Chapter 2
Towards Customer Knowledge Management (CKM):
Where Knowledge and Customer Meet

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ABSTRACT

According to the knowledge-based perspective of the firm and as a result of the shift from industrial to knowledge revolution, knowledge is an important asset that can be used as a tool to achieve a firm's strategic goals in an effective way in order to achieve sustainability, competitive advantage, and other long-term benefits. On the other hand, the adoption of the "customer is the king/queen" strategy makes organizations focus on the task of gathering information about their customers that can be used in providing those customers with continuous improvements utilizing a special type of Knowledge Management (KM) strategy. This chapter explores customer knowledge management and its general concepts including knowledge and customer relationship management. It also reviews several models of customer knowledge management proposed in the literature. Conclusions and proposed future work are also discussed.

INTRODUCTION

The shift from industrial revolution to knowledge revolution requires organization to use knowledge effectively in order to achieve sustainability, competitive advantage, and other long-term benefits including the firm strategic goals (Khasawneh & Abu-Shanab, 2013). On the other hand, the adoption of "customer is the king\queen" strategy plays a key role in making organizations focus on the task of gathering information about their customers that in turn can be used in providing those customers with continuous improvement utilizing a special type of knowledge management (KM) strategy.

Integrating KM and CRM will give organization with more choices in order to gain competitive advantages over competitors (Gebert, Geib, Kolbe & Riempp, 2002; Gebert, Geib, Kolbe & Brenner, 2003; Akhavan, Ashtar & Heidari, 2008)

especially since KM and CRM have a common goal of providing customers with continuous improvement and customized products and services in an attempt to increase their satisfaction level and loyalty (Dous, Salomann, Kolbe & Brenner, 2005; Akhavan et al., 2008; Sanayei & Sadidi, 2011). Such integration is adopted by several organizations that believe in the role of KM in a successful implementation of CRM (Moreno, Melendez & Obra, 2010; Akhavan et al., 2008; Feng & Tian, 2005).

Also, such integration resulted in introducing the concept of customer knowledge management (CKM) that focused on the ways through which KM techniques can be used to support the interchange of knowledge between organizations and their customers in order to get the maximum benefits from knowledge as a valuable asset (Xiong, Yue & Li, 2011; Kong & Cai, 2008).

This chapter focuses on the goal of CKM strategy that targets organizing and integrating the collected information in a manner that improves the organization's understanding of how to relate to customers more effectively including: providing them with continuous improvements, customized products and services and many other aspects. Also, this chapter tries to explore the role of KM process in enhancing CRM processes through understanding the ways in which organizations should deal with its current customers, attract new customers, retain existing customers, and expand the relationship with customers using customer knowledge. The chapter is divided into three sections. Following is a brief description of each section.

The following section reviews knowledge management in general; its definitions, types, processes, key actors and the general area concepts. Next, a general view of customer relationship management is presented. It reviews its definitions, categories, dimensions, processes and other related concepts. The third section focuses on customer knowledge and customer knowledge management where several models of customer knowledge management are reviewed in addition to a description of the components and factors of each model. In addition, the role of customer knowledge management in achieving competitive advantages is discussed. Conclusions and proposed future work are stated at the end.

KNOWLEDGE MANAGEMENT

Knowledge is information that is contextual, relevant, actionable and dynamic in nature. It is very distinct from data and information; data are facts, measurements and statistics while information is organized and processed data that is timely and accurate (moteleb & woodman, 2007; rollins & halinen, 2005). According to zanjani, rouzbehani and dabbagh (2008), knowledge can be defined as a collection of experience, values, contextual information, and experience that make new experience and information for the people. Knowledge can be classified into tacit and explicit knowledge. Following is a brief description of each type.

Explicit Knowledge (Leaky Knowledge): Is a collection of policies, approaches, software, documents, instructions, reports and objectives in each organization (sanayei & sadidi, 2011) that represents rational, objective and technical aspects (khan, 2012). The information written in encyclopedias (including wikipedia) is a good example of explicit knowledge.

Tacit Knowledge (Sticky Knowledge): is a highly personal and difficult to formalize knowledge (khasawneh & abu-shanab, 2013; khan, 2012) that resides in the human mind and is created through human interactions utilizing their skills and special practices (liao & qi, 2009). It has subjective, cognitive and experiential learning aspects and includes experimental activities, know-how, trade secrets, feelings, and values (sanayei & sadidi, 2011; khan, 2012). As an example of tacit knowledge: we know a person's face, and we can recognize it among a thousand, possibly a million. Yet, we usually cannot tell how we recognize a

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