Knowledge-enabled CRM – An Integrative Reference Model for Specialist Publishing Houses

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Abstract. This exposé describes the planned research project about the organization of a knowledege-enabled customer relationship management for specialist publishing houses.

Keywords. Customer relationship management, customer knowledge management, specialist publisher, reference model, customer orientation.

1   Problem Statement

Caused by the digital change, specialist publishers face a fundamental structural break. This leads to a differentiated product range as several kinds of terminal equipment like smartphones, tablets, laptops, and personal computers are available for professionals enabling them to receive professional information. This development leads to readers wanting the same information to be made available on different devices or media, consequently confronting the specialist publishers with the challenge to fulfil the customers' wish efficiently (cf. Fesidis 2013, pp. 16–17; Herman/Jakobs 2008, p. 291). At the same time the digitalization of the production and distribution processes has lowered the market entry barriers for new players. For example, the freely available software *iBook Author* by *Apple* enables authors to create an eBook for the *iPad* and to directly distribute it through *Apple's iBooks Store*, in that way bypassing the publisher. Especially small and medium sized specialist publishers perceive this aggravated competitive situation as an existential threat (cf. Steinröder/Pitz p. 12). It is all the more important for specialist publishers to gain readers and to keep them as long-term, valuable customers. Thus, it is crucial for publishers to align their strategy and new product development process with market requirements or customer needs, respectively.

A management approach that puts the customer into the focus of all business activities is the concept of customer relationship management (CRM). However, a first literature review shows that scientific discussion fails to determine CRM as a holistic approach. Instead CRM is still reduced to a concept that focuses on collecting, analysing and using customer data to optimise service and marketing activities. Authors that recognise that CRM can provide a frame for acquiring customer knowledge and using this knowledge for strategy definition and new product development processes (e.g. Ernst et al. 2011; Korell/Spath 2003), form an exception. Instead, customer knowledge management and CRM are being recognized as largely different management concepts in both literature and practice. Early conceptual approaches which integrate both management concepts can be dated back to the early 2000s. They are recognised as a further development of CRM and are called "knowledge-based CRM" (Dous et al. 2005, p. 167) or "Knowledge-enabled customer relationship management" (Gebert et al. 2003, p. 107), for instance.

The German specialist publishers still seem to be far off such an advanced CRM. In a first explorative survey ten experts described the

developmental stage of CRM in German specialist publishers in sum as improvable.

As such, the experts said that depending on the size of the publishing house, CRM technology ranges from *Excel files* in which the customer data is stored, to specialised systems like *Microsoft Dynamics* or *Salesforce*. Furthermore, according to the experts' opinion, the professionalism of process documentation and optimisation is also dependent on firm size. The majority of specialist publishers do not conduct process analyses and documentation within CRM at all. In regards to customer-oriented strategy definition and new product development the experts noted that customer orientation often is only lip service and that ideas for new products are often developed solely within the publishing house. The integration of customers into the process of finding and evaluating ideas only happens occasionally, according to the experts. They also stated that there is a lack of defined processes which would help integrate customer knowledge into new product development.

2 Research Questions

According to the outlined problem area, there is a lack of a structured approach that describes how specialist publishers can systematically gain customer knowledge and use it in the process of new product development. Therefore, the general research question of this project is: *"How should knowledge-enabled CRM be organized for specialist publishers?"* This general question can be further differentiated in two subordinate research questions.

A requirement for the intended concept of a knowledge-enabled CRM for specialist publishers is the identification of existing methods to acquire customer knowledge. As such, the first research question is: *1) "Which approaches to acquire customer knowledge exist?"* In this context it has to be explained on the one hand, which kinds of customer knowledge are needed in new product development. In this context it also has to be assessed, how and what kind of customer knowledge can be obtained from CRM. On the other hand it has to be analysed to what extent the identified approaches can be implemented in specialist publishing houses. For example, as the German specialist publisher branch is largely characterised by middle-class publishers, the factor of limited resources has to be taken into account.

Within the frame of this research project a literature analysis has already been conducted in order to analyse the state-of-the-art concerning CRM within publishing houses (without focusing on specialist publishers) (cf. Pfahler 2013). It became apparent that previous works focused on strategic aspects. Still, these works (e.g. Doyle, 2009; Gilkey 2011) are more similar to experience reports than structured elaborations that would explain how CRM-specific processes could be designed in order to develop customer oriented offers. An integrative concept, which is the goal of the present research project, is lacking (cf. Pfahler 2013). Due to this gap the second research question arises: *2) "How should the processes for gaining customer knowledge within specialist publishing houses be structured?"*

3 Methodical Approach

The aim of this the research project is to give guidance to practitioners. Therefore the project also has to be justified from a practical point of view (cf. Ulrich 2001, p. 194) and the reference model has to be relevant and applicable for business practice. For this reason the expert survey was conducted. With the survey's results the research questions were further substantiated and updated to the state presented in part two.

The first research question includes the identification and discussion of approaches for gaining customer knowledge. For this, an analysis of existing concepts will first be conducted. In this regard it is important to examine the proposed concepts with their applicability for specialist publishers in mind. To do this the specifics of the specialist publishers' branch, as well as the requirements of business processes in which the customer knowledge should be used in, have to be identified. Considering the vast amount of scientific literature on media specifics and new product development this part can be done in a deductive way at first. Subsequently the identified concepts shall be examined empirically to ensure practical fit. It is still up for debate which method suits best for this purpose. The result of the analysis will ideally lead to a choice of suitable concepts.

In order to answer the second research question it is necessary to start with constructing an approach for reference modelling and to determine the modelling language that should be employed. Considering the multitude of existing approaches and modelling languages in scientific literature this step can be done deductively. For the development of an integrated reference model it needs to be discussed, which theories can make a contribution to a knowledge-enabled CRM.

Moreover, it needs to be reflected which demands on a publisher's specific reference model can be derived from these theories. Depending on which processes already have practical examples, the model design can be done deductively or inductively. The model's accuracy and adaptability will be evaluated by means of a case study examination.

4 Theoretical Perspective

The planned model has its theoretical foundation in resource dependence theory and the knowledge-based view.

The resource dependence theory (cf. Pfeffer/Salancik 1978) serves as the research project's basis: Specialist publishers are dependent on the resources of their current and potential readers. The readers' attentiveness and monetary resources, and moreover the knowledge of the readers' needs and wants of media products, are existential resources for the publisher. In new product development, specialist publishers are dependent on this external resource customer knowledge. With a systematic knowledge-enabled CRM in place, sustainable customer relationships can be built and the obtained customer knowledge serves to reduce the uncertainty involved in the process of new product development.

The knowledge-based view (cf. Grant 1996; Spender 1994) further develops the resource-based view and justifies the project's design goal: In order to develop competitive products, not only customer information is important, but also the publisher's ability, to gain, and use customer knowledge (cf. Grant 1996, pp. 116–117; Spender 1994, p. 353). Therefore, specialist publishers need business processes which enable the continuous exploitation and usage of customer knowledge in an efficient and effective manner.

As already stated in part three, it has to be discussed, which further theories may contribute to a reference model for knowledge-enabled CRM. Furthermore, it needs to be reflected which demands on a publisher's specific reference model can be derived from these theories. For instance, Becker (2008) developed a reference model for innovation processes using among others Schumpeter's innovation theory in order to derive the requirements for his reference model.

5 Outlook

Within the project's frame the definitional groundwork has been laid, the research object has been narrowed down, and a literature analysis has been conducted. Currently, the existing approaches for gaining customer knowledge are being identified. It is planned to finish the project within the next two years.

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