Chapter 14
A Comprehensive Model for Customer Knowledge Management Mechanisms

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ABSTRACT

In order to implement customer knowledge management concepts, companies need to deploy several mechanisms through the development and integration of currently available ways. Although customer knowledge management has been discussed in various circles, fewer studies have tried to discover a comprehensive set of customer knowledge management mechanisms. This chapter proposes a comprehensive taxonomic model that acts as a reference in the area of customer knowledge management. By using this model, companies can manage their customer knowledge in e-commerce or non e-commerce domes. The proposed model is based on blended methodology and contains a vast look at the three different dimensions of customer knowledge through additional details as well as introducing the comprehensive set of "technological" and "non-technological" mechanisms in accordance with each identified types of customer knowledge.

INTRODUCTION

Ever increasing demands of customers concerning quality and innovativeness of products and services put companies under pressure. In combination with global competition, they change the rules of the market and force companies to adapt swiftly (Osterle, 2001). Focusing on customer processes requires knowledge of considerable extent. Customer-focused companies have to provide knowledge that customers demand, process the knowledge that customers pass to the company and possess knowledge about customers (Bueren et al., 2005).

Customer knowledge is at the origin of most improvements in customer value (Rowley, 2002). In order for organizations to be more efficient and effective in delivering products or services to customers, and thus creating customer satisfaction, knowledge of customers will have to be managed to ensure that the services which organizations provide are those that will address specific customer needs (Zanjani et al., 2008).

Customer Knowledge Management (CKM) is the application of knowledge management (KM) instruments and techniques to support the exchange of knowledge between an enterprise and its customers, enabling the company to make appropriate business decisions (Rowley, 2002). Some scholars argue that CKM is the external perspective of KM (Rollins & Halinen, 2005).

Gibbert et al. (2002) defined CKM constitutes as a continuous strategic process by which companies enable their customers to move from passive information sources and recipients of products and services to empowered knowledge partners. They also addressed the following important question and its answer:

"Why do many customer-driven companies not access the knowledge of their customers directly? The problem is that the existing mindset, as evidenced from the literature, provides very little assistance to these companies"

The focus of this chapter is on proposing a comprehensive taxonomic model for customer knowledge management mechanisms which acts as a reference model in this area. By using this model, which is called the "Butterfly Model", companies are able to manage their customer knowledge in e-commerce or non e-commerce domains. "Butterfly Model" is founded on the speculative aspects stemming from the information retrieval and analysis of the latest results in related literature. This model encompasses an extensive look at the three different dimensions of customer knowledge in more details than previous CKM researches and introduces a comprehensive set of mechanisms in accordance with each iden-

tified type of customer knowledge. The chapter has important implications for click & mortar companies seeking to improve their business and customer value through effective selection and deployment of CKM mechanisms.

THEORETICAL BACKGROUND

Customer Knowledge and Customer Knowledge Management

With emphasis on knowledge as a key asset and only sustainable source of competitive advantage in the knowledge economy (Drucker, 1993), businesses have come to realize the critical importance of organizational knowledge, but may be overlooking Customer Knowledge as a brilliant element (Gibbert et al., 2002; Tiwana, 2001). In order for organization to be more efficient and effective in delivering products or services to customers, and thus creating customer delight, knowledge on customers will have to be managed to ensure that the services organizations provide are those that will address customer needs (Zanjani et al., 2008). CKM constitutes a continuous strategic process by which companies enable their customers to move from passive information sources and recipients of products and services to empowered knowledge partners (Gibbert et al., 2002). Although Customer Knowledge Management (CKM) has been discussed in various dimensions, we still face considerable questions that are not yet answered. Moreover, not enough attention has been paid in the CKM literature regarding some fundamental issues regarding their customer awareness.

The research of Gibbert et al. (2002), which proposed five styles of CKM, shows that by managing the knowledge of their customers, corporations are more likely to sense emerging market opportunities before their competitors. This enables them to constructively challenge the established wisdom of "doing things around here", as well as increase economic value for the corporation, its

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