Chapter 5
The Tacit Knowledge–Centric Innovation: Toward the Key Role of Customer Experiential Knowledge

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ABSTRACT

Many researches have treated the knowledge management theory. However, to the authors’ knowledge few were interested in the tacit knowledge construct, whether it is gained inside or outside the organization. This chapter has a challenge to analyze in-depth this embedded knowledge and to emphasize its close relationships with innovation management. Therefore, a thorough theoretical background is presented progressively. The first part presents an overview of the knowledge notion, and the related knowledge theoretical views are specified. The second part sheds light on the tacit knowledge’s taxonomies and its methods of externalization. Finally, the last part examines, in particular, the contribution of the tacit knowledge to the innovation. This is done by scrutinizing the customer tacit knowledge while highlighting, especially, the key role of customer experiential knowledge.

INTRODUCTION

As researches which are interested in the tacit knowledge are scarce, it is of paramount importance to revisit the tacit knowledge. This will be done as follows: a theoretical analysis will be presented through an extensive literature review concerning the knowledge management in general as well as the tacit knowledge in particular. The first part treats the Knowledge notion by presenting its definitions through the distinction between the triad DIK (Data-Information-Knowledge) in the literature, the knowledge status and the related fundamental knowledge views as mainly the Resource Based view (RBV) and its extension the Knowledge based view. This first section concludes

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by regarding the evolutionary theory of knowledge creation of Nonaka and Takeuchi (1995) while clarifying the tacit/explicit types of knowledge. The second part will be devoted to the construct of tacit knowledge (TK) while highlighting the importance of the organizational one and that of the customer. In this case, the objective is to present the tacit knowledge related definitions and roots by stressing its externalization methods and taxonomies. The third and last section underlines the relationship of tacit knowledge with the innovation management. In this case, it is the objective to ascertain that tacit knowledge is a key input of innovation. It follows that the innovation should be nourished with knowledge not only from inside organization but also from outside. On this issue, the proposed chapter examines thoroughly the tacit knowledge by scrutinizing that of customer and its contribution to the innovation. Within this frame, it is illustrated the case of knowledge marketing theory developed by Curbatov (2003) and the importance of customer experience as a tacit knowledge source.

BACKGROUND

The Knowledge Concept

Distinction between Data, Information, and Knowledge

Several researches use indifferently the notions of Knowledge, data, and information. This fact reflects confusion and the haziness among all three notions, while all schools of thought admit that Knowledge is different from information as is information from data (Shin, Holden, & Schmidt, 2001; Sara, 2008; Sun, 2010; Heavin & Adam, 2011; Belkahla-Hakimi, 2012). Two different orientations are identified in the literature regarding endeavors for a distinction between these notions and particularly between information and knowledge. The first endeavor is presented by the hierarchical structure among data, information, and knowledge, representing the value chain school of thought (Shin et al., 2001). The second endeavor is presented as a critic of the first as it considers that knowledge is a combination of process elements (such as authentication, user’s perception, or context) and information rather than a collection of information that does not recognize the abstruse interactions between the use and the collection of information, as explained by Churchman (1971) cited by Shin et al. (2001).

In order to enrich the discussion on the hierarchical structure, Sun (2010) is referred as a starting point. As stated by Sun (2010), Russell Ackoff (1989) is the founder of the DIKW hierarchy, also known as Knowledge Hierarchy or the Knowledge Pyramid. The DIKW hierarchy corresponds respectively to, Data-Information-Knowledge-Wisdom (Sun, 2010). As shown in the Figure I of “DIKW Pyramid”, Wisdom is placed at the top of the pyramid and is followed by Knowledge. This connotes that “information is one representation of Knowledge but the information itself is not Knowledge” (Shin et al., 2001).

Data is equivalent to fact or observation (Sun, 2010; Vance, 1997; Rollins & Halinen, 2005). Data alone is useless (Rollins & Halinen, 2005; Bennet & Bennet, 2008). In this case, Sun (2010) defines Data as “raw and has no significance beyond its existence (in and of itself). It can exist in any form, but simply exists whether usable or not. It does not have meaning of itself” (p.38). With respect to information, it is data + meaning (Rollins & Halinen, 2005; Bennet & Bennet, 2008). In this case, Sun (2010) defines Data as “raw and has no significance beyond its existence (in and of itself). It can exist in any form, but simply exists whether usable or not. It does not have meaning of itself” (p.38). With respect to information, it is data + meaning (Rollins & Halinen, 2005), in other words, it is an interpreted data according to Vance (1997) and a set of patterns according to Bennet & Bennet (2008). Hence, Sun (2010) defines the information as “data that has been given meaning by way of relational connection” (p. 38). Sun (2010) presented knowledge as an addition of Information, Understanding and Reasoning; while Vance (1997) defined it as authenticated information. Moreover, Bennet and Bennet (2008) underline through the lens of neuroscience, that “knowledge is present in the