Chapter VI

Challenges and Opportunities with IT-Enabled and Assisted Customerships

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ABSTRACT

The purpose of this chapter is to illustrate challenges and opportunities related to IT-enabled and assisted customerships. The chapter begins by defining the term digitization and illustrates what can be digitized and to what extent. Next we illustrate how IT (and digitization) can assist in various types of interactions or create new types of interactions. Digitization and interactions form a fulcrum for the rest of the chapter, which deals with IT-assisted and -enabled marketing activities and customerships. We will make a clear distinction between classical relationship marketing and IT-enabled technorelationship marketing. Finally we focus on a single marketing activity, namely customer service.

INTRODUCTION

Though we focus on IT in general in this chapter, we pay special attention to databases and networks. We introduce the term interactive digital network (IDN). Interactive digital network is defined as:
• Open network (vs. proprietary). However, extranet and intranet are included. In this context they are seen basically as open networks, because the ease of adding new participants. In the case of extranet, we must also point out low switching costs (compared to for example with EDI or travel reservation systems, such as Sabre or Amadeus, with high switching costs and high focus on transactional efficiency). Proprietary, dedicated solutions work reasonably well for long-term, high transaction volume relationships, but constrain the speed with which relationships can be initiated or terminated (Rai, 2000). Extranets allow rapid initiation and termination of relationships, and transaction volumes play a very little role.

• Network, which by nature is non-biased. Examples of biased networks are, for example, the above mentioned travel reservation systems and EDI-networks within the automotive industry.

• Network, which allows interactions between participants.

• Network, where content is in digital form.

The most visible example of an interactive digital network is the Internet and networks based on Internet technology (intranet and extranet). Other notable networks are GSM, UMTS, and the coming interactive digital television. The term interactive digital network must be understood broadly.

**DIGITIZATION OF DATA, CAPTA, INFORMATION AND KNOWLEDGE**

Before venturing into the realm of digitization, it is necessary to define the basic components of knowledge. Checkland and Holwell (1998) make a distinction between data, capta, information and knowledge:

• Data are facts.
• Capta are selected or created facts (cognitive settings).
• Information is composed of meaningful facts (context, interests).
• Knowledge is composed of larger, longer-living structures of meaningful facts.

Nunamaker et al. (2001) drop the capta but add wisdom to their classification:

• Data—understanding of symbols.
• Information—understanding of relationships among data.
• Knowledge—understanding of patterns, processes and context.
• Wisdom and judgment—understanding of the principles, causes and consequences that give rise to intellectual and ethical positions.
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www.igi-global.com/chapter/understanding-outsourcing-web-based-applications/6986?camid=4v1a

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