

# **Knowledge management and customer relationships management: management of customer feedback**

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## **Abstract**

In the recent years, two parallel management approaches have emerged to increase competitiveness of global companies. The approaches are knowledge management and customer relationship management. Knowledge management (KM) concentrates on creation, sharing and dissemination of tacit and explicit knowledge in organizations, as well as on tools, methods and obstacles in knowledge sharing. Customer relationship management (CRM) deals with managing of existing customer relationships, and attracting new customers, and computerized tools for CRM. In knowledge management, the main interest is in how to create and manage knowledge in organizations as such, not concentrating on a specific topic or content of knowledge. On the other hand, customer relationship management is focused on the customers of the company, and the ways the customers are treated and managed. However, the connections and relationships between theories and empirical studies on knowledge management and customer relationship management have not so far been comprehensively compared or discussed.

Previous studies indicate that among the most important knowledge for companies is the knowledge about their customers, whether they are business customers or consumers, end-users of the products or services. Therefore the challenge for companies is how to receive, manage, and utilize knowledge about their customers.

This paper deals with similarities, differences and overlapping issues in knowledge management and customer relationships management. We compare basic assumptions and applications of knowledge management and customer relationship management. Knowledge and understanding about knowledge management can be utilized in developing customer relationship management, and customer relationship management can be seen as an application of knowledge management.

The empirical part of our study dealt with customer feedback of a company that produced and delivered large-scale industrial production machineries as project deliveries. A project delivery is a complicated process consisting of several phases, and including many departments within the company, and other parties, such as suppliers of the company. Products and delivery processes were usually tailored for each individual project delivery. As a consequence, this kind of business environment is especially challenging for knowledge management and customer relationship management. We examined the content and processing of customer feedback in the case company. Four customer companies of the case company participated in the study. Thematic interviews were conducted among the personnel of the case company and the customer companies, and 57 persons were interviewed. Organizational documents about project deliveries were used as additional data.

The findings showed problems and challenges in knowledge sharing and processing both within the case company and between the case company and the customer companies. For customer feedback, the problems were registration of knowledge provided by the customer companies, informing the customers about processing of knowledge, and responsibilities within the case company about processing and disseminating the knowledge within the company. The findings indicate that knowledge management could benefit customer relationship management in complicated business context.

Key words: Knowledge management, customer relationship management, knowledge sharing