Empowering Organizations Through Customer Knowledge Acquisition: An Empirical Study in Mexico

Juan Manuel Gómez Reynoso, Autonomous University of Aguascalientes, Aguascalientes, Mexico
Kamla Ali Al-Busaidi, Information Systems Department, Sultan Qaboos University, AlKhod, Oman

ABSTRACT

Knowledge is an important asset and create benefits when someone harnesses information and knowledge from both inside and outside sources. Customers are becoming more powerful and customer knowledge (CK) can empower organizations and improve their performance. CK is classified as: knowledge FOR customers, ABOUT customers and FROM customers. However, the value of external CK has not fully been recognized, and its impacts have not been fully investigated. Thus, the present research aims to empirically assess the impact of acquiring each type. Researchers analyzed 63 Mexican organizations, results show that overall acquisition of CK is significantly positively linked to business processes benefits, employees benefits, products benefits, customers benefits, finance benefits and market benefits. However, by assessing the direct impacts of the three types of knowledge on these, demonstrated that acquisition of knowledge about customers significantly positively linked with employees benefits, customers benefits, finance benefits and market benefits.

KEYWORDS

Benefits of Customer Knowledge, Customer Knowledge, Customer Knowledge Acquisition, Customer Knowledge Management

INTRODUCTION

One very important concern for people and organizations is to make perfect decisions; in order to do so they must have available knowledge that would help them to reduce uncertainty (Applegate et al., 2008) in the decision-making process. It is important to differentiate knowledge from information because knowledge contains information, however information is not necessarily knowledge (Jennex & Olfman, 2009). Thus, organizations must address very important issues such as: Which types of knowledge are available? What are the sources of knowledge? Among others.

Drucker (1996) argues that knowledge is the only meaningful economic resource. Past research (Choo, 2001) argues that organizations have three kinds of knowledge: tacit knowledge, which is present in the expertise and experience of individuals; explicit knowledge, which is in artifacts, rules

DOI: 10.4018/IJKM.2019070105

Copyright © 2019, IGI Global. Copying or distributing in print or electronic forms without written permission of IGI Global is prohibited.
and routines; and cultural knowledge, formed by the assumptions and beliefs used by members to assign value and significance to new information or knowledge.

Some sources of knowledge are Industry, markets, customers, among others. Knowledge is built upon previous knowledge. As customers are becoming and more knowledgeable, a customer-focused strategy is becoming the strategy that enables competitive advantage. Customer knowledge (CK) is becoming a very important issue for organizations, especially for service-based organizations. CK enables improvement for business operations and innovativeness and consequently achieves competitive advantage. CK is increasingly important for organizations competitiveness (Khosravi & Nilashi, 2017) and plays a very important role in the operational process of an organization (Tseng & Fang, 2015). Knowledge is embedded in business processes, activities, and relationships that have been created over time through the implementation of a continuing series of improvements (King, 2009). Specifically, CK is the most indispensable asset while organizations are pursuing to create a competitive advantage (Bennet, 1999). Knowledge creates benefits when an entity is capable of gather information from both inside and outside sources for improving performance of individuals and groups as they execute decision-making processes (Applegate et al., 2008). An organization’s long-term survival depends on its ability to apply current knowledge as well as to generate new; in addition to continuously learn from the external environmental sources such as customers and competitors (Hoe, 2008). Customer is identified as the most important source of knowledge for organizations (Mehdibeigi, Dehghani, & Mohammad Yagoubi, 2016). Finally, it is very important that the right knowledge with sufficient context is available at the right time for decision makers (Jennex, 2017).

Geber et al. (2003) categorized CK into three main categories: (1) knowledge for customers, (2) knowledge about customers and (3) knowledge from customers. Zanjani et al. (Zanjani, Rouzbehani, & Dabbagh, 2008) provided a more detailed classification of each category. However, acquiring knowledge from external sources, such as customers, may be more challenging than from internal sources. Nevertheless, external knowledge can be stored within the organization by using proper ICTs and policies as well. Consequently, implementing technologies for customer knowledge management (CKM) may not be easy. CKM could be applied to facilitate reception of customer feedback as well as to collect customers’ data (Khosravi & Nilashi, 2017). CKM is a new organizational approach to capturing, sharing and using the information, knowledge, experience and ideas related to customers (Taherparvar, Esmaeilpour, & Dostar, 2014). Organizations find the implementation of information technology (IT) tools, such as customer relationship management (CRM) systems to be very difficult, and most organizations fail to implement them properly (Wu, 2010). Organizations have turned to CRM to provide bases for evaluating the status and profitability of a customer in their quest to increase access to valuable customers (Campbell, 2003). Hence, many organizations may feel resistant to establish mechanisms and technologies to acquire CK. A key strategic resource in any organization’s success that has been increasingly recognized is CK (Rainer, Prince, & Watson, 2012; Rollins & Halinen, 2005).

Managing customer knowledge has been one of the most important aspects of KM in many organizations (Stefanou, Sarmaniotis, & Stafyla, 2003). Top management support is a major challenge in CKM, along with corporate culture, chief knowledge officer roles and talented humans (Liew, 2008). Supporting CKM can be costly, but it adds value to organizations, because CK is the most valuable knowledge for customer-knowledge focused organizations (Gebert et al., 2003). Recognizing the benefits of CK acquisition will enable organizations to gain the support of top management. Very limited empirical studies examined the specific impact of acquiring each CK type. “Relying on knowledge as a key factor of competitiveness in the global economy, companies may be looking for a key component which called customer knowledge” (Gibbert, Leibold, & Probst, 2002, p. 95).

The present study aims to empirically assess the benefits of CK acquisition. Specifically, this study assesses the impact of each CK type (knowledge for customers, knowledge about customers and knowledge from customers) on business processes, employees, products, customers, financial performance and market performance of the organizations. An earlier exploratory study examined
18 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the product's webpage:

www.igi-global.com/article/empowering-organizations-through-customer-knowledge-acquisition/234380?camid=4v1

This title is available in InfoSci-Journals, InfoSci-Journal Disciplines Library Science, Information Studies, and Education, InfoSci-Knowledge Discovery, Information Management, and Storage eJournal Collection. Recommend this product to your librarian:

www.igi-global.com/e-resources/library-recommendation/?id=2

Related Content

Biological and Information Systems Approaches
www.igi-global.com/chapter/biological-information-systems-approaches/48958?camid=4v1a

The Effect of Knowledge Transfer Motivation, Receiver Capability, and Motivation on Organizational Performance
www.igi-global.com/chapter/the-effect-of-knowledge-transfer-motivation-receiver-capability-and-motivation-on-organizational-performance/86228?camid=4v1a

Career Management in the Knowledge-Based Organizations
www.igi-global.com/article/career-management-in-the-knowledge-based-organizations/176918?camid=4v1a
Knowledge Management Proponents or Opponents: Empirical Test on Micro Finance in Emerging Market
www.igi-global.com/article/knowledge-management-proponents-or-opponents/185763?camid=4v1a