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Customer Knowledge Management Application in Malaysian Mobile Service Providers

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Abstract

In this paper, the aim was to examine the essentially of Customer Knowledge Management (CKM) in Malaysia mobile service providers. In addition, how would customers accept CKM would be discussed. The survey respondents were limited to college students from three main university of Malaysia. It is found in the survey that the current system would not fully satisfy clients, and they need a more enhanced knowledge sharing system. Furthermore, respondents showed their potential and ability to share knowledge through CKM desired channels with mobile service providers to get better and enlarged services.

Keywords: Customer knowledge management; Customer Relationship Management; Mobile service providers; Malaysia

1. Introduction

Nowadays, competitive business complexity has thoroughly changed the idea of boosting the trade with proffering cut-price and improved quality goods and services. The secret relies on the importance of

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Customer's today expanded knowledge, especially about the product and competitors status, which force an enterprise to enter in a tough rivalry situation in the deal with customer need.

Notwithstanding theoretical researches conducted still some obscurities remain in what is the difference between Customer Relationship Management (CRM) and Customer Knowledge Management (CKM). Management, customer and retailer can refer to this information. Knowledge Management (KM) is to get the knowledge about customer, constantly improve it and share it through those parts of organization, which need the knowledge to use it hence add value to their work. A very simple definition for CKM is to get involved knowledge from customer in an organization's value creation process through direct contact. In addition CKM is applying KM on CRM [6]. With regard to the importance of Customer Knowledge (CK) rules in today's organization management concept is going to become an essential enterprise's concern. This paper shows a focus on the manner of encountering Malaysian mobile market, especially relevant parts to Customer-Company relationship with CKM elements as a new tool which invites more profit for both sides. Malaysia mobile market was chosen due to following issues:

- Magnificent growth in mobile subscribers within recent years
- Malaysia is close to shift from a developing country to a developed done
- Backbreaking competitive environment of the mobile service providers

Enabling to know customers expectation is a key competitive factor tool and should be seen as an invaluable asset for the enterprise which leads to build a desirable mutual relationship. This relation development in business through technology provides a variety of effective ways for both sides to be in knowledge transaction with each other. On the other side the crucial point here is constantly changes in customer needs and satisfactions since, ways of getting information have been provided and expanded due to the technology upgrading. It also enables customer to have a wide variety of choices in the market. This research is done due to the CKM concept's obscurity for enterprises and more so customers, implementation's complexity as a long term strategy.

CKM is the new phase of CRM, which requires a shift in mindset in the way that customer is considered as the organization's partner. This new process defines customer cooperation by sharing their knowledge through the organization, so obtained profit is for both side. In addition through the CKM process although customer buy products which are served by enterprise but the profit gained through CK should calculate for customer. With this research one observation was to examine whether the whole market parts and corporations are ready to accept those mentioned terms and conditions and how capable they would be. With consideration of above mentioned the research objective will be shown as follow:

- To determine the acceptance level of CKM in the views of customers
- To determine the necessity of CKM application in the Malaysia Mobile Service Provider Market

2. Literature review

CKM hasn't reached maturity stage of its life. Still there are lots of inexperienced theories and conception need to get in practical appliances. The process of changes in relationship quality between companies from one side and customers at the other side within recently decades until current dramatic time have been discussed to illustrate vitality of preparation in terms of facing towards survival life in competitive business and rising of customer power with actual occurrences.

CRM philosophy came from the aim of creating an enhanced definition of customers in the eyes of the enterprise. In completion, CRM had been affected by information technology since the system was used to deal with customer through existed isolated approach. So the idea of improving that approach started to create an integrated object from both customer and enterprise [1]. The point should remark here is that the strength of customer contribution in company's activity chain still need to improve hence CKM has more emphasis on customer value and participation.

CK is a tool which enables companies to know their customer needs, expectations and what they are in a more sensible manner than before. Therefore, KM organizes collection of information and shares it through the organization in order to build stronger relation between customer and organization. CK is the origin of most improvements in customer value [9].

3 type of knowledge can be classified in both CRM and CKM processes [4, 8]:

- Knowledge about customers: It is used for customer's motivations and to address them in a personalized way.
- Knowledge for customers: includes knowledge on products, markets and suppliers.
- Knowledge from customers: It's due of KM to distinguish which type of knowledge is required for which part of organization.

Interestingly, the biggest problem people encounter in finding information on the Internet or even the intranet is not that they are unable to find the information they are looking for, but that they are unable to digest the over-abundance of data/ information that they uncover. Substantial effort has been done to remark the difference between CRM and KM concepts and their requirements on a side and CKM as an enhanced pervasive strategy for getting in CK as a different mindset for managers. It was replaced with the idea of focusing on knowledge about customers as a procedure in order to build customer relationship management. However leading companies realize that how essential is to change previous point of view and believe in customers knowledge in an integrated manner to fully understand who they are in order to assess their future behavior, needs and expectations [3,5].

Amazingly during recent years, Malaysia mobile service providers market has experienced crucial milestone of their lifetime. Malaysian Communication and Multimedia Commission (MCMC) has provided some statistical data which shows Malaysia mobile market ranking internationally. It is important to discover Malaysia mobile market comparison with other countries. Following tables figure out Malaysia mobile phone users' position in comparison with ASEAN countries, biggest trading partners which show as follows (MCMC, 2007). As it showed in Figure 1(a) third place is assigned for Malaysia among ASEAN countries which highlights magnificent 85.1% of Malaysian were mobile users at the year 2007. Figure 1(b) shows Malaysia ahead of such developed countries as Japan and USA. This amazing discovery demonstrates aggressive potential of Malaysia mobile market with 85.1% of mobile users in comparison with 50% of the whole world's countries. The year 2009 could be considered as a milestone in Malaysia mobile market which Mobile phone penetration rate exceeded 100% which has commenced a vast area of activity in spite of all global economy slowdown battle which affected enterprises economy parts and connections (refer to figure 1(c)).
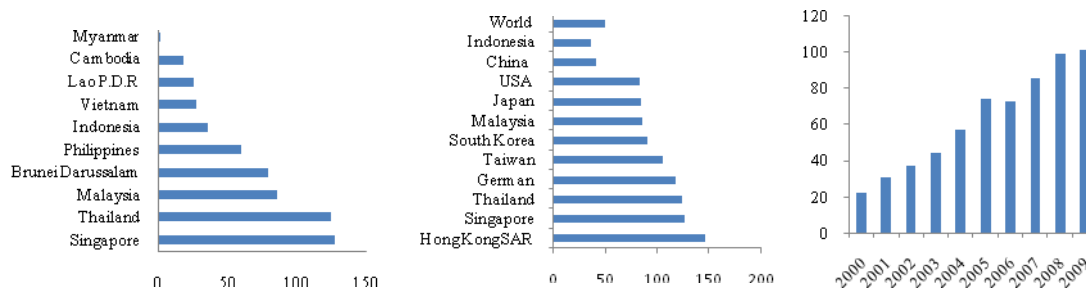

Fig. 1. (a) Mobile Phones per 100 inhabitants in ASEAN countries; (b) Mobile Phones per 100 inhabitants in 10 biggest trading partners; (c) Malaysia mobile phone users Growth

3. Methodology

The process of data collection was commenced after getting approval of questionnaire. It includes selecting random number of students in 3 main leading university of Malaysia, University of Malaya (UM) in Kuala Lumpur, Universiti Putra Malaysia (UPM) in Serdang and Universiti Kebangsan Malaysia (UKM) in Kajang. Reasons of this selection were their effect on the knowledge flow, and being up-to-date and familiarity with the latest technology, so their demands should be placed as the future demands of their progressive society. Bases on total 75,000 students that are studying in the universities that mentioned, the total number of sample were found out by the following equations [7].

There are many reasons why multi-choice questionnaire method was selected. Main reason is the respondent can focus more on proposed answers so classification of results would be easier and more categorized to find out. The questionnaire designed based on general and detailed specific purposes which the research objectives were included in a thoroughly manner. The introduction briefly expressed what this questionnaire is used for, besides scope of research and objectives which comes on mind with emphasis on customer behavior and the value of knowledge companies seeking for it. Customer Knowledge Management definition helped participants to get involved more in research area and to better understand questions sources and purposes [2].

4. Result and discussion

This section includes analysis of collected questionnaires from participants in terms of both overall and detail analysis which applied for each question individually. For detailed analysis, all the gathered data compared with the consideration of the respondents' education, ethnicity and gender to access desirable analysis. First of all, following results on ethnicity, education and gender classification get an initial overview to the whole questionnaire answers by respondents. To do so, respondents were categorized by their education level, which were shown on the following table as undergraduate and postgraduate. Based on above the total participants of 400 were 78% or 313 undergraduate and 22% or 87 postgraduate. The participants' gender was 61% male and 59% female. The ethnicity of the participants divided into 4 categories of Malay, Chinese, Indian, and Others that are shown figure 2.
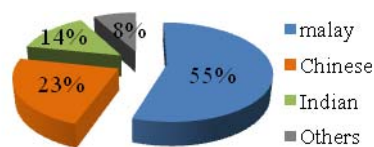

Fig. 2. Total Respondents Division by Ethnic Category

Results shows that, 56% of Malay answered "No", 40% of Indian answered "Moderately", 33% of Chinese answered "Yes", and 44% of others chose "Not Applicable" to the question "Customer as a long term partner". These data discovered for mobile service providers, majority of Malay respondents didn't see the long term partnership with their service providers. Therefore it could be an enormous planned project to work on that particular group of customer with the high rate of their effectiveness on the society. On the other hand, Indians with 40% of choosing "Moderately" answer, mobile service providers should provide some works as motivator plus their planned goals in partners' customer. Low percentages of respondents who chose "Yes" answer reminds the fact that mobile service providers need to thoroughly revise their strategy or policy of customers position in the organizations' long term mission. 44% of others ethnicity respondents chose "Not Applicant" which stated that the starting point of the procedure for

improving this lack is to increase their acquaintance of long term relations advantages. The analysis for male - female and undergraduate - postgraduate showed approximately the respondents answer were quite similar which obtained that almost 50% of the respondents answered "No" regards to 14% of the respondents' answers to "Yes". Information is named as materials for customers' knowledge. So if it gets clear that customer knowledge capturing is from where and from whom it would be a useful address for mobile service providers to accomplish set of activities to control customers' information sources which are adjusted to their conformable manner.

5. Conclusion

This paper was presented that clients are going to be more knowledgably demand-oriented which force companies try to examine customer's future expectation and demands through their knowledge. Based on our finding, first, Malaysia progression leads mobile service clients in situation to be a knowledgably demand-oriented customer. Second, Malaysia mobile penetration rate rises rapidly which enforce companies to apply an instrument to manage millions of clients' knowledge and use it to enhance providing services. Third, tough competition between mobile service providers and essence of using CKM as a competitive tool is recognized. CKM is still passing pre-maturity age with lots of theories which needs to observe the application practicality.

Acknowledgements

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