

The Impact of Knowledge Process about Customer on the Success of Customer Knowledge Acquisition

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Abstract

The fast growing demands of customers that face organizations are concerned with the acquisition of new customers. In this approach Knowledge has become a key source for organizations to improve the competitive advantage. Therefore, Knowledge Management (KM) is viewed as one of the most interesting options as it can produce competitive Advantage. Consequently, competitive advantage is essential for organizations performance in the process of emerging markets. Many organizations lost sight of competitive advantage to grow and compete with domestic and global competitors. Thus, many organizations try to gain it from managing Knowledge. This paper reviews process about knowledge and present suggestions for what a general process to improve customer knowledge acquisition should include based on analysis of various processes in the literature. The main emphasis is laid upon the concepts of identify source of customer knowledge and verifies the source of customer knowledge to develop the success customer knowledge acquisition. Therefore, this paper contributes to the process of developing customer knowledge acquisition process. The paper will describe a more valid process to achieve customer knowledge acquisition,

Key Words: KM, Customer Knowledge, Process about Knowledge, Customer Knowledge Acquisition.

1. Introduction

Knowledge has become strategic resource of organization as the basis of competitive advantage in the organization. KM is not something new; it is going to be something tangible and, in other words, there is a type of revolution on this topic today. Therefore, KM can be useful for the success of Customer Relationship Management (CRM) activity. As a concept, KM is one of the important factors for achievement of customer knowledge acquisition in a long term. Study the KM process important of the organization to validate the objective. Therefore, CRM process can be considered as knowledge-oriented process with the characteristics of knowledge intensity and process complexity [12].

[8] View the managing knowledge as a kind of asset, corporate needs developing corresponding criteria to control the knowledge assets. Additionally, organization should put a great deal of emphasis on discovering who are its best customers and how to find new customers who will be similarly loyal and profitable [7]. Therefore, the organizations start thinking of how to develop process to enhancement customer knowledge acquisition.

This paper extends the previous paper in order to propose a conceptual model of customer knowledge acquisition to improve customer acquisition. The rest of this paper is structured as follow: Section two introduces review of related studies associated to customer knowledge. Section three presents a conceptual model for customer knowledge acquisition process, and finally the conclusion is given.

2. Literature Review

This section gives the reader an overview of different contribution in literature associated with the process about knowledge. It also presents description of customer knowledge. As well, it presents an explanation of customer knowledge flows. Furthermore, it is concerned with describing the role of KM in achieving CRM objectives. Finally, it describes the phase of process about knowledge related in the literature.

2.1 Concept of Customer Knowledge

Customer Knowledge has increasingly been recognized within marketing as a significant resource that can be managed to support research and development [11]. Additionally, [6] point out that, in the CRM business process need the processing of customer knowledge to pursue the goals of

relationship Market. Usually, it also contains direct customer contact and the replacement of information or services between organizations and customer. Therefore, Customer Knowledge refers to understanding the customer behaviour, and customer need. Furthermore, [12] present the Knowledge CRM model which facilitates the exploration of the relationship among the three dimensions: customer knowledge sources, CKM, and customer knowledge performance measurement. Additionally, [4] propose the customer knowledge creation development is supported by a new category of IS referred to as KM system which enables the management of the knowledge embedded in the new product development processes.

2.2 Customer Knowledge Flows

[6] Note that organizations need to focus on three sorts of knowledge in CRM processes. Firstly, they need to understand the requirements of customers in order to address them. This is referred to as knowledge about customers. Secondly, the information needs of the customers in their interaction with the enterprise require knowledge for customers. Thirdly, customers possess knowledge about the products and services they use as well as about how they perceive the offerings they purchased. This knowledge from customers is valuable as it feeds into measures to improve products and services. Efforts need to be made to channel this knowledge back into the organizations.

Additionally, [19] distinguish between three kinds of knowledge flows that play a vital role in the interaction between an organization and its customers: knowledge for, from and about customers. Knowledge for customers to support customers in their buying cycle, a continuous knowledge flow directed from the company to its customers. Knowledge from customers has to be incorporated by the company for product and service innovation, idea generation as well as for the continuous improvement of its products and services. Knowledge about customers is collected in CRM service and support processes and analyzed in CRM analysis processes.

[9] Present Knowledge flows in CRM processes can be classified into three categories: They need to understand the requirements of customers in order to address them. This is referred to as knowledge about customers. Customer needs must be matched with the services and products available. All knowledge required here fore can be summarized under the term knowledge for customers. Finally customers gain many experiences and insights when utilizing a product or service. This knowledge is valuable as it

can be used for service and product enhancements, this knowledge from customers.

2.3 The Role of Knowledge Management in Achieving Customer Relationship Management objectives

KM is important for CRM because it can help the organizations get better service, enhance quality of product; faster respond to their customers. Organizations are becoming increasingly more reliant on leveraging their information and knowledge to increase competitive advantage. Consequently, the creation, storage, dissemination of information, knowledge about customers, products and services, are particularly essential. Therefore, KM is one of the critical factors for success of CRM strategy with the aim of increasing service quality and decreasing service costs, and new product and services delivered to the customer, few companies are transferring the information to customer knowledge [20]

[13] Describe organizations with a better deployment of CRM applications are likely to be more familiar with the data management issues including initiating, maintaining, and terminating a customer relationship. This experience gives organization a competitive advantage in leveraging their collection of customer data to customize offerings and respond to customer needs. As will, [16] point out that the Organizations require exploring and improving CRM and KM methods to get value added knowledge for themselves and their customers. To realize this value in a customer centric context need the integration of customer data and knowledge during an organization.

Additionally, [14] give a description of CRM as Customer Satisfaction management aims at high customer satisfaction by offering customers a high quality of service and proximity. These objectives are often maintained by KM systems to get better service quality and accelerate processes and problem solutions.

2.4 Phases of Process about Knowledge

The first phase of KM begins with the process about knowledge an idiom which refers to understanding of how to capture the needed knowledge to solve specific problems that has occurred [1]. Knowledge process which lays stress on capturing both the explicit and tacit knowledge exists among people and artifacts inside and outside the organization. This, as indicated previously, results in an increasing demand on achieving standards of Process about Knowledge which, therefore; gives rise to the interest in KM. To achieve the process about Knowledge, there are four sub stages that have to be taken into account as shown in Table 1[3].

Table 1: Taxonomy of Process about Knowledge

Main dimension/ KM main process	Sub dimension/ Parts of process	References
Process about Knowledge	Need for Knowledge	[22] Sunassee and Sewry (2002) [21] Stollberg et al., (2004) [23] Sun and Gang (2006)
	Identify Source of Knowledge	[15] Nonaka (1998) [18] Abdullah et al., (2005)
	Verify Source of Knowledge	[22] Sunassee and Sewry (2002)
	Knowledge Capture	[17] Parikh (2001) [5] Bouthillier and Shearer (2002) [8] Deng and Yu (2006)

The first stage is the need for knowledge which drives many people and organizations to seek knowledge anywhere and anytime. The drive for knowledge in itself represents power. Knowledge saves time and money to perform work more quickly, precisely and properly [3]. Knowledge provides us with the tools that help in carrying out a certain task. Knowledge is our interpretation of information which provides us with meaning and understanding of a specific subject. Knowledge is of prime significance because it distinguishes a person from another in reference to their knowledge. Moreover, Knowledge can be defined as deep thoughts and facts rooted in our minds which is hard to express sometimes.

In addition, [22] Describe knowledge needs to be created for the organization, based on a selection of the internal and external knowledge required by the organization. Also, Knowledge Identification focused understanding the character of the needed knowledge, picking out existing relevant knowledge, and allocating the knowledge assets which need to be learned and created [21]. Additionally, Knowledge selection is identifying knowledge needs by understanding, and select useful knowledge from the existing repository. This process supports to make knowledge easy to search and find [23].

The second stage is identifying the source of knowledge. Knowledge can be expressed either in form of ideas or experiences taken from various sources like documents, reports, books, artifacts and internet [3]. All these examples are based on two types of knowledge: tacit and explicit knowledge tacit is knowledge stored deeply in the mind of people based on their experience and know-how. An explicit knowledge is codified in different forms and can be accessed [15].

In addition, [18] Identify Knowledge needs to determine sources and type of knowledge.

The third stage verifies the source of knowledge. Every piece of information must go through tests and assessments in order to eliminate the errors. The verification of the sources is essential to verify the reliability, validity and correctness of either the tacit or explicit knowledge for the purposes of further processing. The verification stage will test every source of knowledge collected from outside or inside the organization.

The main objective of the verification stage is to prove the reliability of the source by providing evidence, conducting a test and investigating the reference to ensure its accuracy. Furthermore, verify it is essential that the knowledge which has been chosen to be included in the repository is verified in terms of its relevancy and importance to the organization [22].

The forth stage is knowledge capture which concerns with capturing both the explicit and tacit knowledge that exists among people, artifacts and inside and outside the organization. Knowledge Acquisition is an activity that deals with finding and acquiring knowledge from its various resources. Also, the organization need to make conscious efforts to sense, search, and define relevant knowledge to capture [17]. Also, [5] describe that acquisition process that makes possible bringing the knowledge into an organization from external sources. Knowledge captures the same knowledge acquisition meaning. It collects and represents knowledge in a form that can be used by computer [8].

3. Proposed Customer Knowledge Acquisition Processes

The processes of acquiring customers are of prime value for organizations. Many organizations fail because there is no clear strategy for dealing with customers, and specifically the process of acquiring customers. Therefore, Customer acquisition is of major importance as the first stage of the CRM process. Successful organizations depend on customer acquisition as the only way that ensures their survival in the competitive environment.

The CRM conceives the customers as the heart of the organization and the success of organizations business will depend on how effectively the company can

maintain a prosperous relationship with its customers. Therefore, Customer Knowledge acquisition can be defined as the pursue of certain knowledge that is necessary for gaining new customers to the company with an emphasis on using different techniques available to establish a new relationship with prospect customers. It depends also on different marketing communication tools that play a significant role in acquiring new Customer knowledge to the organizations. The tactics used to discover and acquire new customer knowledge are customer Knowledge profiling. To achieve the Customer Knowledge acquisition, we need to investigate four phases that can be seen in Table 2, Based on table 1.

Table 2: Taxonomy of Customer Knowledge Acquisition

Main dimension/ Customer Knowledge Acquisition process	Sub dimension/ Parts of process		References
Customer Knowledge Acquisition	Knowledge Process about Customer	Need for Customer Knowledge	[2] Alryalat et al (2007) [3] (Alkhaldi et al., 2006).
		Identify Source of Customer Knowledge	[2] Alryalat et al (2007) [3] (Alkhaldi et al., 2006).
		Verify Source of Customer Knowledge	[2] Alryalat et al (2007) [3] (Alkhaldi et al., 2006).
		Customer Knowledge Capture	[2] Alryalat et al (2007) [3] (Alkhaldi et al., 2006).
	Analysis		[2] Alryalat et al (2007) [24] Winer (2001) [10] Ganapathy et al., (2004)
	Knowledge about Customer		[6] Bueren et al., (2005) [19] Salomann et al., (2005) [9] Dous et al., (2005) [11] Gibbert et al., (2002)
	Verification		[2] Alryalat et al (2007)

The customer knowledge acquisition model describe how process about knowledge helps to acquire new customer to improved customer acquisition and keep organizations within competitive environment. There are forth phases in a customer knowledge acquisition model. See Model 1.

The first phase is Knowledge Process about customers, this phase is important to get Knowledge acquisition. The main objective of this phase is to understand how to capture the necessary knowledge viewing the

customer as the main source of knowledge. The Knowledge Process about customers requires a sequence of steps. The first step concerns the need for Customer knowledge; the second one identifies the source of Customer knowledge, and the third step verifies the source of Customer knowledge. After that the Customer knowledge begins by determining the Customers Requirement.

First stage is the Need for Customer knowledge. It drives many people and organizations to seek Customer knowledge anywhere and anytime. The drive for Customer knowledge is power. Customer Knowledge saves time and money to perform work faster.

The Second stage is identifying source of Customer knowledge. The source of Customer knowledge can be either in the form of ideas, experience, documents, reports, books and internet.

The Third stage is verifying the source of Customer knowledge. Verification of the sources is essential to verify the reliability and correctness of either the tacit or explicit Customer knowledge for further processing.

The Forth stage is Customer Knowledge Capture. It focuses on capturing both the explicit and tacit Customer knowledge existing within the customer.

The second phase concerns analysis of the customer data accumulated from different means and sources. It

emphasizes the study of the customer behaviour, attraction and interest. The analysis will utilize different means available to gain customers data by offering initiatives, free access and more. The analysis phase relies on the quality of data collected and completed. Additionally, Customer databases have been analyzed with the intent to define customer segments; there is Variety of multivariate statistical methods such as cluster [24]. Therefore, Customer analysis used to analyze the different customer data in order to develop better understanding of customer behaviour and pattern [10]. This phase produces Knowledge base called Knowledge about Customer (third phase) which includes requirements of customers in order to address them [6], [19], [9] and [11].

The fourth phase is verification. The main objective of this stage is to verify the knowledge acquired about customers. If a customer knowledge acquisition phase does not work out, the organization needs to go back to knowledge process about customer stage.

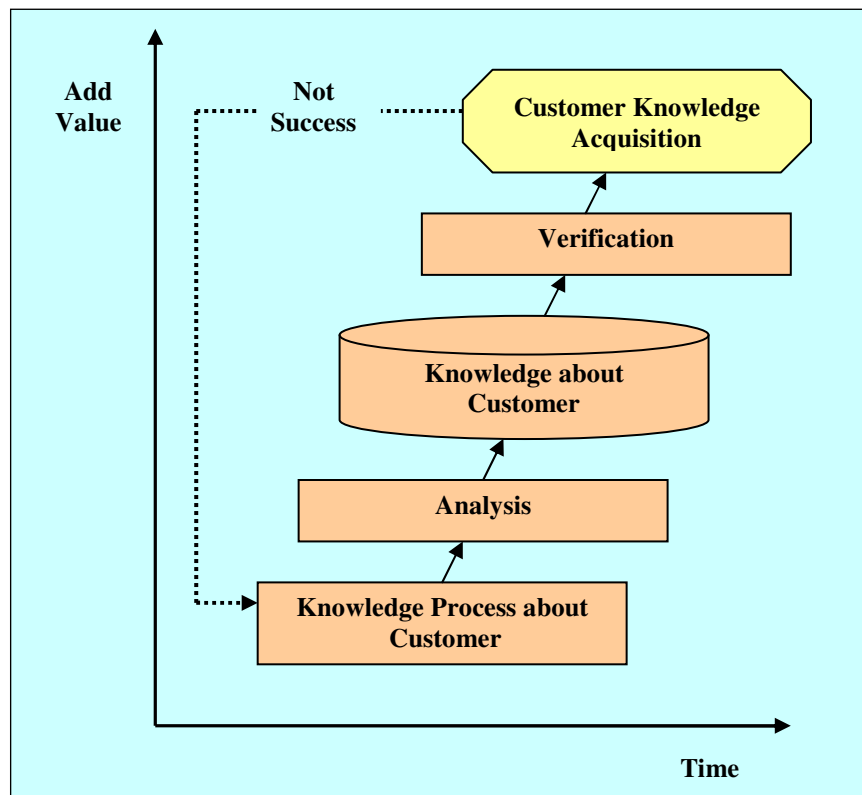


Figure 1. Phases of Customer Knowledge Acquisition

Based on the above figure, the author takes into consideration the time and value factors to carry out the steps of customer knowledge acquisition. The relationship between these two factors is that when the

time that is needed to carry out the steps of customer knowledge acquisition increases, the value of customer knowledge acquisition will become higher.

Conclusion

The aim of this paper is to present a conceptual model of customer knowledge acquisition process. Based on the topic of this research, this paper concluded that customer knowledge acquisition model would give the broadest analysis of the customer acquisition. Consequently, the paper describes the role process about knowledge to achievement customer knowledge acquisition. This processes help acquire customer to providing the members of the organization with real information to react and make the right decisions to gain the competitive advantage. To the best of the author's knowledge, there has not been a customer knowledge acquisition model given in the literature that describes a more valid process to customer acquisition. That has encouraged the researchers to investigate all available studies from all available sources. Therefore, this paper contributes to this field by providing a clear model for employing customer knowledge acquisition process as a model to make reliable, confident, and valid process to keep organizations within competitive environment.

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