Chapter 9
Knowledge Management in the Advertising Industry

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ABSTRACT

In today's competitive business environment Advertising companies need to use knowledge efficiently and effectively to attain sustainable growth. Knowledge is one of the competitive tools of advantage which will clearly distinguish one company with the other. Advertising companies which are highly creative need to come out with innovative measures to handle knowledge management effectively and efficiently. Information and data for the field of advertising is gathered from various sources such as marketing, consumer behavior, media, and communication technologies. It is imperative that the agencies disseminate this information periodically to all the functionaries in the organisation and enhance their competencies. The objective of this paper is to provides insights into the best practices followed by the agencies in Knowledge Management. In this respect, the internal social media have been used by the agencies for effective knowledge management within the organisation.

INTRODUCTION

Knowledge is often defined as a "justified personal belief." There is much taxonomy that specifies various kinds of knowledge. The most fundamental distinction is between "tacit" and "explicit" knowledge. Tacit knowledge inhabits the minds of people and is (depending on one's interpretation of Polanyi's (1966) definition) either impossible, or difficult, to articulate. Most knowledge is initially tacit in nature; it is laboriously developed over a long period of time through trial and error, and it is underutilised because "the organisation does not know what it knows" (O'Dell and Grayson, 1998, p. 154). Some knowledge is embedded in business processes, activities, and relationships that have been created over time through the implementation of a continuing series of improvements. The advertising industry is based on knowledge; passing commercial experience and wisdom; sharing the knowledge and developing creativity

(Michael and Douglas, 2000). Organisations view 'Knowledge Management' as an important business strategy (Alton and Snehasish, 2013). Most of the jobs depend on knowledge rather than manual skills (Geraud, 2005); therefore, developing knowledge management is an important aspect in organisations. Knowledge management requires the creation of a knowledge environment that provides easy access and relevant information within an organisation (Geraud, 2005). Recognising the importance of KM, it is necessary to synthesise the KM related work from multiple disciplines that in our view may reveal the major research themes. But to study KM as a separate discipline of study, a number of difficulties are in the way (Dwivedi et al. 2011). Regardless of these challenges, a stream of research continues to be conducted for managing knowledge.

Dynamic theory of organisational knowledge introduced by Nonaka (1994), explains that organisational knowledge is created through a continuous dialogue between tacit and explicit knowledge. Such interaction takes place through four touch-points, namely, socialisation, combination, internalisation and externalization. Such interaction is transcendental, and as Sorensen and Kakihara (2002) explain, simply encoding data in itself, does not provide a context for using information and the harnessing of knowledge, effectively. Challenges and advantages of KM are naturally related to challenges and advantages of organisational learning, and in the international development field these two sets of issues are often examined together. As with the two generations of KM strategies, an organisation's ability to learn from past experiences can also be divided into first and second order strategies (Argyris, 1992). First order strategies concern 'single loop learning', aimed at correcting and modifying practices in order to fit in with an established policy. Second order strategies are those of 'double loop learning', which – in parallel with second generation KM strategies – aim to increase the organisation's capacity to think creatively and act innovatively. Although individuals certainly can personally perform each of the KM processes, KM is largely an organisational activity that focuses on what managers can do to enable KM's goals to be achieved, how they can motivate individuals to participate in achieving them and how they can create social processes that will facilitate KM success. Social processes include communities of practice – self-organising groups of people who share a common interest – and expert networks – networks that are established to allow those with less expertise to contact those with greater expertise. Such social processes are necessary because while knowledge initially exists in the mind of an individual, for KM to be successful, knowledge must usually be transmitted through social groups, teams and networks. Therefore, KM processes are quite people-intensive, and less technology-intensive than most people might believe, although a modern knowledge-enabled enterprise must support KM with appropriate information and communications technology (King, 2008KM as a discipline has been a focal point of discussion over the past decades. In recent years, the importance of KM has been widely recognised as the foundations of industrialised economies shifted from natural resources to intellectual assets. Since 1995 there has been an explosion in the literature surrounding the developing concept of KM. Today, there is hardly a conference or published journal without seeing literature referring to the concept, KM. The importance of KM as a critical tool in organisation and the society can therefore not be overemphasised. As Desouza (2011) put it, KM has become a trendy buzzword. Much of the interest in KM came from the realisation that organisations compete on their knowledge-based assets. Even noncompetitive organisations (e.g. governmental institutions and nonprofits organisations) succeed or fail based on their ability to leverage their knowledge-based assets. It is stated by Teng and Song (2011) that the importance of KM is no longer restricted to knowledge intensive firms in the high-tech industries but to all sectors of the economy. Zack (2003) further says that even companies in the traditional industries, such as cement, can benefit greatly from KM. Successful organisations now understand why they must manage knowledge,

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