

Chapter 8

CKM 2.0: Integrating Web 2.0 into Customer Knowledge Management

Fatemeh Najafloo

University of Tehran, Iran

Hatef Rasouli

University of Tehran, Iran

Mehdi Shamizanjani

University of Tehran, Iran

ABSTRACT

This chapter explores the affective role of Web 2.0 on customer knowledge management (CKM) in two ways. At first, a new conceptualization of customer knowledge regarding knowledge “for”, “from” and “about” customer is introduced through categorizing them in a detailed typological manner. The second part, attempts to find the relationship between Web 2.0 and three types of customer knowledge in a way that demonstrates each type of customer knowledge could be supported by using any kind of Web 2.0 tools. These parts are integrated as a comprehensive model which is named “Grape Model”. This model encompasses different types of customer knowledge in detail as “grapes” which is related to Web 2.0 tools as “leaves” which support encompassed grapes. The “Grape Model” was applied in four different Iranian industries so as to evaluate each industry in making benefits from CKM and using Web 2.0 tools in order to facilitate the CKM process.

INTRODUCTION

CRM is a process designed to collect data related to customers, to grasp features of customers, and to apply those qualities in specific marketing activities. Researchers suggest that CRM is an information industry term for methodologies, software, and usually Internet capabilities that help an enterprise manage customer relationships in an organized way. It focuses on leveraging and exploiting interactions with the customer to maximize customer satisfaction, ensure return business, and ultimately enhance

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customer profitability (Kumer and Stavropoulos, 2007). Knowledge management is fundamentally about a systematic approach to manage intellectual assets and other information in a way that provides the company with a competitive advantage. Awad and Ghaziri (2004) gave a useful definition of knowledge management (KM) as:

- Using accessible knowledge from outside sources;
- Embedding and storing knowledge in business processes, products, and services;
- Representing knowledge in databases and documents;
- Promoting knowledge growth through the organization's culture and incentives;
- Transferring and sharing knowledge throughout the organization; and
- Assessing the value of knowledge assets and impact on a regular basis.

Rollins and Halinen (2005) regard CKM as an integrated management approach with an ongoing process of generating, disseminating, and using customer knowledge and propose a theoretical framework of CKM that integrates CRM processes. In contrast to customer relationship management (CRM) and general KM, CKM has the following five basic styles: "prosumerism, team-based co-learning, mutual innovation, communities of creation, and joint intellectual property" (Gibbert et al., 2002).

Nowadays, researchers propose that knowledge-enabled customer relationship management (CRM) or customer knowledge management (CKM) is the way to succeed. CKM is an area of management where knowledge management (KM) instruments and procedures are applied to support the exchange of customer knowledge within an organization and between an organization and its customers, in order to improve CRM processes such as customer service, customer retention and relationship profitability (Rollins et al., 2005). CKM is a dynamic recycling process of acquiring and refining valuable customer data by means of various paths and methods, and sharing the generated customer knowledge across the organization. Through this process the organization promotes and optimizes the customer relationships in the customer oriented organizational model, frame and environment (Feng & Tian, 2005). Salomann et al. (2005) defines CKM as the utilization of knowledge "for", "from" and "about" customers in order to enhance the customer relating capability of organizations. Most of previous studies have focused on these three mentioned types of customer knowledge. Hence they have not considered sub-types of each customer knowledge in order to investigate different types of them in details so as to provide a comprehensive typological model of customer knowledge which is centralized through three main types of customer knowledge "for", "from" and "about". By taking into account this fact, it's a critical process through which the identification different types of customer knowledge for each of knowledge "for", "from" and "about" customer through a typological model as mentioned above. This valuable work actually could dramatically strengthen organizations in CKM.

One of the recent emerged technologies in which is applied to provide organizations with utilizing and facilitating the process of KM is Web 2.0 or social software tools. Against the backdrop of recent trends in web technologies such as web 2.0 applications, KM has entered a new age of development with tremendous opportunities (Johnston, 2008). Among various emerging topics of KM, business practitioners and academic researchers have begun to shift their attentions to customer knowledge management (CKM) and social software. The emerging web 2.0 and social software applications open up a new horizon for companies to engage in a more exciting and meaningful relationship with customers (Zhang, 2011). Regarding social software tools like social network, capabilities and specification of each Web

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