Chapter 6.22
E-Commerce as Knowledge Management:
Managing Consumer Knowledge

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ABSTRACT

This chapter constructs the concept of e-commerce as knowledge management. The socially constructed approach to knowledge management is adopted. Through qualitative research, rooted in the Social Constructionist-Critical Theory paradigm, the chapter examines how consumers use the Internet in commercially related activity. Through semi-structured interviews with consumers three main themes are identified and explored (interaction with commercial organizations, consumer-to-consumer interaction, power and control in business-to-consumer interaction). The chapter concludes that the Internet facilitates the construction and sharing of knowledge amongst consumers, but appears to strengthen barriers and boundaries between consumers and companies. An illustration of how companies could effectively utilize the Internet to communicate with customers is offered in an analysis of a discussion forum.

INTRODUCTION

Customer and company expectations of e-commerce are far from aligned. While companies value the Internet as a marketing channel, customers value the Internet for its connectivity and potential for increased communication.

This dichotomy reflects two extremes of technology adoption. In the first wave of e-commerce, companies rushed to establish a virtual presence and generally adopted a transactional approach.

The technology was available to facilitate online "virtual" retail exchanges, so that's what companies did. It was generally believed that these new Internet start-up companies or dot-coms would supplant traditional business models and change the face of business forever. Newspaper headlines declared, "Britain prepares for boom.com. Exciting times are ahead for the stock market as Internet start-up companies get set for flotation" (Keegan, 1999) in a fervor of optimism.
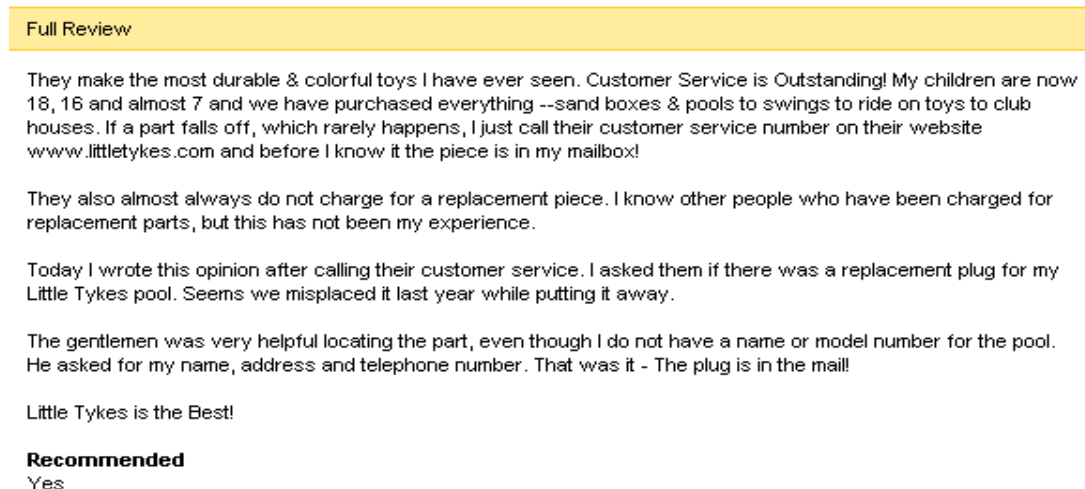
However, within a matter of months, headlines such as "Net bubble@burst.com: Analyst warns that only a few big online firms will survive" (Martinson, 1999) replaced the optimism of the initial wave. The stakeholders weren't ready for e-commerce, they hadn't seen it evolve, or more importantly they hadn't been involved in its construction. The success of this phase of e-commerce demanded too much immediate change. It was a technologically determinist, reactionary phenomena. The customers rejected the technology.

This dichotomy is visible in today's e-commerce world as well. The Internet is changing the way that companies do business, and technology is impacting business practices. For companies, "consumer knowledge" is knowledge about the consumer's lifestyle, preferences and significant life events. They are operating in a knowledge gathering culture. In contrast, for customers, "consumer knowledge" is knowledge that consumers have about different products, companies and services. People's lives are made up of conversations and the Internet facilitates conversation amongst and between a wide circle of individuals. On neutral ground away from the commercial Web, a knowledge sharing culture is evolving. Here, the impact of the Internet is vast. Nobody planned it this way. Discussion forums, review sites, chat rooms and communities have all evolved as people have shaped the way that the Internet is used.

In the technological integrationist or constructivist tradition (Elster, 1983; Kimble & McLoughlin, 1995), and echoing the work of Bijker (1999), ordinary people are constructing the World Wide Web, shaping the way it is used in a recursive, proactive and evolutionary process. Outlining

Figure 1. epinions.com

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