Chapter 3.20

Customers' Knowledge and Relational Marketing:
A Web 2.0 Perspective

Pasquale Del Vecchio
University of Salento, Italy

Valentina Ndou
University of Salento, Italy

ABSTRACT

The radical changes occurring in the global business environment, that is, in the information technology field and in management practices, call for a general rethinking of firms strategic positioning and competition. In this scenario, firms having the capacity to manage all of their own intellectual assets seem to be the only way to survive and succeed. The ability to comprehend the role that customers can play in contributing to a firm's value creation is one of the main elements behind the growing attention of researchers and managers in context to managing a firm's relationship with customers. This paper highlights the relevance of a Customers Relationship Management (CRM) issue in a Knowledge Management perspective as well as in Relational Marketing. In addition, this study shows how the rising and large adoption of Web 2.0 technologies represents a real opportunity for the effective implementation of a CRM strategy.

INTRODUCTION

The radical changes occurred in the global business environment, in the information technology field and in management practices call for a general rethinking of firms strategic positioning and competition (Tapscott, 2006).

In the emerging digital landscape firms compete not on their own, but as a network of organizations (Geib et al., 2004) and grasping all that opportunities that can be derived by the strategic management of their own intellectual assets (Seemann et al., 2000; Grant, 1996).

Firms' core competences result as the miscellaneous of that collective knowledge developed

by the entire system; and across this complex scenario, customers knowledge results one of the most important factors for firm's competitiveness (Lorenzon et al., 2007). Even if largely diffused among different industries, this situation seems to be more evident in the sectors more driven by innovation, such as ICT, as well as in all that markets characterized by a high level of obsolescence affecting firms' products. It is in those sectors that the capability of engage customers in an effective and rapid process of development of new product and service is becoming a fundamental approach to guaranty a successful positioning of firms offers.

Imposing the redesign of CRM policies until now adopted, this major comprehension of the customers needs and wills calls for a redesign of several firms' process, from the marketing department to that one devoted to development of new products and services.

Becoming an important element of the feedback loop that can influence innovation, and design processes of the firms and by this of the entire market, this new focus on knowledge shared by customers encourages practices about data collection and to do it through the firms' several channels. There is, in fact, a sort of information that customers can provide responding to a firm's or market's request, some others provided by simply acquiring a product or a service, and a new and interesting typology that is accompanying the recent diffusion of a new generation of technology.

The aim of this paper is to analyze the relevance of this kind of knowledge previously in a Knowledge Management and Relational Marketing perspectives but also at the light of the Web 2.0 technological paradigm. We seek to provide a conceptual framework that helps broaden the understanding CRM in a knowledge management perspective and the role of Web 2.0 technologies in enhancing the effectiveness of the approach.

In this research we are typically based on analyzing previous literature and common sense on CRM in order to identify the main attributes and factors that impact in the failure of the CRM

initiatives. The literature review analysis is based mainly in identifying and analyzing those studies that have provided empirical evidences about the reasons that have impeded firms to grasp the opportunities and the benefits of their CRM investments. Generally, the literature provides single factors or reasons of the failures of CRM strategies. While, in this paper we aimed to extract the factors reported by different authors as the causes of failure of CRM and integrate them together in a synthetic logical framework based on the adoption of Web 2.0 technologies. It is in this perspective that the concept of CRM 2.0 is introduced as that strategic approach at the relationship of customers based on the adoption of a new generation of web technologies.

The article is organized as follows: firstly, we explore the role of CRM in a KM perspective and Relational Marketing perspective. Then, we provide the list of main factors and causes of failure of CRM strategy based on previous literature and empirical studies. We then propose a framework that puts together in an interdisciplinary framework all the factors previously identified. Finally, the role of Web 2.0, Technologies for the implementation of an effective Customers Relationships Management strategy is discussed.

1. CRM: A KNOWLEDGE MANAGEMENT PERSPECTIVE

In a context characterized by uncertainty and continuous changes, organizations are required to behave as open systems able to benefit of the multitude of exchange processes and interactions with the social environment in which they are embedded.

In this perspective, organizational reality is the result of the interaction of its members who must develop a joint interpretation. The knowledge of the organization results from former experiences in the enacted system and allows the development of common images (Argyris, 1964), collective

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