Chapter 50

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ABSTRACT

The article aim is to investigate how Customer Knowledge Processes used in practice by Jordanian banks to achieve customer knowledge expansion. The empirical study is based on a sample of the data collected from 165 respondents, drawn randomly from six banks. The results show that the seven selected factors (Customer Knowledge Codification, Customer Knowledge Representation, Customer Knowledge Sharing, Customer Knowledge Application, Design of Customer Knowledge, Execution of Knowledge from Customer, and Verify of Knowledge from Customer) have a significant impact on Customer Knowledge Expansion. The findings did reveal the potential relationship between the customer knowledge processes and customer knowledge expansion. It also provides advice for the Information Technology (IT) Industry as to how an analytical knowledge process from customers should be taken into account in developing countries to attain proper customer knowledge expansion because of cultural, social and educational disparities.

1. INTRODUCTION

In order to have a new knowledge economy and business, organizations are now facing major challenges due to external pressures as well as the nature of the workplace. This gives rises to the necessity of improvement of a strategic, comprehensive, holistic and adoption Knowledge Management (KM) to enhance the process and get competitive advantage.

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The globalization introduces many challenges, to meet these challenges, companies may require being innovative by introducing new ideas. Obviously, this trend is magnified by the rapid development of Customer Relationship Management (CRM) systems and the adoption of the customer-centric orientation (Stefanou et al., 2003).

They are concerned with the expansion of customers; Based on that Knowledge has become strategic resource of organization and the basis of competitive advantage. In addition, it has been recognized as an important asset for sustaining a competitive advantage (Papoutsakis & Vallès, 2006).

Customer expansion plays the role of expanding the organizations customer base through word of mouth marketing and active interactions with the company (Park & Kim, 2003). As well, Bibiano and Pastor (2006) describe the Evolution phase refer to the integration of more capabilities into the CRM system.

Undoubtedly, Customer Knowledge Management (CKM) creates new knowledge sharing platforms and processes between companies and their customers. It is a continuous strategic process by which companies enable their customers to move from passive information sources and recipients of products and services to empowered knowledge partners (Gibbert et al., 2002). Through, review and study of selected fundamentals related literature, that focuses on developed countries and accordingly based on cultural, educational, technological, social and economical factors applicable to advanced Western societies rather than developing countries.

Our study is therefore special, because it addresses one of the important issues in Middle Eastern area because the adoption and use of IT is new for most businesses (Nehari Talet et al., 2010). We strongly consider that our study will assist and provide guidance for the IT Industry, and researchers as to how a logical knowledge process from customers should be kept in mind in developing countries to help in order to attain customer knowledge expansion.

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, data collection, hypotheses analysis and results. The last piece of this paper is our conclusion.

2. LITERATURE REVIEW

2.1. Concept of Customer Knowledge

Study of the KM process is important for 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 (Lin et al., 2006). For a deeper understanding of the KM processes, an attempt to express the hidden meaning of data, information and knowledge is necessary. Data mean a set of discrete and objective facts concerning events. Therefore, they can be construed as a structured record of transactions within an organization. Information is data with attributes of relevance and purpose, usually having the format of a document or visual and/or audible message. Knowledge is linked to the capacity for action. It is intuitive, therefore hard to define. It is linked to the users’ values and experience, being strongly connected to model recognition, analogies and implicit rules (Joia, 2000).

Customer knowledge managers seek opportunities for connecting with their customers as equal co-creators of organizational value. This is also in stark contrast to the desire to maintain and care for an existing customer base (Gibbert et al., 2002). The literature shows that managers concentrate on how to produce expansion for the company through attain new customers and through engaging in an active and value-creating dialogue with them, and