Chapter VI
Capturing Data from Customers

INTRODUCTION

The customer is a strategic element in a company’s downstream supply chain. In the new economy, customers, whether they are individual consumers or businesses, are becoming demanding, powerful, and more knowledgeable than before. The pressure of customers for more improvements (e.g. in quality, cost, and delivery), has been intensified by globalization of marketplaces and the emergence of new business philosophies and models (e.g. click and mortar direct-sale business model). Customer data is the key to successful relationships with customers. Data acquisition is the process to capture, integrate, cleanse, and load customer data, from various customer touchpoints, into the operational data store (ODS) and DW in order to create customer information and knowledge.

This chapter intends to examine the concepts, issues, and trends related to capturing customer data and routing it to, or sharing it with, people in other units within the organization.

CONCEPTUAL FOUNDATIONS

In CKM, interactions with customers are becoming increasingly inevitable to improve quality, cut costs, increase revenues, capture market leadership, and achieve SCA. ICT systems are no longer used for internal command and control purposes,
but for adding value to customers through new products and/or procedures. CKM requires organizations to gather data, information, and knowledge needed to:

- Identify target customers and market.
- Determine the needs, requirements, and expectations of customers.
- Develop and produce products, services, and processes that meet these needs.

The importance of customers to business firms has created tough ‘rivalries’ among competitors over acquiring new customers or retaining/expanding relationships with current ones. In particular, CK has been utilized as a major weapon to gain competitive advantage following the transformation of organizations from ‘product-centric’ to ‘customer-centric’ ones. Therefore, CKM is needed to build good customer relations, satisfaction and loyalty, which in turn would be used to achieve SCA.

This section is set to explain the meaning of the concepts of customer, data, customer data, and to discuss various ICT applications used in the data acquisition process.

**What is a ‘Customer’?**

A customer is a party that acquires or uses an offering, be it product and/or service, of an organization. This includes subentities such as Prospect, Using Customer/Consumer, and Buying Customer (Imhoff et al., 2001). The customer in a B2B context is an organization: a profit-oriented-company, or a not-for-profit institution. In a B2C context, the customer is an individual or a household. The word ‘customer’ historically derives from ‘custom,’ meaning ‘habit; a customer was someone who frequented a particular shop, who made it a habit to purchase goods there, and with whom the shopkeeper had to maintain a relationship to keep his or her ‘custom’ - expected purchases in the future.

**What is ‘Data’?**

The concepts of data, information, and knowledge are essential elements in the CKM value chain and each one needs to be clearly distinguished from the other. Although sometimes these concepts of data, information, and knowledge may be used interchangeably, several authors draw distinction among them (Gore and Gore, 1999). Data refer to representations of unprocessed or raw facts (e.g., statistics, observations, other objective and quantifiable metrics). They are static sets of facts, numbers, or individual entities without context or purpose, and are preceded by a
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