

**KEY ACCOUNT MANAGEMENT, E-COMMERCE, IMPLEMENTATION  
MODELS, MARKET ORIENTATION AND PERFORMANCE OF SELECTED  
PRIVATE SECTOR FIRMS IN KENYA**

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## ABSTRACT

Modern business firms are facing stiff competition in this era of a rapidly changing business environment coupled with the globalization of markets. Consequently, many firms have adapted key accounts management model to build, nurture and maintain strong customer bonds in addition to other marketing strategies. The key account management model has successfully been utilized in the developed economies. With the advent of e-commerce, business environment has rapidly changed impacting greatly on business strategies practices. This is not the case in developing countries like Kenya, thus this study assessed the effects of key accounts management on selected private sector firms in Kenya. The core of this study was to assess the relationship between key accounts management, e-commerce, implementation models, market orientation and performance of private sector firms in Kenya. The objectives of the study were to: assess the effect of key success factors of key account management on performance of private sector firms; assess the effect of implementation models on firm performance; establish the effects of e-commerce; and lastly establish the role of market orientation on the firm performance. Descriptive survey research design was used and data was collected through questionnaires that were e-mailed to the respondents. The target population comprised of private sector firms operating in Kenya with a minimum turnover of KES750 Million per annum during year 2010 and 2011. The population comprised of 301 firms and a sample size of 168 firms was obtained through stratified random sampling technique. Data analysis was done using factor analysis, Pearson correlation coefficient and multiple regression analysis. In order to test the proposed theoretical study model, Structural Equation Modeling was performed using AMOS version 17.0. The model was supported as having a good fit since all the key statistical indices were above or below the recommended levels. The findings showed that core success factors of key accounts management (organizational, inter-firm and individual factors) significantly impacted firm performance as was indicated by the regression model results ( $R^2 = 0.487$ ,  $p = 0.01$ ). The three main implementation models (change, collaborative and cultural variables) had a significant effect on firm's performance as indicated by the regression model results ( $R^2 = 0.624$ ,  $p = 0.01$ ). E-commerce had a significant impact on the firm's performance ( $R^2 = 0.662$ ,  $p = 0.01$ ). Finally, market orientation significantly influenced firm performance ( $R^2 = 0.224$ ,  $p = 0.01$ ). In conclusion, key account management strategy significantly affected the firm's performance while e-commerce influenced firm performance through information technology and organizational capabilities. From this study it is recommended that managers of private sector firms should tap into this new knowledge regarding key account management to enhance their competitiveness.

**Key words:** *Key Account Management, Implementation Models, E-commerce, Market Orientation, Competitive Advantage and Firm Performance.*