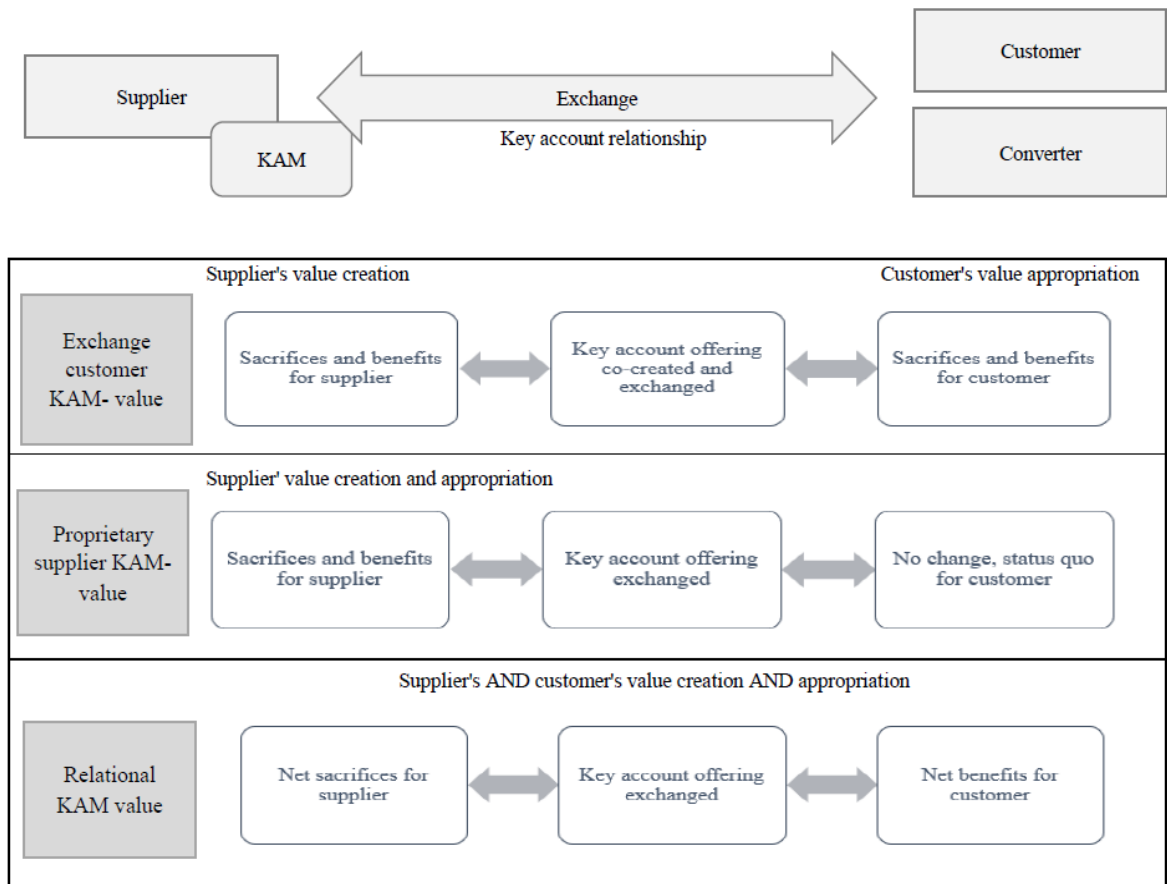


Figure 9. Model of key account management value, according to Pardo, Henneberg, Mouzas and Naude (2006)

To put it together, value, good communication, interaction, and suitable solutions are at the core of relationship-based business (Grönroos, 2004). Gummesson (2002) says that successful relationship marketing requires customization and considering customers individually. This leads the thesis to continue the next chapter regarding another framework of the thesis, key account management, which is indeed about individualized customer relationships.

### 3.5 Key account manager

Arnett, Macy, and Wilcox (2005) have established a beneficial key account management team that includes different stakeholders from the company: sales (key account manager), customer service, product development, production, and logistics. However, the most known role and responsibility is often on the key account manager's shoulders, who typically works in sales. According to Peters, Björn, and Pardo (2020), the key account managers are undoubtedly motivated to build and continuously improve the existing customer relationship in close collaboration. Key account managers are proven to own their customers by describing them as "their" own customers, and due to the close cooperation, the key account manager feels more connected to the customer's company than to their own, and there can be seen so-called teaming up with the customer – especially after years. In the study from Peters, Björn, and Pardo (2020), they found out that besides considering their own company's success to be very significant, they also tend to think of the key account's success as their success and measure their worth by that.

Key account managers must be aware of what it is for them to own the skill in project leading and -management as well as creating customer value. Georges and Eggert (2003) explain that key account managers significantly influence customer-perceived value because of their insight into the close cooperation with the customer. The key account manager has a vital role in delivering the information from the customers to other internal stakeholders to deliver better and customized solutions that may increase the customer-perceived value. According to Ojasalo (2001), Key Account Managers are responsible for the more significant key customers and lead and manage the interface between the supplier company and the key account organization. Key account managers are often crucial in coordinating and sharing information between internal and external shareholders and relationships. Key account

managers and supporting stakeholders must control complex multi-actor relationships and key accounts inside their company. (Peters, Ivens and Pardo, 2020)

It is essential to remember that key account management team comprises more than one person responsible for sales. Successful key account operations require a team behind them, and using internal stakeholders and experts has been seen as a positive factor when measuring the success of key account management. Wise usage of resources has been seen to have even more impact on key account managers than regular sales managers. (Hengstebeck, Kassemeier and Wieseke, 2022) That's how key account management has seen to be at its best due to the high complexity of the selling processes; it is necessary and wise to include the team and gather views and opinions and not rely only on the person's expertise. (Yip and Bink, 2007)

### 3.6 Commitment

As presented above, success in key account management requires many people from different departments to be involved and committed. However, the importance of the top management commitment should be remembered. As proof of this, Napolitano (1997) sees that top management's commitment to key customer activities would be the most critical success factor. With management's support, successful key customer activities are possible. (Salojärvi, Sainio and Tarkiainen, 2010) They also support this opinion as they claim that top management needs to address the special status of key customers to the rest of the organization through their behavior and actions and can thus increase the regional and usability of functional units for key customer activities. Zupancic (2008) claims that it is the responsibility of the top management to ensure the existence of capable and suitable resources and that the key account management team has the right tools to report quantitatively and qualitatively.

The process of choosing the key account customers should also be in the hands of the company's top management. By this, it can be guaranteed that the key account management is also their concern. Also, Salojärvi Sainio and Tarkiainen (2010) and Abratt et al. (2002) state that the top management can positively affect how the company utilizes customer information, which can be used to enhance key customer operations.

## 4 RESEARCH METHODOLOGY

In this chapter, the research methodology will be presented (Figure 10), and the chosen paths when implementing the empirical part of the study are justified. This thesis follows a qualitative research method because of the nature of the study, which is explained in this chapter. The research is a single case study created for a prominent and international forest industrial manufacturer. The data is collected by interviewing agreed representatives from the suppliers' and customers' sides. From different ways to analyze the data, this thesis conducts an inductive thematic analysis approach. Next, the research methodology, -process, data collection, and -analysis are explained in more depth.

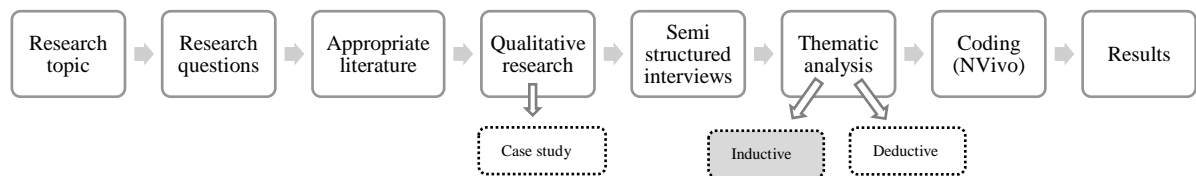


Figure 10. Structure of the research process in the master's thesis.

### 4.1 Qualitative approach

When starting the empirical analysis part of a research, deciding in advance whether to choose the qualitative or quantitative research method for the empirical analysis is essential. This decision depends on the objective and the nature of the research as well as the expected and desired outcome of the study. (Stake, 1995) A typical approach for qualitative research is the desire to be concerned with interpretation and understanding, while a quantitative method is about testing pre-set hypotheses. (Eriksson and Kovalainen, 2008)

Quantitative methods are mostly standardized procedures implemented when a desire is to measure a chosen phenomenon by numbers, test hypotheses with different fixed variables, find remarkable correlations, and create new data-based information. The data is usually collected by closed questionnaires with many respondents. (Saunders, Lewis and Thornhill,

2009) The benefit of quantitative research is that an enormous mass of answers can be evaluated efficiently. However, the weakness of this method is that the information is purely based on numeric information and needs to consider different circumstances, opinions, or explanations for the studied objects. (Flick, 2018)

Considering the nature of this master's thesis and its wanted outcome to find practical ways to create mutual value for key accounts, there is a need for a different methodology in which it is possible to evaluate the behavior, gain understanding, and hear perspectives about the customer management processes. Besides the need to answer the research questions, there is also a desire to increase the understanding of the phenomenon as a whole and to study information that is not based on data but on the real-life experiences of the participants (Turabian, 2013). That's why the chosen research methodology for this master's thesis is a qualitative case study approach.

According to Barratt, Thomas, Choi, and Mei (2011) qualitative research is premised on searching and finding connections and meanings behind the answers. The purpose of a qualitative case study is to use restricted data from a real-world setting and to analyze and examine the selected phenomenon. As Eriksson and Kovalainen (2008) describe, qualitative research allows focusing on business-related phenomena in their actual context. This fits well with the nature of this research, as the aim is to get valuable information from other company stakeholders by hearing their experiences and how they perceive the topic in the given context. The answers are then utilized to reach a better level of understanding about the service performance of the company's strategically important customers. (Denny and Weckesser, 2022)

A typical characteristic of qualitative research is that it often includes and engages participants carefully in the data collection. Qualitative data means all different formats of non-numeric data or documents that are not quantified and are often based on meanings that can be found through expressed words. However, a qualitative research method is also criticized due to the possibility of a lack of objectivity and methodological rigor. Also, the technique provides limitations about the data as the analyzing process is time-consuming. Unlike quantitative research, the qualitative method also leaves much up to the researcher's interpretation. (Lohman, Fortuin and Wouters, 2004)

## 4.2 Case study

Different approaches to implementing qualitative research include case study, grounded theory, discursive, action, and ethnographic research. This thesis is conducted as a *case study*. Typical for a case study is that it allows one to examine a chosen phenomenon and research problem in its real-life context, meaning that the research and data collection can be implemented in its actual environment. A case study is also suitable for this thesis since the method is used in exploratory research, where the aim is to provide new insight and gain more understanding (Yin, 2014).

Dyer and Wilkins (1991) state that studies regarding organizations and management are implemented as qualitative case studies. Besides the frequency in the business industry, the case study approach has a long history, for example, in political science, medicine, law, and psychology (Atkinson and Delamont, 2010). A case study is usually defined as a strategy to implement research involving an empirical investigation of some phenomenon using some evidence source. A central characteristic of case studies is using one or several cases as a source of evidence. This approach guides the research question-forming process as they are created to solve or better understand the case. (Eriksson and Kovalainen, 2008)

In this thesis, the case is given by a big forest industrial company that struggles with a lack of knowledge about its key account customer's real desires and the structure of customer process management. As employers are unsure of what is expected from them to create value, it is reasonable to form the research questions to start with "how," "what," and "why." According to Robson (2002), good guidelines are needed when creating the research questions for a case study; however, according to Stake (1995). Since all the factors mentioned above are actualized in this research, using a single-case study design is justified.

## 4.3 Data collection and coding

After the research methodology is chosen, there is a need to start collecting data, which will later be analyzed to answer the research questions. According to Yin (2018), the most common methods to collect data in qualitative research are interviews, surveys, observations, and other information collected from various documents. The data to be

analyzed can be primary or secondary. Preliminary data means the material the researcher contains, for example, through interviews, observation, asking the participants to write, draw, etc. The data already existing, such as documents, memos, and recordings without being in context, is called secondary data. (Eriksson and Kovalainen, 2008) Yin (2014) recognizes the complexity of the preparation of data collecting. The author claims that good practice always starts with defining the wanted value to bring out of the data, followed by getting familiar with the specific case. After that, an efficient protocol and base for the study are developed, and only then may the actual conduction of the case study begin.

In this research, the data is collected by interviews and, more precisely, *semi-structured interviews*. An interview is a personal discussion where the interviewer asks questions orally and makes notes from the informant's answers carefully. According to Eriksson and Kovalainen (2008) it is the most used method in business research. The structure of the semi-structured interview is based on specifically chosen key themes. According to (Eskola and Suoranta, 1998) the advantage of this interview is, above all, flexibility. A semi-structured interview provides a situation in which the interviewee feels more freedom to answer the questions in their own words, and there is room to explain and clarify the answers more deeply if needed. The interviewer can repeat the question, correct misunderstandings, clarify the wording of expressions, and interact with the informant.

It is essential in the interview that all possible information is shared and ambiguities can be clarified immediately. Even though there is room for more discussion, Eskola and Suoranta (1998) remind us that the purpose is to ask about something other than to focus on finding meaningful answers per the purpose of the research and the problem statement. Usually, as also in this case, the interview questions are given to the interviewees in advance so they can familiarize themselves with the questions, themes, and the purpose of the interview. More about the benefits and weaknesses of interviews are presented in Table 1 below.



Table 1. Strengths and weaknesses of interviews.

<b>Strengths</b>	Insightful: provides explanations and personal views
	Targeted: Focuses directly on case study topic
	Opportunity to ask more in detail
	Discussion can lead closer to the answers
	Signs and gestures can be tracked
<b>Weaknesses</b>	Bias due to poorly articulated questions
	Inaccuracies due to poor recall
	Reflexivity: interviewee gives what interviewer wants to hear
	Response bias
	Time-consuming

#### 4.3.1 Interview process

The empirical part of the thesis consists of eleven interviewees (Table 2), and interviews were divided into internal and external ones regarding the country the respondent is living in. Interviews were conducted in person or virtually with the help of Microsoft Teams. From the supplier's side, internal interviewees were chosen from three different departments: sales, three respondents; technical customer service, two respondents; and customer service team, three respondents. These interviews were implemented as focus group interviews. The employees could participate if they had directly contacted key account customers during the last year. The external key accounts were interviewed individually and selected due to the desire to improve service performance levels and compare customers' expectations and actual perceived service. Also, each participant was informed that the study would be conducted anonymously and that the company's representative could not be identified from this final research. The interviews were recorded with the permission of all the interviewees.

Two pre-defined open-ended question forms were used to collect the answers, depending on whether the interviewee works in the supplier company (internal) or is a crucial account (external). This setup can be justified because of a slightly different outcome and focus. The questions asked in the interview can be found at the end of this thesis in Appendix 1. The empirical analysis focuses on the supplier's vital business operations with its two large key

accounts, Alpha and Beta. The names of all participants are agreed to be hidden for confidential reasons. All interviews took place at the beginning of October 2023.

*Table 2. Details of interviewees.*

<b>Identification</b>	<b>Supplier/Customer</b>	<b>Department</b>	<b>Location</b>	<b>Duration</b>
<b>Interviewee 1</b>	Supplier	Sales	Finland	104 min
<b>Interviewee 2</b>	Supplier	Sales	Germany	
<b>Interviewee 3</b>	Supplier	Sales	Finland	
<b>Interviewee 4</b>	Supplier	Technical CS	Finland	68 min
<b>Interviewee 5</b>	Supplier	Technical CS	Finland	
<b>Interviewee 6</b>	Supplier	Customer Service	Finland	135 min
<b>Interviewee 7</b>	Supplier	Customer Service	Finland	
<b>Interviewee 8</b>	Supplier	Customer Service	Finland	
<b>Alpha</b>	Customer	Purchase procurement	Belgium	57 min
<b>Beta</b>	Customer	Purchase procurement	England	42 min

The case company is an ample-sized forest industrial manufacturing company in Finland. The company emerged through acquisition in 2021 and is now a part of one of Europe's leading manufacturers in the field. The company has different business lines, a significantly strong product portfolio, and operates with export worldwide. Employees at the mill site in Finland, approximately 540. As this thesis is confidential, the company is not presented in detail. The first interviewed key account (Alpha) is located in the United Kingdom. The company is a global and universal market leader in the industry, focusing on specific types of packaging material. The second interviewed key account customer's representative (Beta) is located in Belgium, where the headquarters is located. Beta is also a global company with different converting sites all over Europe.

#### 4.4 Inductive thematic analysis

When the data is collected using the chosen method, it must be analyzed. Instead of quantitative research, the qualitative research method is considered to be a more relaxed approach. Kvale (1996) highlights the importance of choosing the analyzing method before

the data collection is started. He continues that if the analysis method has been considered carefully in advance, it enables the method to be used as a guideline in data collection and its deconstruction. Different widely accepted analysis methods are, e.g., content analysis, thematic analysis, discourse analysis, and grounded theory.

Considering the nature of this research, the chosen method is inductive thematic analysis. Qualitative thematic analysis is classified to be a descriptive design. Thematic analysis is a specific technique when the objective is to analyze textual data and elucidate themes (Vaismoradi, Jones, Turunen, and Snelgrove, 2016). Thematic analysis is characterized by its goal of identifying diverse patterns of meaning. Researchers primarily concentrate on gathering substantial amounts of data, subsequently organizing them into clusters based on commonalities, referred to as "themes." The primary objective of these themes is to facilitate the comprehension of content and the extraction of significance from it. One acknowledged drawback is its reputation as a time-intensive process requiring ongoing refinement. (Braun and Clarke, 2012)

Thematic analysis is a process that requires a systematic approach to coding and focuses on finding meanings. The usual steps in the analyzing process are coding, uniting collected codes under subthemes or parent themes, and then comparing the clusters. (Vaismoradi, Jones, Turunen and Snelgrove, 2016) As themes play a significant role in this analyzing process, Vaismoradi et al. (2016) have developed a theme creation process that consists of four main steps: initialization, construction, rectification, and finalization and this approach is used in the data analyzing process in this research with the help of qualitative data analysis program NVivo.

The thematic analysis method can be inductive, data-driven, deductive, or theory-driven. The inductive approach does not have pre-defined codes but observes the data and starts recognizing the points along the analysis process. From the analyzed data, general conclusions can be made that can be applied in other real-life situations. Inductive reasoning aims to develop a new understanding of the topic (Braun and Clarke, 2012). The option is the deductive approach, which is more likely to test existing theories by formulating hypotheses. (Patton, 2002) As the thesis aims to create value for the case company and foster other researchers to gain more generalized knowledge of the topic, it is justified to use the inductive method.

## 5 FINDINGS

This part of the thesis presents the essential findings and results conducted in the interviews. The chapter progresses topic by topic and creates themes that adapt to the theoretical framework of the thesis's three main themes: value creation, customer solutions, and key account management. This section aims to reflect information from the interviews without making conclusions or comparing the results with existing literature and previous research. The interview questions for suppliers and customers can be found in Appendices 1 and 2. Gathered data was analyzed through inductive thematic analysis using qualitative research software nVivo. As a typical characteristic of inductive thematic analysis, there were no predicted themes or codes beforehand, as they were created during the analysis. All created codes with descriptions can be found in Appendix 3.

### 5.1 Drivers increasing value creation

In the first part of the interview, the supplier interviewees were asked to describe different factors that, in their opinion, can increase the value for key account customers. Respondents provided their views regarding value creation with practical examples and justifications. Value creation, as a theme in general, was seen and defined a bit differently depending on who was answering; no standard line was noticed. However, after participants shared their thoughts in focus groups, the discussion started to flow, and many ideas and examples were found.

As this research follows the inductive thematic analysis approach, codes from the interviews were created along the analyzing process, and no pre-defined codes were determined. During the analysis, codes were generated without predefined categories. Specifically, when examining the data collected from supplier representatives, all mentions related to "value-increasing drivers" were consolidated into a single code. Subsequently, these grouped references were organized into new thematic categories, and the significance of these themes was determined based on the number of references associated with each. Consequently, the most critical themes to prioritize for value creation, as indicated by the supplier respondents,

were 1) internal processes, 2) communication, 3) service-related drivers, 4) humanitarian factors, and 5) product-related drivers (Figure 11).



Figure 11. Created themes of value-creating drivers according the supplier by using nVivo.

### 5.1.1 Internal processes, supplier's perspective

Most references were gathered under the theme “internal processes.” This theme consists of eleven codes (training, internal cooperation and structure, long-term expertise, background work, engagement and involvement, costs, realistic promises, continuous development, brand image, innovations, and one face to the customer) presented in Table 3. As for next, these codes will be further elaborated upon. Despite the identification of eleven codes, “brand image” and “one face to the customer” were each mentioned by only one out of eight respondents. Because other supplier interviewees did not support these codes and, therefore, will not be further detailed.

Table 3. Codes in theme internal processes.

<b>INTERNAL PROCESSES</b>	<b>Nr. of references</b>
<b>Training</b>	<b>29</b>
<b>Internal cooperation and structure</b>	<b>12</b>
<b>Long-term expertise</b>	<b>11</b>
<b>Background work</b>	<b>10</b>
<b>Engaging and involving</b>	<b>10</b>
<b>Costs</b>	<b>6</b>
<b>Realistic promises</b>	<b>5</b>
<b>Continuous development</b>	<b>3</b>
(Innovations)	1)
(Brand image)	1)
(One face to the customer)	1)

The most important topic among all participants in different focus groups with the highest number of references from sales, technical customer service, and customer service was the importance of key account management training. The respondents felt that the key element in value creation for key accounts is internally proper training and sharing valid knowledge about what key account management generally means, explaining the framework, vision, goals, and clear strategy. Interviewees found it a vital procedure, especially with key accounts. The topic is complex, and achievable goals should be stated to work together toward the company's vision and strategy for key account management.

Respondents felt that no defined guidelines are currently brought into common knowledge for people who work with key accounts. The lack of common knowledge leads to an illusion that key accounts are just regular customers, and there are no expectations to handle them differently than other customers. When asking respondents whether there exists a certain kind of material or additional information regarding key accounts, some respondents remembered that there was some presentation from the year 2018, but not all the respondents had ever heard about any information about this topic. However, it was mentioned that a list of key account customers exists with representatives of sales and customer service representatives. Still, it is not detailed enough, and respondents explained that there have been issues with the validity of it, and all the brand owners are missing from that list entirely.

Respondents explained that key account management is not a topic to go through with new employees; the more experienced employees suffer when explaining the complex key account/brand owner process, even for themselves. Interviewees also mentioned that they are missing a strategy that could be considered when key account customers are taken care of. They added that there is a will to serve them better. Still, there is no knowledge of how to do it, and if training and written information about criteria, aims, and goals were explained, only then could more value that would be visible to the customers be created.

*Interviewee 2: “There is a severe need for internal training and fundamentals about this company's key account management. We should be interested internally in how we can be on the same level and guarantee that all parties in contact with certain key accounts know what is expected and agreed.”*

From the interviews, other well-acknowledged aspects of value creation for key accounts were internal stakeholder cooperation and well-structured processes. The respondents explained that customers will benefit the most if the supplier has a clear strategy and structure in the daily business, which creates trust and reduces the number of mistakes. The main takeaway was that when internal cooperation is successful, it shows better and more professional service to the customer. Respondents felt that value creation can only begin if it is internally clear in what kind of framework the employees are expected to operate in and cooperation between internal stakeholders is uncomplicated and seamless.

*Interviewee 4: “I would say there is a clear need for the vision that nobody knows about. This information should be written formally and included in the functional strategy brought to the people working in this field.”*

The current experience is that the customer's demands and expectations should be discussed carefully, and the correct information regarding agreement needs to be provided to the right stakeholders internally. It was remarkable to share the knowledge from the customers with different service departments to redeem the promises in daily operational business. It was

also stated that other stakeholders need information, and if changes appear, new agreed variables should be provided with short effect. Interviewees brought up real-life examples where customer service did not receive new conditions and invoices needed to be credited on the customer's demand afterward. Only then was the agreement provided to the team. Respondents assumed that it does not add value for the customer if they have to interrupt and provide correct and valid information for the supplier, and it speaks for the unsuccessful internal key account processes. Interviewees described that in the sense of value, it gives value to the customer when, internally, everyone who should be involved knows the framework where to operate, and that reduces risks, mistakes, and confusion that is often visible to the customer.

Respondents also explained that before the acquisition, every time a supplier started a relationship with a new customer, there was a short internal meeting with stakeholders who needed to be involved. In that meeting, the aim was to get general information about the customer and discuss possible specialties or requests from the customer's side. Interviewees explained that it took only a little time and was worth it, as all teams involved knew about the customer's existence, which was helpful for the future. However, these meetings are not cut off, and no similar approach exists, which has led to employees without proper information.

*Interviewee 5: "When a new customer came, we had an internal kick-off meeting. [...]the tried-and-tested, well, well-working practice has completely disappeared. It used to be the only way to determine what has been agreed and what is expected from you. Then no one had to assume or guess, but we knew what was agreed."*

When asked the respondents to explain the importance of collaboration in value creation, interviewees explained that internally, information sharing is vital with key accounts, as multiple people and teams are involved in customer care processes. Respondents explained that as key accounts are companies with numerous sites, plants, and locations, understanding, information sharing, and structured processes play a significant role. These aspects should be taken care of properly and continuously. The respondents, however, saw the most space for improvement in this sector, which may explain the high amount of



references. Interviewees explained that it can't create or even increase the value if internal participants are not on the same page and constant unclarity exists. Respondents felt that no significant development has happened around this topic during the last years and were worried about the current structure, responsibilities, and cooperation status. They also explained that customers instinctively sense the atmosphere and grievance easier than the supplier probably understands.

*Interviewee 10: "Then it will look neater to the customer as there should not be a different signal or answer depending on whom you ask from here. Our ambiguity should never be visible to the customer."*

All suppliers' participants also discussed the importance of having long-time professionals and expertise in the company. When asked to specify, it was mentioned that experienced professional employees are the key elements in value creation, especially for key accounts. It was explained that having employees who have worked in the company longer is essential and convenient to guarantee enough knowledge about customers and standard in-house policy to provide satisfying service and solutions. Also, trust and knowledge were confessed to be developed the best over time.

Currently, the respondents felt that there is a lot of long-term expertise that key customers appreciate, and it is precious for the company and helps in value creation. It is essential to constantly gain more knowledge and a broad understanding of the processes, segments, and industry. Still, respondents also saw a risk with employees working in the company and industry for years. They explained that sometimes it is visible to see resistance to change when in the fast-changing world in which organizations are currently operating, it would be essential to adapt and adjust operations. Supplier representatives were mainly satisfied with the level of expertise and professionals who work closely with the customers. Still, they noted that there needs to be a specific mindset to look more into the future and not the past and how things used to be taken care of. That aspect is vital to creating value for the customers when previous and long-term knowledge is used as a foundation and strength when innovating new ways to perform better.

Other aspects interviewees saw necessary in value creation were realistic promises and internal background work. Respondents explained that they often face situations where the customer has received a promise. Still, the promised lead- or delivery time action cannot be implemented or achieved in practice. What comes to value creation in this approach is that customers benefit and gain value from the supplier when they can rely on that supplier's promises only things that can be completed with their resources. This aspect was seen as one reason even to change the supplier as it is crucial for the customer that, in the long run, goods are received as agreed in the contract. Interviewees explained that they have faced situations where the promised new and unique agreement has not been communicated, and it has required tremendous efforts and support from many teams to fulfill the agreed solution in practice. These resources are away from serving other customers, so it is essential to give realistic words, culminating in solid cooperation between internal stakeholders. That's why background work plays a significant role when creating value for the customer. Also, especially at the beginning of the new customer-supplier relationship, it is seen as a value-creating aspect to ensure that the offered product is the most suitable solution and product for the customer. Respondents have testified cases in which the customer has received a product that is not suitable for them, that increases the costs and extra harm for both parties involved, and that will not increase the supplier's value in the eyes of the customer.

*Interviewee 7: "It is essential to understand different aspects so that we don't promise something unrealistic from the supply chain point of view."*

Involving and engaging teams internally was also seen as influential in the supplier's value creation. It was justified that involving and informing employees increases engagement, which reflects the customer's will to find practical solutions. Participants emphasized that, in value creation, employees who feel involved and engaged tend to perform better, as they perceive themselves as integral components of the overall picture. This translates into an enhanced service experience for the customer. Respondents believed that when the supplier possesses a deeper understanding of the current circumstances, they can provide better solutions. Even in challenging situations, drawing from a wealth of background information and past experiences increases the chance for a customer's perceived value. It was also

mentioned that it depends significantly on whether the salesperson is willing to give time for information sharing or if it will remain unshared. Respondents felt that being involved and engaged is mainly the responsibility of sales managers. Still, they acknowledged that there needs to be a mutual exchange of information among all key account team members. Sales then described that it is not always easy to know how much involvement is enough and when it just consumes too much of employee's time without wanted efficiency. There were noted situations in which it was unclear whether their information sharing was necessary or not.

*Interviewee 3: "Involving people and committing them to the bigger picture improves the result, which is visible to the customer. Through this, we can create value for them (to customers) when people are aware of things and have seen the history."*

Also, other topics that were mentioned to create more value for the customer regarding internal operations were continuous development and costs. In this context, respondents suggest that the supplier should stay informed and adapt their operations based on anticipated requirements to lower costs, consequently affecting the selling price for customers. Respondents felt that continuous development is tied closely to the costs as the aim for development is usually to find suitable solutions that provide mutual value for both parties. One interviewee saw that continuous development creates value for the customer if the supplier is developing practices with an excellent strategy to deepen the relationship or quality of the product. According to the interviews, other views regarding value creation in internal processes were seen aspects such as good brand image, innovations, and having one face to the customer. As there were fewer than two references per code, these results are not considered relevant for the study or factors that add value for the key account customers.

### 5.1.2 Communication, supplier's perspective

In the order of importance, the second theme in value creation according the supplier respondents was communication. Communication was seen as crucial element in customer value creation. Respondents had many examples, and from these references, there were made codes that were categorized into internal and external communication (Table 4). In this context, internal communication means aspects of how the company operates and informs other parties involved and how is the level of communication seen in the eyes of the employees. External communication explains how the supplier communicates the information to the customers and how it affects value creation.

*Table 4. References in theme communication.*

<b>COMMUNICATION</b>	<b>Nr. of references</b>
<b>External communication</b>	26
<b>Internal communication</b>	18

External communication was crucial in value creation with 26 references, and the topic appeared in all three focus group interviews. Good external communication, compared to poor implementation, was seen as a strength that can create value and even stand out from competitors. Respondents acknowledged that in a complex manufacturing supply chain, challenges sometimes occur, and they can't always be avoided. However, the key issue that interviewees addressed was the approach to responding and, more importantly, effectively communicating it to the customer. Respondents clarified further by explaining that there is enormous importance in getting the information to the customer properly, early enough, and adequately.

According to the respondents, it is seen as valuable to communicate proactively if problems occur. The issue is not retrospectively hidden, but the supplier must be honest and transparent. All respondents agreed that, unfortunately, it doesn't always happen. They discussed about cases in where harm for the customer was caused by providing important information too late. However, external communication was not seen as only valuable in case of issues. Still, it should be clear and compelling if something changes in the product,

prices may decrease or increase, or conditions are about to change. It creates value for the customer to inform them in advance as then there is a place and time for further negotiation and gives time to the customer to adjust and find other solutions if needed.

When asked separately about external communication to the key accounts, respondents felt that there would be a place for improvement. As an example, interviewees suggested that in case of significant change or announcements, there should not be sent the same mass letter to everyone but to inform them separately by calling or, for example, a bit more personalized letter than to the standard ones, if possible. Also, it was considered necessary that there would always be the same people responsible for the customers to share the information with them, not in a way that it comes to the strategically chosen key accounts from someone they have never been in contact with. However, one respondent explains that, of course, before the information is shared, everything that can be done needs to be checked internally, and only if no solutions can be found then it is time to inform the customer. That's when the value can be provided, she states.

*Interviewee 1: "Yes, it can [...] create a big value for the customer if the communication works. In my opinion, personal communication is the main thing."*

*Interviewee 3: "It is sometimes forgotten that customers also have other suppliers; that if we have a challenge, the sooner the customers receives information, they have time or even opportunity to react and look for a replacement alternative. Not that we hide giving off that information for as long as possible and cause just more problems."*

Internal communication involved 18 references. Internal communication is being kept as crucial and closely tied to the previous chapter's theme regarding internal processes and cooperation between teams. The difference with this code regarding internal communication is how to keep things in another people's knowledge when something changes. There are often new guidelines or rules to be followed, or after negotiations with the customers, the agreement and conditions have been changed. Then, the respondents considered it very important to communicate this effectively and straightforwardly from the top management to the operational level to avoid issues and confusion, stressing the importance especially with key accounts. One interviewee also answered that it often becomes complex when

someone is perceived as exceptionally significant. Instead of pausing for a moment to reflect, inner turmoil is initiated by involving everyone without information about the actual issue being provided, and by that the chaos is usually ready to evolve.

*Interviewee 6: “The importance of internal information flow and information exchange is the foundation to build a good service that will appear more valuable to the customer.*

It was also stated to be essential for a key account manager to share information with the team and to encourage colleagues to collect and share insights. This approach is necessary to gain a throughout understanding of how a key customer is operating and functioning. Sales managers, however, appeared to struggle with time management and lack of tools for information sharing. They admitted to knowing that they should be more in contact internally with the key account teams, but the moment they use the time, they have more tasks to do, and time is limited. One salesperson mentioned having a constant lousy conscience about information sharing, as in a big company with many people working all over the world, it is often that someone is forgotten to be informed when everything flows via manual e-mails. Another sales manager mentioned that when it comes to key account management or sales management as a whole, it is often a lot about how he manages himself and his time. Currently, without a framework or proper discussions internally, it is hard to decide whether they are sharing too much or too little.

### 5.1.3 Service-related, supplier’s perspective

The interviews yielded insights into factors that enhance the value creation of different services. These factors are summarized in Table 5 and are elaborated on individually. Codes with fewer than two references are listed in the table but are not considered central findings of this study. The following section outlines the coded aspects that interviewees associated with value creation from a service perspective.

Table 5. Codes in theme service-related drivers in value creation.

<b>SERVICE-RELATED</b>	<b>Nr. of references</b>
<b>Providing solutions</b>	11
<b>Consultative selling</b>	5
<b>Follow-up process</b>	3
<b>Secure of supply</b>	2
<b>Fulfilling needs</b>	2
<b>Quick answers and fast lead time</b>	3
(Effective team	1)
(Trials and tests	1)
(Differentiation	1)

The primary aspect that received the highest number of mentions was offering comprehensive solutions to customers. Providing solutions was regarded as the most significant value-creating factor from the service point of view, as all three interviewed focus groups underscored its importance. Respondents considered solutions essential because they believed the core product, when used without accompanying support and solutions, would create more significant challenges for customers, requiring substantial additional effort. The supplier's value-added offerings encompass technical support, laboratory tests, measurements, certificates, delivery methods, storage, customs and clearance, customer- and technical service, in addition to the core product. These operations are recognized as value-creating elements as they alleviate customer burdens. One interviewee elaborated that customer value is generated when *consultative selling* approach is adopted, wherein the salesperson not only sells a product but also provides support, guidance, and coordination of tasks simultaneously.

*Interviewee 3: “We are not just selling the product – actually, we are selling a solution that includes many different services.*

*Interviewee 2: “I have sometimes even heard this kind of approach of consultative selling, and I think it describes the phenomena quite well in our case.”*

The follow-up process was also identified as a critical operation that benefits the customer by saving their time and effort. However, respondents did not view this process as exclusive to key account customers, as it is routinely conducted for all customers as a standard practice. It is considered a necessary action for the supplier to maintain appropriate stock levels and ensure timely deliveries and invoicing. Consequently, the follow-up process benefits the customer and the supplier and with efficient implementation allows to create mutual value. In the follow-up process, the primary focus is monitoring order books within customer service to ensure everything remains on schedule. Respondents stressed that continuous vigilance by employees enhances the ability to respond swiftly.

Moreover, the security of the supply chain and meeting customer needs were deemed essential factors in value creation. This aspect includes handling inquiries and orders, producing, documenting, and delivering orders as agreed or promptly notifying customers if deviations occur. Meeting customer needs and providing what they request fosters long-term customer loyalty, especially for key accounts, in where the partnership is aimed to be developed over a time. Quick responses and fast lead times are crucial in today's dynamic and fast market environment, where conditions can change rapidly and competitors offer similar and alternative products. Being the partner who provides rapid answers and shorter lead times compared to competitors can create significant value, but more likely value is created for the supplier. Respondents emphasized that short response times for inquiries and additional questions not only convey reliability but also enhance the overall service experience, ultimately fostering long-term customer relationships.

During the interviews, various other topics emerged, although they were not frequently mentioned. These included the significance of effective teamwork, the importance of trials and tests, and the concept of differentiation. Effective teamwork was considered particularly valuable, especially for key accounts, given the complexity of these relationships. Trials and tests play a substantial and crucial role within the company, enabling customers to collaborate with sales, customer service, and technical support at the outset of a relationship or when introducing new products. These processes allow customers to ensure that a product suits their needs before making big volume orders, and they provide easy access to technical support for optimizing machinery on the customer's premises if issues arise. Differentiation, in this context, refers to the added value when a supplier offers something distinctive,



whether it's a unique service, product, or a combined solution, setting them apart from their competitors.

#### 5.1.4 Humanitarian drivers, supplier's perspective

Value creation through humanitarian aspects (Table 6) was linked to the presence of a problem-solving mindset. The respondents clarified that their actions are primarily driven by what they consider valuable from the customer's perspective. All the created codes have in common that they represent unique characteristics that enhance value creation and are deemed essential in key account relationships, rather than something that can be purchased.

Table 6. Codes regarding humanitarian drivers in value creation.

<b>HUMANITARIAN DRIVERS</b>	<b>Nr. of references</b>
<b>Problem-solving mindset</b>	9
<b>Trust and transparency</b>	7
<b>Being proactive</b>	3
<b>Active listening</b>	2
<b>Being flexible</b>	2

One interviewee defined that the department of technical- and customer service solves problems effectively in daily basis. This requires a specific type of mindset that, in the job, people must have to own in order to create extra value for the customer. Problem-solving has a significant role in many different situations, and it was seen to have the most effect on value creation from humanitarian drivers. Transparency was also seen as a substantial value-providing aspect in all interviews. With transparency, the respondent meant that it is better to tell the truth if something that has not been promised cannot be delivered to the customer, and this all leads to trust creation.

*Interviewee 5: "When we are afraid that now the customer will get angry, but if the information is given too late in the fear that someone is not satisfied, then at least they will*

*get angry. It would have been less damaging if the issue would had been brought out transparently earlier.”*

Trust was found to be one of the key elements of humanitarian drivers as two focus groups out of three mentioned that. Respondents explained that trust is the foundation for long-lasting relationships as trust develops only over time; one respondent described trust building as a process that can't be accelerated. Trust was seen to be a cornerstone of robust and enduring business relationships. In business with especially key account customers, trust extends to reliability, competency, and commitment to common goals. Interviewees also explained that it creates value by releasing the customer's resources, when they can trust that supplier is following up the orders and everything goes as agreed and confirmed.

The supplier's proactive ability was also seen as an essential driver for value creation. Currently, respondents see that customers would gain more value from the relationship if the supplier is proactive but not too pushing. When asking to be more precise in regards to the definition of being proactive, they explained cases in which it is a sign of goodwill to approach the customer for their possible upcoming needs or, in case of any problems, to inform so that the customer would not need to hunt for answers as they can trust that the supplier informs in case of issues. There, the respondents felt there are many places for improvement as they mentioned many cases from memory in which it is sometimes even forbidden to be proactive. However, interviewees highlighted that predicting is occasionally tricky and that the proactive approach is not always so simple.

Also, a term called active listening was mentioned in the focus group interviews, and by that, it was meant that listening alone will not be enough as customers demand and value actions. One respondent explained that when he listens *actively*, in practice, it means that after the discussion, he is ready and willing to take out the words to the rest of the team if needed and proactively provide more support to perform better in the eyes of the key account customer. It was also added that listening is good with all customers, but with key accounts, there is sometimes a need to be more aware, sensitive, and active. Another topic that arose among the respondents was the importance of suppliers being flexible. This meant that in a complex supply chain, it is impossible to focus on your path as often the required task goes beyond different teams and there is often a need to search for solutions from colleagues. Frequently,

challenges are not very simple and could be solved with the help of just one person, and then it requires flexibility from all key account members to achieve the new changed approach of the goal that has been agreed upon.

*Interviewee 7: “Definitely flexibility, that we always try to respond to what the customer requests, needs, or demands and adapt into that.”*

#### 5.1.5 Product-related, supplier’s perspective

The last theme was gathered from references that reflected the product itself as a driver for value creation for the key account customers (Table 7). These results will be presented briefly but not in complete detail as this thesis aims to bring more insight from the service point of view and product-related aspects are not in responsibility of service providing teams. However, as the references were remarkable, this section could not be overseen as, in the bigger picture, it is a crucial part of customer value creation.

*Table 7. Codes regarding product-related value creation drivers.*

<b>PRODUCT RELATED DRIVERS</b>	<b>Nr. of references</b>
<b>Quality</b>	11
<b>Product portfolio and product development</b>	10
<b>Compliance, regulations, certificates</b>	6
<b>Product safety</b>	3
<b>Sustainability</b>	2

Even though the supplier’s view was mainly on the services' operational performance, was quality brought up in all three interviews. The importance of quality came up when discussing factors that suppliers think affect value creation in the long run. Respondents saw the quality approach in two different ways. The first approach was that quality means prime A-classification, which is the best possible scenario. Another perspective was that good

quality should always be uniform and solid, meaning there should not be one delivery of the best quality and the next to be lower.

Other aspects were product development and a good product portfolio that were seen to be valuable for customers. With a good product portfolio, respondents mentioned that operations should not be based on a production-driven mindset but rather customer-driven. Interviewees explained that the product portfolio has to be optimized and profitable but to keep in mind that customers are paying for the products, so their wishes and requirements should be listened to and considered in product development as well.

Product development was a crucial approach when creating value for especially key accounts. In the ever-evolving business world, product development is a critical driver of innovation and value creation for customers. Product development is a vital cornerstone of business success and is instrumental in creating customer value. It was seen as an aspect that serves as the conduit for innovation, enabling companies to constantly evolve and deliver products that meet the ever-changing needs and desires of the customer base. By putting the customer at the center of the development process, companies can tailor their offerings to provide not only what customers want but also what they didn't know they needed. This customer-centric approach ensures that the resulting products are not just functional but also resonate deeply with users, fostering higher satisfaction and customer loyalty. Moreover, effective product development grants companies a competitive advantage by differentiating their offerings and adapting to shifting market dynamics. Respondents explained that often, key accounts can even be involved in product development, but in reality, it is still quite infrequent.

Compliance, regulation, and certificates were also deemed as essential value creators. Even though some regulations are mandatory, it was noted by suppliers that specific certificates, statements, or documents had to be obtained even before the purchase could begin, as demanded by prominent brands. It was considered essential by respondents to not only meet but also exceed the expected standards and to enhance specific areas that contribute to increasing the product's value for the end customers. Sustainability was also one topic that was seen to be creating customer value when ordering from the case company. Supplier representatives acknowledged that the more certificates and effort they put into the sustainability aspect, the more attracted and engaged customers are. Especially key accounts are very demanding what comes to the certificates and functionalities of the product, as they

are usually big and known brands that operate world-wide and have the possibility to choose the best suppliers.

## 5.2 Customer solutions and expectations

The second theme in the interviews was the focus on customer solutions and -expectations. When asking the respondents about services, all participants acknowledged that the supplier provides many services besides the core product. However, answers did vary a lot depending on their department in the company. Provided additional services are in a core of the solutions that are delivered before, during, or after the delivery of the product. Suppliers highlighted the importance of the overall support they are providing. They explained that the core optimized usage of the core product requires high expertise and the significance that customer service and sales are all available for the customer to clarify or get help with short answering time.

Customers saw it as essential as the product itself is not small (one unit of approximately 1000kg), that with agreed conditions it is convenient that the supplier stores the goods for the customers. This was seen as a remarkable service and an essential part of their supply chain. One element that the customer and suppliers brought up is providing valid, relevant, and latest information by reports. This is a part of the follow-up process that the supplier is doing daily to keep track of incoming orders and their deliveries. One customer explained that consistency is essential; the supplier sends the report weekly or monthly, and they do not have to be reminded about it, which is vital for the customer. The customer added that the customer service element worked efficiently and had never had a reason to complain about the service level of the case company.

*Beta: "The customer service must work very well, and none of our converters have ever really complained to me about the service they get from this supplier."*

Other services were also mentioned, such as sample service, trials, and testing, which the supplier company organizes. The customer felt they could always get help and advice

remotely or on-site. The suppliers also take care of customer clearance, forwarding services, and credit limit applications for the customer, and that was seen as essential and time-saving for the customer to be included in the process, which releases the resources and time from the key account customer's side.

The interviews with key account customers aimed to collect insights on the essential factors that can improve the value delivered by the supplier. These insights serve as the cornerstone of effective supply chain management, where numerous value-enhancing components are involved. These components are primarily based on the economic aspects, which were elaborated as the four fundamental pillars in the customers' procurement strategy and how suppliers align with it. According to the customers, their top priority was ensuring that these four key principles (Table 8), encompassing economic considerations, supply reliability, product development, and sustainability, were met before they would consider collaborating with a supplier.

*Table 8. Supplier selection criteria.*

<b>Critical in supplier selection</b>
<b>Economic aspect</b>
<b>Security of supply</b>
<b>Product development</b>
<b>Sustainability</b>

Given that both of these financial entities are engaged in manufacturing, it's crucial for their economic strategies to be in sync to ensure the effective operation of the supply chain and mutual benefits. The economic dimension of the supplier-customer relationship holds significant importance for both parties. The interviewee Alpha emphasized that the economics of the relationship are encompassing cost management, competitive pricing in the market, and the shared objective of cost reduction. Additionally, the role of product development comes into play, as suppliers anticipate that ongoing product improvements should enhance quality and explore new alternatives that could influence the selling price.

Security of supply goes beyond just getting the right goods to the right place on time; it also includes having documented agreements with the necessary accreditation. These agreements

set the quality and performance standards that govern how the relationship works. The sustainability goals depend on elements that add value, which rely on both the economic aspects of the supply chain and the relationships between people involved. Without a strong relationship, open communication, and a high level of trust, it becomes challenging to achieve sustainability and meet objectives.

When asking the customer respondents to describe and present their expectations, desires and thoughts regarding what actions add value for them, the following codes were created (Table 9). The codes were possible to categorize into the existing five themes created in chapter 5.1.1. and the core findings will be present next. All same five themes were found from customer interviews as from supplier interviews, but the stressing perspective was seen to differ.

*Table 9. Value creation drivers according to key account customers*

<b>VALUE CREATION DRIVERS FOR CUSTOMER</b>	<b>THEME</b>
<b>Trust</b>	Humanitarian
<b>Human interaction</b>	Humanitarian
<b>Authenticity</b>	Humanitarian
<b>Transparency</b>	Humanitarian
<b>Honesty</b>	Humanitarian
<b>One face to the customer</b>	Internal process
<b>Structure and clarity</b>	Internal process
<b>Customer care process</b>	Internal process
<b>Open community</b>	Service-related
<b>Understand needs and requirements</b>	Service-related
<b>Communication</b>	Communication
<b>Quality</b>	Product-related

### 5.2.1 Humanitarian drivers and communication, customer's perspective

The analysis of the interviews revealed a set of codes (Table 9) that are primarily related to the theme of "humanitarian drivers" in where customers highlighted the importance of trust, human input and interaction, authenticity, transparency, and honesty. In the context of building trust and authenticity within any relationship, it is acknowledged that effective communication and human interaction are essential elements. From a neutral standpoint, it is recognized that the core of communication serves as the common thread binding these two aspects, with the ultimate conduct of business being carried out by people. Business transactions, inherently human interactions, are rooted in principles of transparency, authenticity, and honesty, which shape the approach. Respondents explained that demonstration of these values is often result in a reciprocal response. This unspoken assessment of both personal and professional utilizes a combination of written and verbal communication to establish and nurture relationships. The act of showing trust and authenticity can lead to their return the favor. Over time, individuals become good at recognizing the presence of these elements. Additionally, maintaining verbal communication, including contemporary methods such as video conferences, is deemed essential.

*Beta: "I think communication and the human input are vital. I think that businesses do business with each other, but actually it's a human thing. Humans have to form those relationships"*

The second theme that is closely attached to the humanitarian theme is communication. In terms of communication, it is observed that communication is characterized by attribute A, and the common element shared between these two forms of communication, both written and verbal, is actually the individuals engaged in business, as the fundamental aspect should not be overlooked. Business interactions, in essence, involve people, and both written and verbal communication methods interact with each other to initiate the development of relationships. Key account customer highlighted that there are no strict, universally applicable rules, and communication dynamics tend to adapt from one business-to-business



relationship and individual-to-individual connection. However, the core principles of authenticity, transparency, and honesty remain consistent and unchanged.

The customer also explained that they do require communication and pay attention to how the case company manages the relationship and if they are willing to admit that it is beneficial that both businesses can grow, can maintain what we have, and potentially grow. Customer Alpha also explained that communication emphasizes success in creating and maintaining the key account relationship and creates value for them.

### 5.2.2 Internal processes, customer's perspective

In the order of frequency, the third most referred codes after humanitarian aspects and communication was a theme regarding internal processes. There were found important value creating elements such as supplier's tendency to have one face to the customer, structure and clarity and good and effective customer service, and -care process.

Having one point of contact facing the key account was considered crucial from the perspective of key accounts. The customer Alpha expressed appreciation for the sales representative's role in managing the account and ensuring that customer service aspects are well-maintained and communicated internally. The customer felt that the case company was doing a commendable job in this regard, providing consistent support, which was highly important to them. Structure, clarity and customer care processes were all seen and perceived to be in satisfying level to the customer and explained that structure and clarity allows the customer to have the necessary conversations, both about routine day-to-day things, but also bigger things and agreements beyond.

*Alpha: "I'm very clear about who I need to speak to in each of the mills from a technical- or customer service point of view. And that tells me that you are doing something right because there is structure in place."*

*Beta: "We needed material at short notice and I was able to communicate directly with the mill. As a result, we are going to receive the goods short time. So yes, I do feel prioritized in that sense."*

### 5.2.3 Service-related, customer's perspective

Codes such as open community and understanding the needs & requirements were categorized under service-related value creation drivers. With these approaches key accounts highlighted that the key account-customer relationship needs to be an open community in order to function well. The customer Alpha explained that the exchange of information is paramount. For instance, having a unified management approach ensures that all parties are on the same page when being in contact. Customer also defined that it is crucial to consider the needs and requirements of both customers but also the end-user by identifying common touch points between businesses. These touch points influence the supplier selection process, a pivotal aspect. In the subsequent points, the engagement of supplier is crucial.

*Beta: "I have to have a really great relationship and an agreement with the supplier, but equally I have to manage the relationship to benefit also our customers. It's more than a direct relationship between two parties."*

According key account customers, from a service point of view the importance of understanding the needs add value to the relationship, but requires professional attitude and knowledge of background history. Customers were happy that even though after the acquisition, the level of service has redeemed in satisfying level and customer was happy with how customer care process was handled. However, customer Beta acknowledged cases in where human errors has happened due to the lack of internal communication, but these unclarities have been taken care of proper way and customer has continued ordering and has not lost the trust.

## 5.3 Key account management

When asking the respondents to define what is meant by key accounts, there were no convenient answers at first. Interviewees explained that this is all based on assuming as they have never been provided with this information. This means that no consistent or coherent

definitions were found. The author tried to ease the task by asking if the respondents could share their vision about the criteria for the case company that needs to be fulfilled for a customer to be classified as a key account customer in the case company. The code with the most references was named “unsure”. This code gives insight into the current situation in the case company, that the overall general definition of key account is unclear. References inside this code were gathered from all three supplier focus group interviews and included hesitation or signs of unclarity around the topic.

Respondents explained that according to the topic everyone knows that key account customers exist, but according to the interviewees no one seems to have the overall control of in top management or operational level. By that, respondents meant that there are agreements with specific chosen key account customers, which means price lists that exist with all customers that the case company practices business with. Still, the whole concept and idea with clear targets and goals has never been explained and presented, which makes it complex in the eyes of the teams who are supposed to work with these customers and create value for them.

*Interviewee 7: “[...] these are just such assumptions and pure guesses.”*

*Interviewee 4: “I have no idea what the criteria are. I can only share my perception on this matter. It seems that we take a list that says the customer's name, and no one knows why the customer is in that list, and then it's our key account; this is how I see it.”*

*Interviewee 5: “I don't even know on a sufficiently specific level who are our key accounts or what their definition is in this company - or even in general.”*

Respondents highlighted that all the provided answers are based on assumptions. These definitions of the importance of order were significant volumes, complex, excellent and prominent brand, long-term trustworthy partner, international company with multiple locations, mutual collaboration, the economy of scale, cost efficiency, development partner, and being strategically important (Table 10). These codes with more explanation will be presented next.

Table 10. Codes regarding key account definition.

<b>DEFINITION OF KEY ACCOUNT</b>	<b>Nr. of references</b>
<b>Unsure</b>	26
<b>Big volumes</b>	17
<b>Complex</b>	14
<b>Good and big brand</b>	9
<b>Long-term trustworthy partner</b>	6
<b>International company with multiple locations</b>	5
<b>Mutual collaboration</b>	5
<b>Economy of scale</b>	3
<b>Cost efficient</b>	3
<b>Development partner</b>	3
<b>Strategically important</b>	3

All focus groups mentioned in the interviews that key account customers are usually seen as customers that provide the supplier case company volumes, and this perception was referred 17 times during the interviews. Respondents assumed that a key account customer needs to have a business that is big enough so that it is worth putting in the extra effort in the long run. The suppliers felt that the base is that key account customers order big volume orders, fulfill the machine and keep the order books stabilized. The perception of respondents was that key account customers are so-called “big tankers,” and that would be the main reason for selecting and classifying customers as a key account. However, this view was also questioned as some respondents noticed that even if customers are ordering significant quantities, not all of them are classified as key accounts, so they thought there has to be some other reasons behind the selection as well.

Another view that was brought up with a certain kind of negative tone was, in the eyes of the respondents, the complexity of the key account system. With that word, key account relationships were described. Interviewees found it challenging to understand the strategic and practical logic and importance behind it. More complexity adds to the fact that multiple people are working internally with the duplicate accounts as key account customers are often international and located in various locations and, at the same time, ordering from many different mills from the group. Besides the key account customers, the case company has so-

called brand owner accounts. These terms often cross each other in the everyday operational business, and it is unclear how to explain the difference between these two customer groups. From the respondents' point of view, it is not always clear in a big size company who is in charge of different matters regarding key account customers and who are the contact persons. It was explained that there exists a list of responsible people, but it appears that there are multiple exceptions, and sometimes interviewees struggle to find the right person to provide more information in case of issues.

The fourth code was created from answers describing key accounts being big and good brands in all three focus group interviews. Interviewees explained that the company might choose customers as key accounts by their big brand, meaning that the supplier company could benefit in the long run when telling that they are a supplier for a big good branded international company. This means the key accounts are usually strategically and tactically essential customers who might benefit when building new relationships. One interviewee said that the possible key account customer should have a good position in the market to be chosen. The following code was created because respondents shared that key account customers should ideally be mutual long- and trustworthy partners to work with.

Respondents often mentioned that key accounts should be seen as a customer that also brings and creates significant value to the supplier, meaning that the partnership would benefit both parties involved. According to interviewee 2, key account customer should be a partner and the communication be two-sided, and employees work together for the common good that will benefit both parties along the supplier-customer journey. Interviewees mentioned occasions where, with some key accounts, they are able to involve the customer quite closely even in the development phase of a new product, and the customer might be willing to test the product in its early phase in their machines.

Respondents wanted to highlight that, in their opinion, the key account customer relationship should be a win-win situation for both parties. In practice, they explained that the supplier company provides extra effort, solutions, and service to the customer. The key account customer also has something that the supplier classifies as strategically important, and that's why the relationship is efficient. However, that is not always the case. Some respondents felt the key account relationship to be very one-way, and the supplier won't even get into the key account customer's building during the visits.

One respondent was thinking of the key account customers and noticed by getting familiar with the list of the supplier case company's key account list noticed that all the customers had one thing in common, which was that they are all international companies that have multiple locations to be delivered the goods to. This view was brought up by one-person numerous times, and by sharing this view, other respondents also saw this logic and agreed after a short discussion.

*Interviewee 3: "I think a key account is a customer group with more than one location operating in more than one country. They often have a centralized purchasing organization as well. So, the choice seems to have been made because they are never individual customers."*

Supplier representatives also have noticed that key account customers may affect the economy of scale and cost efficiency. This means that by ordering big quantities, the effect is more profitable to accomplish as ordering big than small quantity orders requires approximately the same time, so it is more beneficial to handle big orders and fill the machine, than use the same time to handle and confirm relatively small orders. Cost efficiency means that the value in the balance sheet is more significant the less time the order handling takes.

### 5.3.1 Treating key account customers

When asking the respondents to describe how it shows in supplier representatives their daily work that a customer is classified as a key account when compared to a standard customer, most answers were coded as "unsure or no difference" with twenty-two references.

*Interviewee 4: "At least I have no idea how they should be treated differently and if there is a strategy or policy behind."*

There were said that being a key account doesn't affect the processing of orders, as good service is provided to all customers, standards, and key account customers. Respondents explained that no other customer currently receives any more service than others. One interviewee explained that he's treating customers the same way and in the same framework, or at least does not recognize the difference. It has never been discussed whether key account customers should be treated differently and, if yes, how. So, there is no significant difference that key account customers would be treated differently, and they explained that all the customers are being treated equally. However, they recognized cases in which there has been a need to be extra careful with the order handling perspective. Interviewee 6 explained that with these sensitive customers, there is always pressure to look very carefully at the given delivery time and do everything that can be done to achieve this. If no solutions are found, there is a need to ask for support from colleagues.

It was also mentioned that key account customers are receiving more reports on a weekly or monthly basis, but it is not consistent that all key accounts would receive this info, only the ones who have asked for it. Respondents explained that written documents and related tasks are integral aspects of the job, encompassing email correspondence. It is essential to recognize the significance of these activities, especially when there is a specific name associated with them. These tasks can be very useful in real-life situations, and there's a good chance they'll work well if informed assumptions and evaluations are done well.

The respondents explained that there exists a list of key account customers at a group level, in which all key account customers, key account managers, and a person who is responsible for that key account from a customer service point of view from each mill. The respondents felt that this list does not fulfill the information as the list is missing brand owners that are considered the same way as key account customers in the case company. They said that it is not a convenient and usable list as it is missing many companies that should be treated like a key account customer, but no information is available from those. Other material is not available, or it is not valid as it is many years old. When asking who would be the right person or department to tackle this topic, there was no person to be named to be in responsible.

Even though respondents explained that serving key account customers does not differ from standard customers, it was acknowledged that sometimes prioritization is done, but not all the respondents agreed. For instance, when dealing with a high volume of emails, some

interviewees do consider prioritizing key accounts a sensible approach. This approach ensures that they receive priority by taking first care of their urgent tasks before others. One topic mainly gathered from the sales point of view was the thought of creating a feeling for the key account customer. They explained that even with all customers, they want to make a certain feeling with the key account customers so that they feel and perceive their value for the supplier.

*Interviewee 3: "At the end of the day, it is about how we make them (key account customers) feel. We, as a supplier are on their side, and they perceive by our operations that we want to take care of them."*

Also, interviewees have noticed that key account customers often enjoy slightly flexible warehouse storage conditions and a somewhat more relaxed approach to warehouse rents, however this is dependent on the judgment of the sales managers and the client involved, if that situation comes up. Respondents across all interviews consistently expressed a perception of having lower pricing for key account customers. These key account customers expect that, in the event of price increases or additional costs, they would be the last to experience the price increment, with others bearing higher costs earlier.



## 6 DISCUSSION

This chapter reflects the gathered findings and discusses them with reference to the relevant existing literature in correspond to the objectives of the study. The aim is to compare the new information with equivalent results in literature. The main objective of this study was to gain more understanding about factors that the supplier companies need to consider in order to increase value creation for their key account customers. This study aimed to enhance more in-depth understanding of how the disparity between the provided service and the service that is perceived by key account customers can be reduced. All research questions will be answered later on this chapter.

### 6.1.1 Value creation

This master's thesis empirical research results regarding value creation are in line with Graf & Maas (2008) and Sullivan et al. (2012) researches where they have evaluated the complexity around definition of value creation. Even though Hallenertuz and Parmler (2021) has acknowledged that value creation in B2B is an on-going process of continuous exchange of information between the customer and supplier, the results of this study are slightly different. This thesis proposes that value creation is rather a fluctuating process instead of a continuous, uniform process, where the amount of information exchange and communication varies from time to time depending on the current state of the customer-supplier relationship at that moment.

Results of the thesis also indicate that value creation is seen more likely as one-way instead of mutual, since interviewees responded that value creation is not perceived in daily business from key accounts back to the supplier, but vice versa customers always expect the supplier to be as its best. This result is still in line with the research by Pardo et al (2006) which concludes that if not any kind of value is not be mutually existing, value exchange would not happen. Also, respondents felt that even though the relationship with key account customers might feel one-way time to time, in bigger picture there were seen benefits such as stability and big volumes as well. To conclude, this thesis shares similarities in value

creation definition with Smith & Colgate (2007) and Kumar & Reinartz (2016) in where the value creation is seen that supplier has the urge to create value for the customer.

Overall, this thesis aims to develop the model created by Itani, Kassar and Loureiro (2019), in where researchers found factors that customers are seen to value in general. As the aim of this research was to find drivers that increase the value creation specifically for key account customers, there were small additions made that are presented in Figure 12. Previously researchers have found thirteen aspects that customers aim to expect when working with the supplier, this research went beyond that and wanted to find out if these results differ when talking about key account customers. Similarities that both general customers and key account customers need were communication, quality and economic aspect. Additionally, key account customers explained that economics, product development, sustainability and secure of supply are not drivers that add value as these aspects are rather characteristics that each supplier needs to always have. Completely new drivers that were noticed with only key account customers were related especially to different sort of humanitarian factors such as trust, transparency and good customer care process. These aspects are not highlighted in the research by Itani et al. (2019) Also, one of the most important findings was that key account customer also value is the importance of having one person from the supplier's side with whom to be in regular contact with, which is not so relevant with regular customers according to the previous knowledge.

<b>Value from supplier to regular customer according to Itani et al. (2019)</b>	<b>Value from supplier to key account customer (Saari, 2023)</b>
Benefits	Structure and clarity
Service	One face to the customer
Lower costs	Communication
Lower expenditures	Understand needs and requirements
Lower risks	Trust
Quality	Transparency
Shared values	Human interaction
Communication	Honesty
Image	Customer care process
Reputation	Authenticity
Co-production	Open community
Participation	Quality
	Product development (not creating value, self-evident)
	Sustainability (not creating value, self-evident)
	Economic aspect (not creating value, self-evident)
	Security of supply (not creating value, self-evident)

Figure 12. Value creation to regular customer vs. value creation to key account customer.

### 6.1.2 Customer solutions

Regarding the conclusions by Biggemann et al. (2013) and Tuli et al. (2007) the thesis continues to highlight the importance of customer solutions. With current marketwise challenging situation worldwide, and especially in forest industry, customers seem to be more demanding and the core product itself is not enough to satisfy the key account customer or stand out from the suppliers, which is consistent with the study by Kumar and Pansari (2016). This statement can be justified, because the product-related factors in customer's perceived value were seen as last significant factors in key account customer value creation. However, both parties, customers and suppliers, felt that these factors cannot still be overseen, but good quality and continuous product development are seen as a self-evidence in today's industrial business field, which is in line with Windler et al. (2017).

This study also highlights that extra value for the customer can be created with other factors than product, such as good service, effectiveness in respond times, perception of partnership, trust and above all, good communication. The finding shares the same view with Kumar and Pansari (2016), who have stated that customers need to be engaged with new aspects that go beyond the product. Also, McDonald et al. (1997) have also stated that the practices with what suppliers may stand out are related to the whole supply chain processes such as delivery and especially performance of supporting services. A study by Brady et al. (2005) have stated that in order to be a good solution provider, the supplier has the urge to understand how the value can be created in the eyes of the customer, which is not always easy. This was also noticed during the empirical research, as the supplier stakeholders are currently unfortunately lacking of information of expectations and desires.

Tuli et al. (2017) shared a four-step process regarding customer solutions in their study, where these processes are called 1) defining requirements 2) customizing and integrating 3) deployment 4) post-deployment. The authors found that it is vital for the supplier company to focus on the requirements, especially regarding one carefully into 1) definition, 3) deployment, and 4) post-deployment. They justify that these three processes are the most valuable moments in which the supplier company can create contribution and extra value. This study however stressed most of the importance to be on two of these processes instead of three. This thesis states that it is important to focus on 1) defining requirements and 3) deployment. That means that the importance of 4) post deployment deserves slightly smaller

amount of attention and relevance. This can be justified because the most issues that supplier case company faces with its key account customers, were challenges in understanding the current situation and future and potential. Also, challenges were faced in providing realistic promises, -solutions as well as with delivering goods as per agreements. Post deployment was not seen as crucial topic from the perspective of key account customers or suppliers, as respondents trust that if problems occur afterwards, they always are solved efficiently and respondents couldn't recall an occasion in where they would have had bad experience in that sense.

Kumar and Pansari (2016) as well as An and Han (2020) have stated in their researches that companies that have succeeded in engaging customers and value creation have a higher ambiguity to gain competitive advantage. The results of the thesis are similar, but as the focus was mostly finding aspects on value creation, there was not stressed the importance of gaining competitive advantage. However, respondents felt that when working with key account customers, especially good and big brands, the supplier might have the opportunity to improve its position in the market by the key account customers, which is in line with research by Barney (1995).

Regardless, the study by Lapierre (2000) shares the same information with this master's thesis by focusing on especially responsiveness and flexibility. Lapierre suggested that as the most common aspects that pushes customers away and prevent value creation are high price, time, effort, energy and conflicts. Interviewed key account customers did not feel being in danger to get into conflicts with their suppliers. They explained to believe that as the interest of both parties in the collaborative relationship is to benefit each other, both suppliers and customers felt it important to avoid conflicts and did not see these aspects as a threat. Instead, this thesis found out that the most common value creation preventers are poor service, communication and quality, physical distance, not taking customer's needs serious, not owning development mindset, last minute changes, lack of strategy, failing supply & promises and arrogant attitude. In that sense this thesis brought more deepen knowledge to the previous research by Lapierre.

### 6.1.3 Key account management

As a takeaway from the findings section were that key account customers present slightly a small amount of all the customers in the case company, which is also been noted by Hunt (1999). However according to the respondents, even though the amount is not that big, the complexity comes from the structure as key account customers are multi-national and customers are spread in many countries. This requires a good internal process among the key account teams and communication between operational service providers and sales managers. This result is in line with study by Andersson et al. (2007), where the structurally complex is meant by geographical dispersion of customers and consignees, which means several units to be delivered the goods into.

There is also a need to commit sales managers and improve tools for more efficient knowledge sharing. Also, Hengstebeck, Kassemeier, and Wieseke (2022) repeat the same importance of sales manager's role in internal and external information exchange. Key account customers expect to receive information from centralized sales person personally. However, this study highlights, that it should not be on individual's sales manager's responsibility to implement and develop well working tool and channels to share the important information, but it should be as a basis of each key account team's work. Also, the information needs to be in a place, that all needed parties in key account teams have access in to.

Results of this thesis also reveals that the case company's views regarding key account management definition is still more likely the traditional one than the modern view. This means that according the suppliers key accounts can be customers that that are geographically located in multiple locations, and no much other criteria are considered. This view has been also brought up in study by Brehmer and Rehme (2009). However, researchers have developed the view over the years, in where the key account management is according to McDonald, Millman and Rogers (1997) in where the system is defined to be a value-adding marketing approach. This was not the main takeaway from the thesis, as the respondents were not familiar with key account management in general. That refers to the conclusion that the case company has not been developing the meaning of key account management with the same phase as literature.

Even though the case company has multiple key accounts, the criteria, definitions and key aspects were almost completely unclear and unknown to the employees who work with key account customers daily. The findings also indicate that among the case company there is no consistency in answers regarding fundamentals of key account management. As the criteria of choosing key account customers were not clear to the respondents, it tells about the lack of leadership from managerial level and poor key account strategy implementation. During the interviews, suppliers assumed that key account customers seem to be mostly chosen because of a good and big brand with high volumes. They suggested the reason be caused that big volumes would guarantee the stability and foster the predictability for the supplier.

All respondents agreed, that key account management would work better, if more written information would be available and training and general knowledge would be available in the company. This is in line with Katzenbach and Smith (2005) who explained that key account management can only be effective, when the purpose for it's being is clear and teams understand the value and meaning of it. Also, results are in line with study by Peters et al. (2020) in where it was explained that key account customers are usually taken care of with extra attention and care. The respondents stated that they are treating key account customers by always searching all the possible alternatives and their demands are wanted to be achieved in all scenarios and all the time. However, the respondents said that this is the correct way of working with all the customers, not only with key account customers.

The findings of the thesis also present that success in key account management requires good teamwork, integrated internal processes, communication, leadership, and interactive cross-functional teams, which is totally consistent with the research by McDonald et al. (1997). However, the case company still has a lot to improve in this regard. The biggest challenges already come from the main features of key account management, because the company's strategy and vision for the treatment of key accounts has not reached the participants interviewed in this study. Also, according to Gronroos (2004) good communication, interaction, and suitable solutions are at the core of relationship-based business, and this study repeats these findings transparently.

This research is also coping with a study by Tuli et al. (2007) where they concluded that solution providers typically operate distinct units responsible for manufacturing and selling goods and services both individually and as integral components of broader solutions. However, additionally this thesis found out that internal processes, coordinating, clear

structure and communication are all key elements in successful solution providing. That's why operations should be well synchronized and internal stakeholders should be having all the needed information and companies should pay more effort on this matter. This is also repeating the research of Tuli et al. as they stated that the lack of coordination among these functions is perceived by customers as a significant drawback that may have an effect on a long term and will not increase the perception of value.

The creation of proprietary value was explained in study by Pardo, Henneberg, Mouzas and Naude (2006) and they explain that supplier initiates and manages key account activities exclusively for its own operational efficiency or effectiveness, without the customer being involved in the value creation, especially directly. This research however differs from Pardo et al. findings and suggests that proprietary value is actually a key element in customer value creation. Also, severe challenge in value creation for key accounts exist if supplier is not highlighting the importance of key account customers to the employees in the first place. Based on the results of this research it can be said that good performance of internal knowledge sharing, training and documentation are indeed creating direct effect with customer's perceived value. In the interviews key account customers and suppliers highlighted the importance of supplier's internal processes in the successful customer value creation during the interviews. Also, customers stated that it is very quickly visible for them, if supplier is having challenges internally. They specified that unclarities reflect easily to the customers with uncertainty and obscureness. That's why this thesis suggests to include proprietary value as a direct value creation driver to the key account customer.

## 6.2 Answering to research questions

Combining the theoretical part of the thesis with collected data and its analysis, it is justified to answer to the research questions stated in the chapter 1.2 In the introduction were created one main research question (MQ) and three sub-questions (SQ1,2,3), which are formed to help answering to the main research question. In the first sub-question the objective was to understand the desires, needs and expectations that the chosen key account customers have towards the supplier. The first sub-question was formed as following:

***SQ1: What are the core expectations from the key account customer towards the supplier?***

As a finding from this thesis, before a buyer starts to consider the relationship with a supplier, key account customers are strict with four specific fundamentals, such as security of supply, product development, sustainability and market competitive pricing. These aspects are kept as crucial and as a result it can be stated that these four elements are not adding a value. However, these aspects are the foundation for customer-supplier relationship and expected to be fulfilled with suppliers that buyers aim to work with in industrial environment. As a consequence, these four aspects are not kept as a value-drivers, but rather core competencies that the supplier is required to achieve.

When considering the actual value-increasing drivers, this study found out that key accounts' expectations are mostly related to humanitarian drivers, when considering long-term key account partnership. Thesis stresses the importance of clear internal strategy, centralized key account team, transparency, authenticity, honesty, understanding of needs and requirements, supplier engagement, smooth order-delivery-invoicing process, communication (written and verbal), human interaction, proactive touch, and careful order handling.

In the world of managing important customers for both the seller and the buyer, it's important to build on relationships. Research shows that having strong and lasting relationships between customers and suppliers is crucial. The relationship development is always done by people, and that's why there are emphasized qualities like personal interaction, openness, and honesty. Customers see value in these relationships when the seller seems professional and is good at solving problems and providing suitable solutions, then the collaboration in the relationship can be predicted.

Broadly speaking, customers perceive these relationships as essential for the development and customization of solutions that derive maximum value from the unique skills offered by the supplier. This all speaks for the same outcome as with Andersen (2001) in his research, in where he has pursued a similar objective in relationship management, aiming to establish ongoing interaction between the customer and the supplier while fostering collaboration and commitment.



Based on the findings of this research, the key account customers also do expect to have a single point of contact from the supplier's side, in where the role of a key account manager plays a significant role. Also, respected factor was the immediate reaction in case of issues and sharing the supplier's know-how information and visits on the site of the customer. This finding provides strong support for Eggert et al. (2006) conclusion regarding the growing potential for value creation throughout the lifecycle of a relationship.

***SQ2: How supplier can guarantee realization of value creation for key account customers in daily business?***

This thesis highlights, that key account management, as well as customer value creation, are subjective concepts that can vary depending the respondent, which repeats the results from study by Georges and Eggert (2003). However, while customers varied in their perceptions of the supplier's value creation, certain factors consistently emerged in the empirical study, reinforcing the conclusions drawn from prior research. Supplier's ability to create value is based on providing additional services with human touch to the key account customers which is more important for key account customers than for regular customers.

In order to accomplish this smooth and well-working key account team that fulfills customer's desires, there is a need for the supplier company to organize its operations internally by for an example with comprehensive written information and training for employees and share transparently the key account strategy, vision, guidelines and expectations. Currently, the case company has some material of key accounts, which is updated last time in year 2018, when the acquisition was not yet emerged. Current information is not valid and most of the respondents were not aware that even any documents exist. That's why there is a need to raise the awareness and importance of key account customers from time to time and it should also be a part of new employees' training program. This requires commitment from the top management, which also according to Tzempelikos (2005) is a fundamental aspect in order to achieve success and create value in key account value relationship. Everything with attitudes and employees willing to perform better starts by good motivation that is created internally and is in the key role when wanting to provide outstanding service to the key account customers.

Another aspect that suppliers can increase the value creation for key account customers is to improve the overall cooperation between different teams internally, this finding is justified as it is also in line with the study of McDonald et al. (1997) Internal stakeholder cooperation and sufficient level of internal and external communication means that teams across the organization should be aware what are the core expectations and needs of the key account customers are and that teams are working together to find the most suitable solutions for the customer. In regards of external communication, the supplier needs to be transparent, authentic, proactive and honest. As Salomonson, Åberg and Allwood (2012) explain, good skills in communication support value creation. Also, the earlier mentioned new customer kick-off meetings or variation from that are highly suggested to be continued to guarantee that all parties involved have the right knowledge.

To conclude, supplier case company can guarantee value creation to its key account customers by focusing mostly on three of the five created themes; internal processes, humanitarian drivers and communication, which actually culminates well with these two other themes. In regards of service-aspect the case company is according to the customer interviews doing great and to the product-related value creation drives sales, customer- or technical customer service cannot influence on.

***SQ3: How the viewpoints of the supplier and buyer regarding value creation in key account relationship are distinguished?***

The research revealed that the perception of value creation in business markets by both suppliers and customers is an indicative of a relational process. In this context, value is generated through relational exchange rather than being solely ingrained in the product. This perspective aligns with the conceptualization proposed by Sullivan et al. (2012).

When analyzing the gathered results regarding how value creation is distinguished between suppliers and key account customers, this research was able to prove a remarkable takeaway. This conclusion is relying on the analyzed data and based on created codes and as a conclusion it is justified to state that suppliers tend to focus mostly in internal processes in value creation. Key account customers then again stress more about the humanitarian aspects

in the collaborative relationship. That's one aspect that has an effect to the existing gap; differentiating perspective of interest.

When searching more differences in the views regarding value creation, suppliers found many drivers that increases value from the theme internal processes, such as training, company policy, internal cooperation and knowledge sharing. For key account customers then again, the most important factors from supplier's internal processes were one face to the customer, structure and clarity and good customer care process. Suppliers tend to stress importance of internal processes drivers, which were only the fourth important in opinion of key account customers. The key account customer's interest is on the gained benefit for themselves – and their end users and converters, while the supplier evaluates from their standpoint, aiming for stability with well-maintained order books and enhanced predictability. To conclude, customers do look the value creation from their perspective and that might affect to existing gap.

Then again both, suppliers and key account customers, confessed the importance of communication. Suppliers aim to focus on internal and external communication, when key account customers appreciate external communication, that is both written and spoken. This result is understandable since in key account customers interest is not how the supplier is taking care of internal communication as long as external communication looks professional and clear to the customers. The primary aspect that received the highest number of mentions was offering comprehensive solutions to customers. Providing solutions was regarded as the most significant value-creating factor from the service point of view, as all three interviewed focus groups underscored its importance. Both parties, customers and suppliers saw solution providing as an important aspect and views did not distinguish much in that factor, which is in line with views by Tuli et al. (2007) and Windler et al. (2017).

For suppliers it is important to first to make sure internally that value creation is even possible, and this is done by sharing enough of knowledge and having clear roles and responsibilities and the second important is communication. As third, supplier focuses on service-related drivers such as providing good and suitable solutions with additional services. For suppliers the humanitarian drivers are only fourth important drivers, that are the most important for the key account customers. This might be affecting to the current gap that exists between suppliers and customers views regarding value creation.

Key account customers need the supplier to focus and put more effort into humanitarian drivers such as trust, transparency, honesty, human interaction and authenticity. This is understandable, since the differences between suppliers in forest industrial business field are minor and key account customers believe that the easiest place for suppliers to stand out from competitors are the ways that are related to the fact that in the end of the day it is individual people that are doing business together. Suppliers also found many aspects that are related to product itself in value creation. Key account customers then again only mentioned quality regarding product itself. It can be explained that suppliers are still having more of a product-centric mindset, which is mentioned in researches by Tuli et al. (2007), Ulaga and Reinartz (2011) and Windler et al. (2017).

Figure 13 summarizes the differences between suppliers and key account customers views regarding value creation. The figure includes all five created themes and codes under them by showing at the same time whether the code was found from interviews by key accounts, suppliers or if both have mentioned it. To conclude the earlier mentioned, suppliers found the most code under internal processes and highlights the importance of that, when key account customers care the most about humanitarian drivers. Also, from the figure it can be noticed that code named “one face to the customer” was not seen as remarkable from the supplier interviews as it was referred only once during the focus group interviews, when however, it was very important to the key account customer representatives. That might have an effect to the existing gap as well.

	INTERNAL PROCESSES	COMMUNICATION	SERVICE-RELATED	HUMANITARIAN DRIVERS	PRODUCT-RELATED
SUPPLIER	Strategy Guidelines Training Internal cooperation Structure Long-term expertise Background work Engaging and involving Realistic promises	External communication Internal communication	Providing solutions Consultative selling Good follow-up process Fulfilling needs Quick answers Fast lead times	Problem-solving mindset Trust Transparency Proactive mindset Active listening Flexibility	Quality Product portfolio Product development Compliance Certificates Product safety Sustainability
BOTH	Structure	Communication	Understand needs and requirements	Trust Transparency	Quality
KEY ACCOUNT CUSTOMER	One face to the customer Structure and clarity Good customer care process	Written communication Spoken communication	Open community Understand needs and requirements	Trust Human interaction Authenticity Transparency Honesty	Quality

Figure 13. Similarities and differences between suppliers' and key account customers' view on value creation drivers.

The sub-research questions are now answered and they were formed as an objective to provide enough of knowledge so that it is possible to answer to the main research question of this study, which was formed as following:

***MQ: How can the gap between provided and perceived level of service for key account customers be reduced?***

With the help of answer from sub-research question 3 it can be said, that the gap exists because of different viewpoints that key account customers and suppliers have regarding value creation. The study reveals that key account customers are willing to get an extra effort regarding aspects that refer humanitarian aspects, whereas suppliers think they need to focus on internal processes and communication. Due to the that, key account customers expect different things that in where the supplier company concentrates. In order to reduce the gap, the supplier company must pay special attention to humanitarian value drivers through internal processes. The results of the study showed that a considerable amount of communication transpires among sellers, buyers, and project managers, emphasizing the

importance of many different departments in the generation of customer value for key accounts.

In contrast to theories proposing that relationship management is a continuous process, this master's thesis proposes that collaborative relationships and mutual communication occur in cycles, with potentially extended periods between frequent interactions. The pattern is more akin to waves, with varying degrees of contact over time—sometimes more frequent, sometimes less. The customer's perspective emphasizes being in contact based on demand rather than maintaining constant communication all the time. Also, according to the results, in industrial business there exists complexity in processes and supply chain which can be caused by geographical diversity but also that the key account customers of the case company are not the end users of the product. This means that the key account customers require suppliers to fulfill the needs and desires also of their end users indirectly. This means that in customer-supplier relationships the supplier can't only focus on its own customers, but have to think and find out what are the strict needs also from beyond.

A notable observation was also the supplier's belief that their customer relationships are inadequately managed, while customers conveyed satisfaction with the current state. In other words, the supplier company thinks it is at a worse level with key account management than it actually appears to the customers. This discrepancy can be attributed to substantial internal work that needs attention, underscoring the urgency of addressing internal processes promptly. Although not yet apparent to customers, any resulting confusion is likely to manifest quickly, diminishing the perceived value they associate with the supplier company. For the supplier company, it should be a prime importance to pay attention to internal processes and improve them silently, when the real performance of key account management is not yet visible to customers.

Regarding internal actions, study reveals a significant drawback, that currently prevents the case company from increasing value creation for its key account customers. In order the supplier can create value for its key account customer, it is a necessity to pay more attention into the humanitarian drivers. However, before the organization can go this far, it is reasonable to take a few steps back and start building the foundation. The current knowledge cannot be enough to satisfy key account customers in the best possible level, as not all the employees that work with key account customers are familiar who they are, why they have been chosen, what is their future potential, how is their importance classified and justified,

what is expected from service providers, where to find suitable written information and how to be sure that the information is valid. All of this information is a fundamental and crucial in order to success and gain competitive advantage. In practice this would need commitment from top management who are in charge of strategy, criteria and key guidelines of key account management of the case company.

Written information should be gathered in one place and updated by key account managers and -teams frequently and all information should be available transparently and equally. There is currently a severe need to raise the overall awareness of the whole phenomena and its functionality. If the employees are unsure what is expected and what is the key account based on, it can be justified to announce that the value creation through humanitarian drivers will not be enough. Company has a responsibility to share thoughts and vision that why are certain customers chosen and key accounts and where does this decision is based on. Also, it is reasonable to have note, that this information has to already exist somewhere, so it is rather a matter of resources and time management about how the information sharing is being to set foot. Only after the basis work is done and information is available, it is reasonable to focus on other three themes such as communication (which is part of internal process as well), service-providing and humanitarian drivers. The fifth theme, product-related drivers, is not in responsibility of service providers, it is reasonable to leave out of consideration of this thesis.

Apart from the fundamental product offerings, the supplier regarded reports, reminders, order follow-up, certificates, samples, special requests, customs and clearance, credit limit applications and personal communication as part of their services. Conversely, customers identified crucial services that added value for them, including storage, delivery, excellent customer service, and a knowledgeable and familiar key account manager. Interviewees also brought up that they are missing a strategy that could be kept in mind when key account customers are taken care of. They added that there is a will to serve them better. Still, there is no knowledge of how to do it, and if training and written information about criteria, aims, and goals were explained, only then more value that would be visible to the customers could be created.

As this thesis aims to understand the value creation in the service providing context, product-related drivers such as quality, product development or regulations are not in the hands of sales or customer service teams. That's why this thesis highlights the importance of focusing

on three key elements that are *internal processes* such as training by management level and good stakeholder cooperation, *communication* both internal and external, *humanitarian drivers* such as providing solutions and good follow-up process. *Service-related* aspects such as problem-solving mindset, transparent and proactive behavior are seen to be in a good level, but however cannot be overseen. From these elements the fact that the customers are the most willing to see focus on humanitarian aspects, which means regular human interaction that is implemented both verbally and documents. To conclude, the gap between provided and perceived level of service for key account customers can be reduced by starting with improvements internally and making sure that teams are aware in what kind of framework the employees are expected to operate in and that cooperation between internal stakeholders is uncomplicated and seamless. After that, the humanitarian drivers shall be drawn more visible to the key account customers, as in the end of the day, business is always driven by people.



## 7 CONCLUSIONS

This master's thesis continued to deepen the understanding from previous research by Pardo et al. (2006), in where an urge for more holistic view regarding key account customers value creation was confessed. Thesis follows concepts such as value creation, customer solutions and key account management, which is an approach of relationship marketing. The research questions were formed in order to provide new understanding to the main research problem. The objective of the study was to find core elements in which the supplier is encouraged to pay attention to in order to maximize the value creation to its key account customers and stand out from competitors.

The study includes an introduction section that provides background information of the topic, states the research questions, explains the theoretical framework and possible limitations. The purpose of the thesis was to gain a more in-depth understanding of how the supplier can guarantee that the provided service is satisfying and that the customer is receiving the expected value - or even more. The objective was to find out how the imbalanced gap can be reduced and how this can be done with the company's existing resources and range of tools.

Second and third chapter explained comprehensively the main findings from existing literature. Value creation is seen to as an essential element in today's business environment and companies have had transfer their attitude from product-centric view towards customer-centric focus. This shift signifies a trend towards providing comprehensive and suitable solutions rather than mere products or services to the customers. Key account management then again is a part of larger entity called relationship marketing and is nowadays seen as value-adding marketing approach that is practiced with long-term partners and the aim is to gain mutual benefits and strategic alliance.

After the literature review, the justified research methodology, inductive thematic analysis and data collection method by semi-structured interviews were justified. This research was conducted as a qualitative case study. The decision was made based on the nature of the research, which requires more in-depth understanding towards the stated research problem, and no number-based hypothesis existed. The fifth chapter presented the key findings from the data, which were analyzed with the help of qualitative analysis program nVivo. From the

interviews there were found five themes that were repeated in all interviews regardless whether it was with supplier or key account customers. These five themes that included several codes were named as internal processes, communication, humanitarian drivers, service-related aspects and product-related characteristics. Remarkable finding was the high frequency regarding internal processes among supplier representatives and humanitarian drivers were stressed by key account customers, which may explain the existence of the gap (Figure 14). From the findings it was possible to make conclusions that the case company is in urge to implement better system for key account management and providing more knowledge about the importance of key account management. Only then increased value-creation is possible to be achieved. However, in the eyes of key account customers the management seems still professional, which allows the supplier company take the needed implementations in peace after careful preparations. After proper training and comprehensive and valid material is shared with key account teams, supplier needs to focus into the humanitarian drivers.

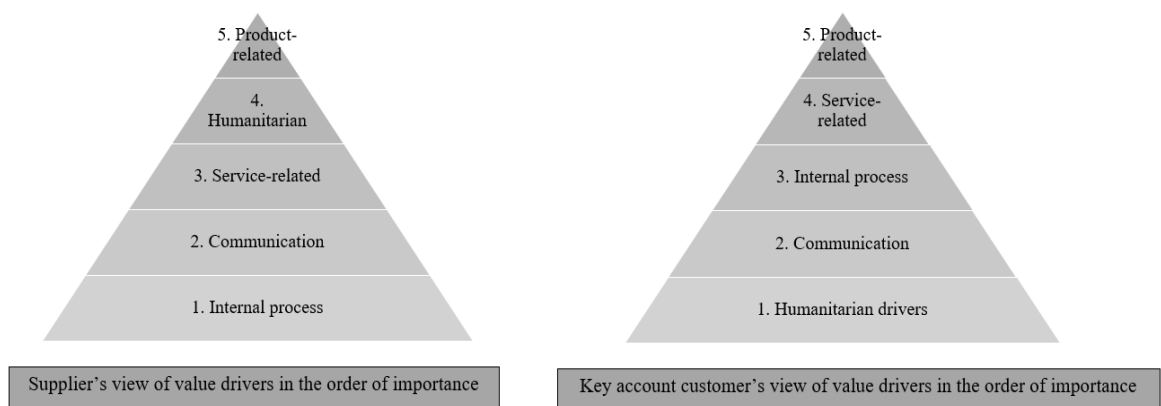


Figure 14. Supplier's and key account customer's value drivers in the order of importance.

The sixth chapter discussed and compared the results in the light of equivalent and existing literature. As a main takeaway it was stated that proprietary value, founded by Pado et al. (2006), should be considered as a part of direct value driver for the key account customers as in the light of new achieved knowledge it is not justified to leave out from scope. Finally, in this chapter the thesis and its findings are summarized, and after that managerial implications and theoretical contribution are presented. In the end of the seventh chapter,

reliability and validity are critically being reviewed as well as the limitations are presented and possible directions for future research are being suggested.

### 7.1 Theoretical contribution

In literature there exists a lot of research regarding value creation and key account management, however, these entities are mainly studied independently. Pardo et al. (2009) have acknowledged the need to combine these two phenomenon and study customer value creation for specifically key account customers from more holistic perspective. That's why this research aimed to gather new information that can be relevant and implemented in the context of specific customer groups and accounts.

Also, this research provides more knowledge to the current understanding of customer-value drivers that Itani et al. (2019) have founded in their research. Their research acknowledged different drivers that increases value creation for all customers. However, this master's thesis succeeded to expand that knowledge to cover and specify the drivers that satisfy a certain focus group, key account customers. Research by Itani et al. speaks out that regular customers value when the supplier has good reputation, it provides lower costs and benefits and has good level in service. This study was able to go beyond and specify value creation drivers for key account customers. The most important aspects did differ from regular customers was that key accounts appreciate and get value when supplier is transparent, has human interaction involved in relationship, offers honest information and has good structure and clarity in its operations.

The main takeaway that created new theoretical contribution was that of proprietary value, founded by Pardo, Henneberg, Mouzas and Naude (2006) should not be considered and utilized solely by the supplier, meaning that supplier initiates and manages key account activities exclusively for its own operational efficiency or effectiveness, without the customer being involved in the direct value creation. In practice this research differs from Pardo et al. findings and suggests that proprietary value is actually a key element in customer value creation. This can be justified, because key account customers and also suppliers highlight the importance of supplier's internal processes in the successful customer value

creation. That's why research suggests not to exclude proprietary value from the direct value provided to the customer.

## 7.2 Managerial implications

From managerial point of view this research provides significant knowledge in where the importance of internal processes should be carefully considered. The most beneficial take out of this study for managerial implication is the new understanding what comes to the importance of taking care of internal processes. Key account customers are getting value from the relationship when the relationship is straight-forward. In practice this means that key account customers appreciate that they have clear and simple channels and to be in contact. Most likely key account customers want that suppliers have centralized person to handle all the communication in the supplier's end.

It was also found that the quality is not the most important factor, since customers do respect an approach that is more customer-driven instead of production-driven. The results of the research state that for the customers most important factors are regarding to the humanitarian drivers and internal processes, when product-related drivers in value-creation are not valued with same relevance. To be able to create value it is important that the organization's management is sharing the information about key account management strategy, goals, vision, mission and guidelines in the form of written information and training sessions. This kind of actions internally predicts better level of performance in regards of services as key account customers value good and effective communication and customized solutions. Also, the importance of key account manager's role in the key account team cannot be overseen as they are in charge of agreements, contracts, terms and conditions. The role is not only to be in contact with the key account customers but to share this information to the key account team.

### 7.3 Reliability and validity

After the research has been prepared, it is common to examine the reliability of the research. According to Hirsjärvi, Remes, Sajavaara and Sinivuori (2009) research reliability means thinking about whether the research that has already been carried out could be repeated. Basically, this study has been prepared in such a precise and detailed manner that it is practically possible to carry it out again, which improves the reliability of the study. The reliability of this research can be reasonably considered quite good, because the content of the material collected for the research was repeated in all interviews and similarities were found between all the interviewees. However, the analysis of the research results and the result of the research is based only on the findings made by the author alone, which may lower the reliability of the study.

When looking at the validity of the work, the aim is to consider whether the selected research method has succeeded in responding to what was the purpose before conducting the research. With the help of personal interviews, it was possible to be sure that the respondent understands the question and that the interviewer was able to ask more detailed questions and explain the purpose of the questions more broadly. However, the topic of key account customers' value creation cannot be generalized perfectly to all key customers, even though the research result is largely in line with previous research literature available, with minor differences. The results relevant to the study were mostly in line with previous research data, which also increases validity. There were no big contradictions in the answers. However, the reliability of the study is reduced by the fact that the sample size was quite small due to the available resources. Because of this, the results of the study cannot be taken as they are to generalize, but it would be good to carry out the research with a larger number of respondents, and to include more key customers as participants.

### 7.4 Limitations and future research directions

This study has its limitations that needs to be considered when going through the empirical study process. At first, already the characteristics of case study approach sets its own limitations. As Simon and Goes (2013) has acknowledged, general limitations for case

studies are that the conclusions and results of the research could or could not mirror the conduct of comparable entities. While case studies might imply potential observations in business organizations, further investigation is essential to confirm the applicability of findings from one study to other contexts. Also, the usability of the research might be limited by the fact that this thesis examines only one supplier company and two of its key account customers. On the other hand, both of the studied companies are large, global and top companies in their respective fields, which have been engaged in key customer activities for several years. Thus, the results of the research are very refined both for the supplier company and for the customer

As one of the main takeaways of this study was that internal training and guidelines create value for the key account customers, for future research it would be beneficial to focus more on the operations and significance of how a company should implement these trainings and how to implement efficient internal communication. Another aspect that is interesting and left out of this research is to learn more about the value creation in context of end customers. As all key account customers that were interviewed mentioned that they can not only think aspects that creates value for them but go beyond and think actions that they require from the suppliers in order to create value for the end customers.

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## APPENDICES

### **Appendix 1.** Interview question form for the supplier

#### **INTERVIEW QUESTIONS**

##### **Focus group interview for the supplier**

#### **BACKGROUND ABOUT INTERVIEWEES:**

- Department in company
- Title in company
- Working years in the company

#### **VALUE CREATION**

- How does the customer benefit when purchasing from X?
- Describe how a company can create value for the customer.
  - Which factors increase value creation?
  - Which factors prevent value creation?
- What concrete things in your daily work add value for the (key account) customer?
- What should be improved/focused on so that the customer feels more satisfied with the received service?
- How do you know what customer expectations are?
  - How do you know if agreed customer expectations are met?
- How is company X asking for feedback from the customers?

#### **KEY ACCOUNT MANAGEMENT**

- What does key account customer mean?
- How key account customer selection process is implemented in X?
  - What are the criteria?
  - Who is responsible?

- How does key account management concretely affect your daily work?
- How does managing key accounts differ when you serve "standard" customers?
  - What extras do you offer for key accounts?
- Is there a clear "company policy" regarding key account management?
- How do you get information if something changes with the key account?
  - If you need more information, where can you get it?
- Have you received written information or training about the wishes regarding the borderlines, how to treat and manage key account customers, and what is expected?
  - What information does it include?
  - Where is this instruction?
  - Are all the necessary parties aware of it?
  - Is it up to date?
  - How often is the guide updated?
  - Who is responsible for updating the instructions?
  
- Who is responsible for key account customers at X?
- Do you feel that key account management roles and responsibilities are clear?
  - How is it structured?
- Are you in regular contact with the rest of the KAM team around a specific key account?
- Do you feel that the top management of X is committed to key account management?
  - How does it show?
- How should KAM processes/activities be developed to create more value?
- How can the supplier guarantee the realization of the customer's value creation in daily business?

## **Appendix 2. Interview question form for key account customers**

### **INTERVIEW QUESTIONS**

#### **Expert interviews // key account customers**

#### **BACKGROUND:**

- Country located in
- Title in company
- Working years in the company
- Business field and core business idea
- Countries where the company operates
- Head courter location
- Nr of employees

#### **PURCHASE-DELIVERY-POST CARE PROCESS**

- Describe the supplier selection process.
- Name 3-4 most crucial things suppliers can stand out from others.
- What other things increase the feeling of satisfaction in the order-delivery-post-care process?

#### **VALUE CREATION**

- Since when has the company co-operated with X?
- Can you describe the cooperation between your company and X?
- What kind of factors in this relationship add value? Why?
- What kind of factors in this relationship prevent value creation?
- What are the core expectations that, by filling them, you feel the most satisfied?
- Besides the core product, what services are included when buying from X?
  - How does X perform when delivering these services?
- Are you satisfied with how collaborative partnership development is taken care of?
  - How has the service performance developed over the years?

- How and how often is it followed up? By who?
- How does X perform in providing the service compared to competitors?
- Where does X have the most space for improvement?
- In regards to service, is X missing something your company expects to receive?
- How can the supplier guarantee the realization of the customer's value creation in daily business?

### **KEY ACCOUNT MANAGEMENT**

- What does key account customer mean?
- What are the benefits and strengths of key account programs?
- How does it appear to you that you are a key account customer of X?
  - Do you feel prioritized in the eyes of X? How does it show?
- Can you name people in the key account team who work for you?
  - Is it clear who you should contact when something is incorrect or a problem occurs?
  - Are the roles and responsibilities clear?
  - Are the problems usually solved? How?
- Are you satisfied with the level of communication flow with X?
- How often are you asked to provide feedback from X?

**Appendix 3. Codebook (nVivo)**

<b>CREATED THEMES AND CODES FOR FACTORS THAT AFFECT VALUE CREATION</b>	
<b>INTERNAL PROCESSES</b>	
Background work	Work behind the scenes, requires good communication, structure, and cooperation among different teams
Continuous development	Mission to develop processes and create new ways of working to satisfy the customer
Costs	Want to reduce costs that have an effect on the selling price
Customer care	Importance of caring about customers and highlighting it internally, customer-driven approach
Innovations	Innovation-driven attitude defends value creation
Insight knowledge	Knowledge increases the time
Internal cooperation and structure	Good cooperation internally between different stakeholders
Involvement and engagement	Important to involve and engage employees internally so that they perform better
Long term expertise	Employees who have worked a long time in the company, increases level of professionals
One face to the customer	Key account customers should centralize communication and have one face that contacts the customers
Realistic promises	An important aspect of providing realistic and achievable promises to the customers
Training	Suppliers need to train employees regarding key account management
<b>PRODUCT-RELATED DRIVERS</b>	
Compliance, regulations and certificates	Suppliers can stand out and gain competitive advantage by gaining different certificates and following strict regulations that not all products automatically fit

Good product portfolio	A supplier can create value with an outstanding product portfolio that suites for multiple purposes
Product development	Not adding value, key account customers keep this as self-evident, continuous development is a must
Product safety	Customers need to trust that the product is safe to use, especially if used for food end-use
Quality	Top quality is seen as a fundamental value provider for customers
Sustainability	Not adding value, sustainability is a core expectation from key account customers toward supplier
<b>SERVICE-RELATED ASPECTS</b>	Value-increasing drivers that are related to different services
Consultative selling	A mindset of selling with a consultative approach, providing knowledge, and having the customer's back
Customer service	Good customer service is fundamental in value creation; inquiries, order handling, booking, logistics, invoicing
Differentiate	As a goal to differentiate from competitors by exceptionally good service and/or product
Effective team	Effective teamwork increases value creation
Fast lead time	Key account customers appreciate fast lead times compared to competitors
Follow-up process	Keeping track of orders, following deliveries and invoices
Fulfilling needs	A supplier needs to fulfill the needs of key account customers
Open community	Key account management should be considered as an open community, and that form of relationship creates value
Quick answers	Prompt and fast time in answering e-mails and phone calls
Secure of supply	Not adding value, key account customers keep as a basis, supplier's task is to make sure that secure of supply is guaranteed
Solution providing	Supplier's ability to provide and customize solutions for key accounts



Trials and tests	Importance of serving trials and allowing key account customers to test the product before buying bigger volumes
Understanding needs and requirements	Supplier's importance to understand and get familiar with real needs and requirements of the key account customer
<b>HUMANITARIAN DRIVERS</b>	
Active listening	Need to listen actively and be willing to take needed actions accordingly
Authenticity	Being authentic when working with key account customers
Being flexible	Having an attitude that speaks about being flexible in case of issues
Being proactive	Proactive approach when issues are approaching
Honesty	In case of challenges, telling the truth and not hiding information
Human interaction	Having human input between customer and supplier
Problem-solving mindset	Wanting to solve upcoming challenges, issues and mistakes
Sensitive	Being sensitive when a customer tells something, instinct
Transparency	No hiding, transparent communication and information sharing
Trust	Trusting the partners controversially
<b>COMMUNICATION</b>	
Internal	Implemented internally for information sharing
External	Written or spoken, from supplier to the customer

#### Appendix 4.

Drivers increasing value creation in the order of importance, supplier's view.

<b>Supplier's view on key account value creation</b>
Strategy, guidelines and training
External communication
Internal communication
Internal cooperation and structure
Providing solutions
Quality
Long-term expertise
Engaging and involving
Background work
Problem-solving mindset
Product portfolio and product development
Trust
Transparency
Costs
Compliance, regulations, certificates
Realistic promises
Consultative selling
Continuous development
Follow-up process
Quick answers and fast lead time
Being proactive
Product Safety
Secure of supply
Fulfilling needs
Sustainability
Active listening
Being flexible
Innovations
Brand image
One face to the customer
Effective team
Differentiation