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THE RESEARCHING OF THE DETERMINANTS AFFECTING KEY ACCOUNT MANAGER PERFORMANCE IN CAN THO CITY, VIETNAM

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ABSTRACT

This paper looked into the relevant literature to find common ground regarding Key Account Manager Performance, and reports the results of a survey of 160 Account Managers. In this paper, the researchers used analytical method of explore factor analysis to determining that are components of the key account manager (KAM) performance in Can Tho city, Vietnam. This paper conducted during the period from July 2014 to May 2015.

The exploratory factor analysis results showed that there were three factors, which included of factors following the Subject knowledge, the Personal qualities and the Thinking and Managerial skills that are components of the key account manager (KAM) performance with significance level 5 %. In addition, the research results processed from SPSS 20.0 software. The research results showed that there were 160 Account Managers who to be interviewed

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(but 149 account managers processed) and answered nearly 16 questions. The researchers had analyzed KMO test. Account managers responses measured through an adapted questionnaire on a 5-point Likert scale. Hard copy and interview account managers by questionnaire distributed among account managers of Can Tho city. At the same time, the result was also a scientific evidence and important for researchers, and policy makers who apply them for improving the key account manager (KAM) performance in the future.

The researcher had obtained the main objectives of this study were to:

1. The first objective, the researchers had to conduct a survey to find factors that are components of the key account manager (KAM) performance.

2. The second objective, the researchers had to identify and test some factors that are components in the key account manager (KAM) performance.

Keywords: KAM, quality, account, performance and account management

INTRODUCTION

In Vietnam, Key Account Management (KAM) is in today's business environment, there is a dearth of quality research investigating the mechanisms through which companies' implement KAM and the likely success of the program. This is especially highlighted by many of the common posts found on KAM best practice knowledge share asking seemingly simple questions, which appear to have no concrete answers. The criteria for selecting Key Accounts and what I am dealing with in this report - How do you measure KAM success and appropriately reward Key Account Managers. Such a simple question should have a simple answer but doesn't. Having undertaken a thorough review of literature on KAM I can confirm that, at best, our current knowledge on both measurement and rewards is anecdotal. We say it is really important to get measurement and rewards right. The above issue is closely related to the topic "***The researching of the determinants affecting key account manager performance in Can Tho city, Vietnam***" as a paper for researching in the developing of the account management job in the future.

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LITERATURE REVIEW

In essence, KAM consists of identifying and serving the strategically important customers of the company. Even though KAM has been of interest to academia and to companies operating in the business to business market for more than twenty years (Ojasalo, 2001), the basic principles have been in use by companies for much longer. As Zupancic (2008) points out, "Serving the most important customers differently is based on common sense of good sales people".

National Account Management, the predecessor of KAM, has been the subject of academic research since the 1970s (see Pegram, 1972; and Napolitano, 1997). Even today companies and researchers have different names for the management of important customers (or accounts). International Account Management or Global Account Management is widely used terms (see Shi et al.; Millman, 1996; and Montgomery and Yip, 2000). The different account management concepts clearly differ on the basis of their geographical scope (national, global, etc.) but also in the focus of research. Reisel et al. (2005) state that National Account

Literature largely focuses on individuals in dyadic relationships with customers. KAM literature, on the other hand, focuses on the selling team and the support role across the organization studied.

KAM relationships typically progress through certain levels. Millman and Wilson (1995) arrange the relationship levels along a transactional–collaborative continuum: Pre-Kam, Early-KAM, Mid-KAM, Partnership KAM, and Synergistic KAM.

Recent research on KAM has concentrated on issues such as the creation of a comprehensive KAM framework (Homburg et al., 2002; Shi et al., 2004; and Zupancic, 2008), the problems and challenges of KAM strategies (Piercy and Lane, 2006), implementation issues of KAM programs (Wengler et al., 2005), and empirical testing of the common assumptions academia has made during the past years (Ivens and Pardo, 2008).

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METHOD OF RESEARCH

This study used of quantitative research methods to survey the factors that affecting the key account manager (KAM) performance in Can Tho city, Vietnam. The results obtained from quantitative research processed by SPSS statistical software version 20.0.

Quantitative research methods describe and measure the level of occurrences based on numbers and calculations. Quantitative research is the collection of numerical data and exhibiting the view of relationship between theory and research as deductive, a predilection for natural science approach, and as having an objectivist conception of social reality. Therefore, this specific form of research uses the quantitative data to analysis.

After preliminary investigations, formal research is done by using quantitative methods questionnaire survey of 160 Account Managers related and answered nearly 16 questions. The reason tested measurement models, model and test research hypotheses.

Data collected were tested by the reliability index (excluding variables with correlation coefficients lower < 0.30 and variable coefficient Cronbach's alpha < 0.60), factor analysis explored (remove the variable low load factor < 0.50). The hypothesis was tested through multiple regression analysis with linear Enter method.

Present research relies on self-reported data, but socially desirable responses have been found to be a major challenge when dealing with self-reported data (Thompson and Phua, 2005). In order to get more reliable research data, a short form of the Marlowe-Crowne social desirability scale (developed and validated by Rudmin, 1999) was used in the questionnaire as well.

The questionnaires were sent to persons with a job title of Key Account Manager, but it is obvious that there are different types of managers. Some managers work more as salespeople and some may have only one or two accounts. This also gives evidence to the fact that the results of the study can be generalized to portray Key Account Managers in general.

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Research model for factors affecting the key account manager (KAM) performance in Can Tho city

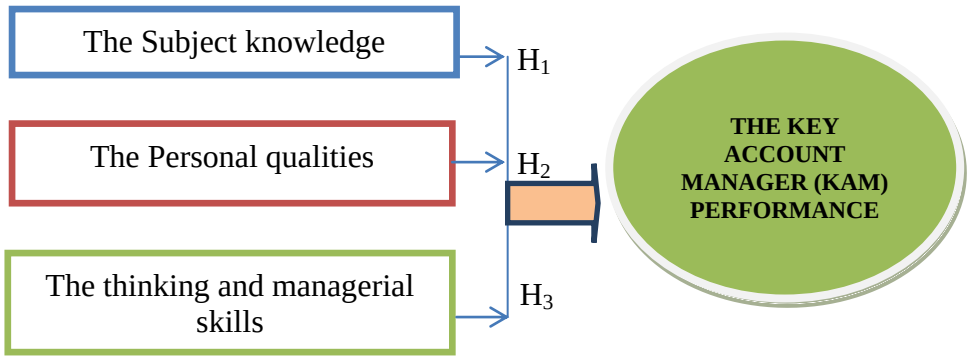

Figure 1: Research model for factors affecting the key account manager (KAM) performance in Can Tho city

Hypothesis:

H_1: There is a positive relationship between the Subject knowledge and the key account manager (KAM) performance in Can Tho city.

H_2: There is a positive relationship between the Personal qualities and the key account manager (KAM) performance in Can Tho city.

H_3: There is a positive relationship between the thinking and managerial skills and the key account manager (KAM) performance in Can Tho city.

RESEARCH RESULTS

Descriptive Statistics the factors affecting the key account manager (KAM) performance in Can Tho city

Table 1: Descriptive Statistics for factors affecting the key account manager (KAM) performance

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Code	Items	N	Min	Max	Mean	Std. Deviation
SK1	You have the product knowledge	149	1.00	5.00	3.0940	.96802
SK2	You have the understanding of business environment/markets	149	1.00	5.00	3.2013	.98626
SK3	You have the financial knowledge	149	1.00	5.00	3.0470	.99550
SK4	You have the legal knowledge	149	1.00	5.00	3.2416	.92013
SK5	You have the computer literacy and cultural knowledge	149	1.00	5.00	3.2013	.92983
PQ1	You have the integrity	149	1.00	5.00	3.3826	.94151
PQ2	You have the Resilience/persistence	149	1.00	5.00	3.4698	.95548
PQ3	You have the Selling/negotiating	149	1.00	5.00	3.3289	.96872
PQ4	You have the likeability	149	1.00	5.00	3.3154	.94502
TS1	You have the creativity/flexibility	149	2.00	5.00	3.9799	.96191
TS2	You have the Strategic thinking/planning	149	2.00	5.00	3.8255	.99139
TS3	You have the boundary spanning (e.g. ability to look from different perspectives)	149	1.00	5.00	3.4027	1.09618
TS4	You have the people management /leadership	149	2.00	5.00	3.6510	1.30449

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KAM1	You have the subject knowledge	149	2.00	4.00	3.3423	.59014
KAM2	You have the personal qualities	149	1.00	5.00	2.3624	.62833
KAM3	You have the thinking and managerial skills	149	2.00	5.00	4.2617	.69161

(Source: The researcher's collecting data and SPSS)

Table 1 showed that there were 149 account manager processed and answered 16 questions. Besides, max value is 5, min value is 1, mean value is from 2.3624 to account manager and Std. Deviation is around 1.0. This showed that the Data is very good for the next analysis.

EXPLORATORY FACTOR ANALYSIS

Test KMO and Bartlett shows two tests that indicate the suitability of your data for structure detection. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy is a statistic that indicates the proportion of variance in your variables that might be caused by underlying factors. Reliability test: offer mainly Cronbach's alpha methods to show how well the measurements in a set of variables are well correlate with each other. According to Canava et al. (2001), he stated, "Cronbach's alpha is computed in terms of average inter-correlations among items, which determine the concepts." Although Bryman and Cramer (1990) suggested that, it is just fine when Cronbach's alpha is 0.8 or above 0.8, while Nunnally (1978) stated that it is still acceptable with the value of 0.6, especially for initial investigation like in this research. Therefore, in this research, the value is confirmed when it is greater than 0.7.

Table 2: KMO and Bartlett's Test for factors affecting the key account manager (KAM) performance

KMO and Bartlett's Test

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Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.814
Bartlett's Test of Sphericity	Approx. Chi-Square	1661.449
	df	78
	Sig.	.000

Total Variance Explained

Com	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings[a]
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	5.404	41.572	41.572	5.404	41.572	41.572	4.546
2	3.205	24.658	66.229	3.205	24.658	66.229	4.533
3	1.393	10.716	76.945	1.393	10.716	76.945	3.200
4	.767	5.903	82.848				
5	.652	5.012	87.861				
6	.405	3.114	90.975				
7	.279	2.145	93.120				
8	.236	1.813	94.933				
9	.202	1.555	96.488				
10	.163	1.252	97.740				
11	.126	.973	98.713				
12	.103	.789	99.502				
13	.065	.498	100.000				

Extraction Method: Principal Component Analysis.

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a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

(Source: The researcher's collecting data and SPSS)

Table 2 showed that Kaiser-Meyer-Olkin Measure of Sampling Adequacy was statistically significant and high data reliability (KMO = 0.814 > 0.6). This result was very good for data analysis. Table 2 showed that Cumulative percent was statistically significant and high data reliability was 76.945 % (> 60 %). This is factors for independent variables.

In addition, KMO and Bartlett's Test for the key account manager (KAM) performance was statistically significant and high data reliability (KMO = 0.690 > 0.6). Cumulative percent was statistically significant and high data reliability was 87.736 % (> 60 %). This is factors for dependent variable (Y).

Table 3: Structure Matrix for factors affecting the key account manager (KAM) performance

Pattern Matrix[a]

Code	Component		
	1	2	3
SK1	.959		
SK3	.941		
SK2	.928		
SK5	.540		
SK4	.528		
PQ3		.953	
PQ2		.908	
PQ1		.797	
PQ4		.775	
TS1			.944
TS4			.881

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TS2			.867
TS3			.862

(Source: The researcher's collecting data and SPSS)

Table 3 showed that Structure Matrix for the factors affecting the key account manager (KAM) performance had three Components. Component 1 was the Subject knowledge (SK), Component 2 was the Personal qualities (PQ) and Component 3 was the thinking and managerial skills (TS). Structure Matrix for the factors affecting the key account manager (KAM) performance following:

Component 1 is the Subject knowledge (SK) includes SK1, SK3, SK2, SK5 and SK4. We can call X1.

Component 2 is the Personal qualities (PQ) include PQ3, PQ2, PQ1 and PQ4. We can call X1.

Component 3 is the thinking and managerial skills (TS) include TS1, TS4, TS2 and TS3. We can call X1.

Dependent variable (KAM) includes KAM1, KAM2 AND KAM3. We can call Y.

Regression analysis for factors affecting the key account manager (KAM) performance

Table 4: the results of Regression analysis for factors affecting the key account manager (KAM) performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.747	.558	.548	.67202767	1.890

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	82.515	3	27.505	60.903	.000
	Residual	65.485	145	.452		
	Total	148.000	148			

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Coefficients

Variables	Unstandardized Coefficients		Standardized Coefficients (Beta)	t	Sig.	Collinearity Statistics	
	B	Std. Error				Tolerance	VIF
(Constant)	-2.008E-016	.055		.000	1.000		
X1	.199	.067	.199	2.967	.004	.676	1.479
X2	.446	.067	.446	6.657	.000	.679	1.473
X3	.466	.056	.466	8.382	.000	.988	1.012

(Source: The researcher's collecting data and SPSS)

Table 4 showed the coefficient of adjustment R^2 = 0.548 (verification F = 60.903, significance < 0.05); which means 54.8 % of the variable Y (the key account manager (KAM) performance) shift is explained by three independent variables (Xi). The coefficient of Durbin - Watson (d) = 1.890. This proved the model had no autocorrelation. In addition, the multiple regressions model that satisfied the evaluating conditions and tested the suitability for the drawing of the research results. F value is from variance of analysis (ANOVA) was very significant. This accreditation examines the relationship among the dependent variable and all the independent variables. Results showed that all independent variables affecting the key account manager (KAM) performance with significance level 5 %. Verifying the conformity of the model showed the multicollinearity did not violate (VIF < 10).

CONCLUSIONS

This article aims to study the factors that affect the Key Account Manager's performance, which depends on skills, qualities, and manager-specific individual factors. The research results showed that all t value > 2 was statistically significant and high data reliability. Besides, the regression coefficients were positive. This showed that the effects of independent variables in the same direction with the key account manager (KAM) performance. We had three findings following:

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First of all, we had the component 1 (X1): the Subject knowledge affecting on the key account manager (KAM) performance with significance level of 5%.

Secondly, we had the component 2 (X2): The staff behavior affecting on the key account manager (KAM) performance with significance level of 5%.

Finally, we had the component 3 (X3): The customer reliance affecting on the key account manager (KAM) performance with significance level 5 %.

The results of the empirical section are presented and analyzed in this paper. Quantitative data (a ranked list of the most important factors affecting work performance) and qualitative data are presented in tables and then analyzed. Besides, Model of Key Account Manager Performance is created on the basis of prior research and the results of present empirical study in Can Tho city.

The contribution of these results can be used in personnel selection in order to find the best suited individuals to do the job. Another application is personnel training in the future.

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