

## 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.

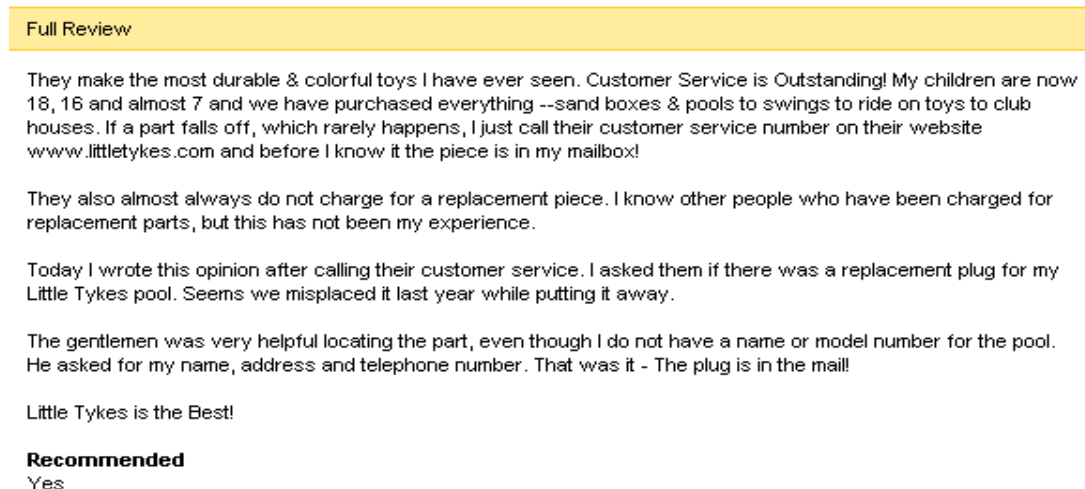
However, within a matter of months, headlines such as “Net bubble@burst.com: Analyst warns that only a few big online firms will survive” (Martinson, 1999) replaced the optimism of the initial wave. The stakeholders weren’t ready for e-commerce, they hadn’t seen it evolve, or more importantly they hadn’t 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 chang-

ing 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*



The image is a screenshot of a product review from the website epinions.com. The review is titled "Full Review" and is for Little Tykes toys. The reviewer describes the toys as durable and colorful, and praises the customer service. The review is dated 11/11/01 and is marked as "Recommended".

**Full Review**

They make the most durable & colorful toys I have ever seen. Customer Service is Outstanding! My children are now 18, 16 and almost 7 and we have purchased everything --sand boxes & pools to swings to ride on toys to club houses. If a part falls off, which rarely happens, I just call their customer service number on their website [www.littletykes.com](http://www.littletykes.com) and before I know it the piece is in my mailbox!

They also almost always do not charge for a replacement piece. I know other people who have been charged for replacement parts, but this has not been my experience.

Today I wrote this opinion after calling their customer service. I asked them if there was a replacement plug for my Little Tykes pool. Seems we misplaced it last year while putting it away.

The gentlemen was very helpful locating the part, even though I do not have a name or model number for the pool. He asked for my name, address and telephone number. That was it - The plug is in the mail!

Little Tykes is the Best!

**Recommended**

Yes

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