Chapter 57

# Impact Evaluation of Customer Knowledge Process on Customer Knowledge Acquisition:
## A Quantitative Study in Jordanian Banking Sector

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## ABSTRACT

*This paper examines how Jordanian banks use the Customer Knowledge process to support Customer Knowledge Acquisition (CKA) and how they foster it. The empirical study is based on a sample of the data collected from 165 respondents, drawn randomly from six banks. The results showed that the six selected factors (Need for Customer Knowledge, Identify Source of Customer Knowledge, Verify Source of Customer Knowledge, Capture of Customer Knowledge, Apply of Knowledge about Customer, and Verify of Knowledge about Customer) have a significant impact on customer knowledge acquisition. On the other hand, the (Analysis of Customer Knowledge) is not a significant impact on customer knowledge acquisition in Jordanian banks. For this reason, the purpose of this paper is to study how Jordanian Banks use the Customer Knowledge process to support Customer Knowledge Acquisition. The empirical findings will certainly help both researchers and practitioners in future customer knowledge process, and Customer Knowledge Acquisition research.*

## 1. INTRODUCTION

In the past, organizations gave no attention to Knowledge Management (KM), because it was believed that knowledge was easily managed internally and was a simple process. They have started to recognize the importance of knowing their customers better to provide online information services due to the rapid change in the business environment, featuring strong competition as

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a result of the increasing importance of using the Internet to conduct business. They need to connect their database to the Web. This is the reason that Information Technology (IT)-based Customer Relationship Management (CRM) systems have been employed in many industry sectors. By considering this, organizations can create improved accessible knowledge content in the development and the provision of products and services to managers on all levels of the firm, achieve shorter new product development cycles, and facilitate and manage organizational innovation and learning (Lancioni & Chandran, 2009). Knowledge and KM is considered as valuable corporate resources in the same vein as land, buildings, financial resources, people, capital equipment, and other tangible assets. That's why, it has become vital for managers to improve organizational competency in the development of knowledge capture and transfer (Kipley et al., 2008).

The successful adoption of IT-enabled CRM systems redefines the traditional models of interaction between businesses and their customers, both nationally and globally. It is considered as a source for competitive advantage because it enables organizations to explore knowledge use of their customers, and to foster profitable and long-lasting one-to-one relationships. Much research has been conducted on the development of these systems while they are running Ferguson et al. (2004); and Xu and Walton, (2005). It was found that knowledge is the only significant economic resource (Drucker, 1996). From this time, KM is viewed as one of the most important options, because this knowledge turns out to be an important differentiator for competitive advantage (Paiva et al., 2002; Tzokas & Saren, 2002). A large body of work identifying and describing CRM and KM frameworks has been conducted, reflecting different viewpoints and issues. These studies have in fact enriched the literature and established a platform for other researchers to continue the search for widening the scope of small emerging literature on Customer Knowledge Management

(CKM) Gebert et al. (2002), Customer Knowledge Retention (Nehari-Talet et al., 2010).

While numerous studies relating CRM and KM frameworks have been conducted, there has been a definite lack of academic effort addressing the issue of the Customer Knowledge Acquisition (CKA) model in developing countries. In these conceptual frameworks, they concentrate on how Customer Knowledge could be implemented successfully by linking a KM process creating customer intelligence (internal process) with an interaction management process handling customer communications (external process). Our study seeks to contribute to this field by addressing one of the concerns related to the knowledge process and CRM and by providing a reliable and confident method of employing CKA process as a valid model. This implies which CKA aspects should be focused on depending on the conceptualized perspective of the CRM and KM. As a result, the aim of this paper is to shed light on establishing long-term relationships with customers by using knowledge process to support CKA and how they can be built while showing how Jordanian business software companies utilize the Customer Knowledge process to achieve CKA.

This paper is organized as follows. In the next section, we review relevant literature; Section three proposes the research model and hypotheses, Section four is about the research methodology in which we discuss the design of the questionnaire, sample, and data collection, in Section five discuss the hypotheses analysis and results. The last segment of this paper is our conclusion.

## 2. LITERATURE REVIEW

### 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 (Gebert et al., 2002). CRM has been

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