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# THE IMPACT KNOWLEDGE MANAGEMENT ON CUSTOMER RELATIONSHIP MANAGEMENT IN RAVA SHIPPING COMPANY

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#### **ABSTRACT**

Attracting and retaining customers is considered the most valuable element of competition. And it is very important and many organizations it is considered the key to success in business and relationship management needs. Having correct knowledge management for customer relationship management is necessary. Knowledge management is an integral component of customer relationship management. According to theoretical arguments, when implemented customer relationship management, knowledge management program can expand current knowledge about the customer, The main purpose of knowledge management impact on customer relationship management (CRM) and secondary research aims to investigate the effect of knowledge management on customer relationship management (CRM) services. The main question is whether knowledge management on customer relationship management in international rava transporting shipping companies an impact? According to a random sampling of the population, the sample size based on Cochran formula is derived. The sample size for this study is 92.

And to construct knowledge management, acquisition of knowledge, creation of knowledge, storing knowledge, knowledge distribution and maintenance of knowledge was used. And for structural engineering aspects of customer relationship management, customer relationship, customer orientation and organizational variables change in the customer relationship. 92 questionnaires were collected from 73 respondents were male (79%) and 67 women (21 %), respectively. After normal verification and reliability and validity of the data, using regression and correlation coefficients were determined, According to the survey results, the average level customer relationship management and knowledge management in the company is high. And the results of data analysis show that the main hypothesis is confirmed. That is, knowledge management, (CRM) is a significant positive influence on customer relationship management

KEYWORDS: Customer Relationship Management, Knowledge Management, Regression, Correlation Coefficient

#### INTRODUCTION

Today, the use of knowledge in the business world, the company is a key success factor. The company also continued to participate and succeed in a dynamic market, the customer must always consider the most important component. Therefore, to succeed in today's world need to manage both. The traditional bases of economic power, e.g. land, capital and labor, are no longer the critical success factors for business. Most organizations today are focused on the

value of knowledge and information as base of power and competitive advantage.

The changes in the constantly evolving marketplace have been sparked by an explosion in the availability and accessibility of knowledge, the development in technology, a more globalised view of business, deregulation and customers that are more knowledgeable about their needs as well as the products and services that can satisfy those needs. Organizations that have made the shift from traditional business rules to the rules of the new economy will succeed and prosper in this new wave of opportunity. It will, however, require that organizations adapt their business models and business strategies.

The drivers of competitive advantage in the new economy have changed significantly and predicting their competitive position in the marketplace has become a challenge for many organizations. Two of the most crucial opportunities and risks in the new economy are the leveraging of knowledge as corporate asset, as well as building and maintaining strong customer relationships.

This article aims to define the role of knowledge management in customer relationship management. To date this role has not been formally defined. It is critical for organizations to understand the role of knowledge management in business and customer relationship management to enable them to manage and leverage knowledge as a corporate asset that supports the organization's business strategy and operating model, and therefore the execution of the strategic intent of the business. The article also aims to discuss the findings of a selection of Rava Shipping Company case studies. In this research because of the importance of customer relationships for the effect of size on customer relationship management in a company's service.

### Definitions

According to Peter Drucker, the goal of any business is to create customers. But more importantly, retain customers and deepen the relationship between them.

It is important that, prior to investigating the role of knowledge management in customer relationship management, the definitions of each of these concepts are discussed to ensure a common understanding of what is meant by each. The investigation found that most customers are profitable after the minimum time it could be said even more important is customer relationship staff. Today, customer relationship management due to globalization, increasing competition, market maturity and rapid development of technology in businesses is highly regarded. Customer relationship management is a key business strategy, to survive as a company needs to focus on the needs of its customers. The process of increasing competition and declining customer loyalty led to the product-centric to customer-centric companies has shifted. Here is a greater focus on customer needs to product features. Therefore, care should be made to investigate the factors affecting it. The main objective of the research, the effect of knowledge on customer relationship management.

#### KNOWLEDGE MANAGEMENT

knowledge management as a planned, structured approach to manage the creation, sharing, harvesting and leveraging of knowledge as an organizational asset, to enhance a company's ability, speed and effectiveness in delivering products or services for the benefit of clients, in line with its business strategy. Knowledge management takes place on three levels, namely the individual level, team level and organizational level. Knowledge management also addresses the management of both tacit and explicit knowledge, where tacit knowledge is most probably the area of greatest leverage. It

is a holistic solution incorporating a variety of perspectives, namely people, process, culture and technology perspectives, all of which carry equal weighting in managing knowledge.

#### CUSTOMER RELATIONSHIP MANAGEMENT

Customer relationship management is defined by the researchers as the building and managing of customer relationships on an organizational level through understanding, anticipating and managing of customer needs, based on knowledge gained of the customer, to increase organizational effectiveness and efficiency and thereby increasing profitability. Customer relationship management has a big knowledge management to it. The two terms cannot be equated; however, as knowledge management has a far wider reach than just customer knowledge. Knowledge management also spans product and service knowledge, industry knowledge, competitor knowledge, methods and process knowledge, and regulatory environment knowledge. Customer relationship management systems can, therefore, be seen as a subset of knowledge management systems.

Customer knowledge within the broad domain of information systems literature, customer knowledge has received relatively little attention; however, gathering, managing, and sharing customer information and knowledge can be a valuable competitive activity for organizations. Many scholars classify customer knowledge into three categories: Knowledge for customers, which are provided to customers to satisfy their need for knowledge about products, services and other relevant items; knowledge about customers, which refers to knowledge about customers' back- grounds, motivations and preferences; and knowledge from customers, which is knowledge about products, services and competitors that customers possess. Organizations can obtain this knowledge by interacting with their customers. Knowledge about and from customers is required for continuous improvement in many organizational processes, such as new product development and customer service. Knowledge for customers is required to support customer relations and satisfy customers' knowledge needs. Customer knowledge can be obtained from different sources within and outside an organization. A broad range of information systems known as customer relationship management (CRM) systems are used to gather and integrate customer knowledge sources and facilitate the creation of new knowledge. CRM systems are discussed in the following section. 2.3. Customer relationship management (CRM) systems Customer relationship management has been widely regarded as a set of methodologies and organizational processes to attract and retain customers through their increased satisfaction and loyalty. The main CRM processes involve "acquiring customers, knowing them well, providing services and anticipating their needs". From a technological perspective, CRM systems are information systems that enable organizations to contact customers, provide services for them collect and store customer information and analyze that information to provide a comprehensive view of the customers. CRM systems mainly fall into three categories:

Operational CRM systems aim to automate CRM processes to improve their efficiency and productivity. Customer service and support systems (e.g., call centers), sales force automation (e.g., point of sale (POS) systems) and marketing automation belong to this category. - Analytical CRM systems provide a better understanding of individual customers' behaviors and needs. They facilitate customer behavior predictive modeling and purchase pattern recognition. This category incorporates various analytical tools such as data mining data warehouses and online analytical processing (OLAP).7 - Collaborative CRM systems manage and integrate communication channels and customer interaction touch points. Company websites, e-mail, customer portals and video/web conferencing are examples of collaborative systems. CRM systems help to acquire and continuously generate customer knowledge. The level of support that these systems

provide for each knowledge creation process varies based on the systems' features and functionality. The research model section, which follows, discusses these variations.

# THE ROLE OF KNOWLEDGE MANAGEMENT IN THE CUSTOMER RELATIONSHIP MANAGEMENT ENVIRONMENT

Customer knowledge is a critical asset, and gathering, managing, and sharing customer knowledge can be a valuable competitive activity for organizations. However, within the broad domain of knowledge management, customer knowledge has received relatively little attention. Customer knowledge can be broadly categorized as knowledge for customers (i.e., knowledge provided to customers to satisfy their needs), knowledge about customers, and knowledge from customers, which is the knowledge that customers possess that organizations can obtain by interacting with them.

An organization's ability to create knowledge depends on its capability to convert and combine knowledge from various sources. Organizational knowledge creation theory explains how knowledge is created and expanded through a four-stage process: (1) socialization (sharing tacit knowledge among individuals through social interactions); (2) externalization (formulating tacit knowledge into explicit knowledge that can be shared within an organization); (3) combination (integrating different sources of explicit knowledge to create new knowledge); and (4) internalization (understanding explicit knowledge and integrating it into business practices). Successful customer knowledge creation depends on organizational structures, processes and personal skills, but it also requires appropriate information systems that can speed up and support knowledge creation processes. Customer relationship management (CRM) systems are a group of information systems that enable organizations to contact customers and collect, store and analyze customer data to provide a comprehensive view of their customers. CRM systems mainly fall into three categories: operational systems (used for automation and increased efficiency of CRM processes), analytical systems (used for the analysis of customer data and knowledge), and collaborative systems (used to manage and integrate communication channels and customer interaction touch points) /Knowledge management provides the technology, processes and platforms to create, share, harvest and leverage knowledge on customers in one central location, thus providing one view of the customer, irrespective of geographic location or functional area in the business. A knowledge management system can provide real time knowledge and information on the customer spanning the customer relationship lifecycle. This ensures that staff works with one updated set of knowledge on the customer irrespective of where they work, enabling them to become more effective and more accurate in the development of product, channel and market segmentation strategies.

Knowledge management ensures one view of the customer. This allows for a better understanding of their operating environment, their needs, demands and behavior and therefore for creating a "market of one", i.e. customizing products and/or services to customer needs and pricing it accordingly. It can also lead to new product or service development according to identified customer needs, as well as customer values. Service to the customer can be quicker, more effective and more efficient. Knowledge management can also provide customers with 24-hour access to the knowledge they require on the organization. This reduces the customer buying time and complexity of the customer buying process.

Knowledge management facilitates integration of knowledge between disparate groups or departments within a customer relationship management environment. These disparate groups may be in different business units, or in different geographical locations. Knowledge management facilitates the flow of knowledge around customer issues between the

groups, thereby facilitating quicker and more effective integration of customer related knowledge. It provides one view of the customer, irrespective of within which context the knowledge is used, where it originates or where or how it is utilized. Knowledge management also facilitates transparency, which assists in the integration process.

When implementing customer relationship management, the knowledge management program can assist in managing the increased amount and flow of knowledge related to an expanding customer base, which is caused by the explosion of richness and reach in the virtual world.

Knowledge management programmers can structure knowledge management processes and systems to ensure that all relevant knowledge is retained and made accessible, to add value to the organization as well as the customer.

Knowledge management provides the tools, processes and platforms for staff to share knowledge on customers. It enables them to realize the value of pooling customer knowledge, through which superior customer service can be delivered. Staff is therefore more willing to share customer knowledge as they can see the value that is derived from it. Knowledge management therefore creates the vehicle through which customer relationship management can be institutionalized.

Knowledge management facilitates transparency in geographically dispersed organizations in terms of the availability of knowledge. Customer knowledge can therefore be captured in and shared from one central point, enabling one view of the customer. Quality and speed of decision-making and customer service can increase dramatically.

In the customer relationship management environment collaboration is becoming increasingly prevalent due to organizations expanding their reach and working across geographical boundaries. These organizations use collaboration in the form of virtual communities internal and external to the organization to ensure the harvesting, sharing and leveraging of customer knowledge.

Knowledge management provides the technology, processes and platforms to enable the said collaboration. Knowledge management also ensures the retention of the knowledge shared in these collaborative forums, which is used as business intelligence to do market, customer, as well as product and service segmentation and marketing.

Knowledge management plays a role in facilitating communication through the provision of technology, processes and platforms that enables communication. These technologies, processes and platforms are especially useful in organizations with diverse geographical locations and associated time zones, as well as in cases where there are functional silos in the organization that hamper communication and knowledge flow.

#### **METHODS**

The study case study used rava international transport shipping company. The number of company employees about 121 people.

#### Sample Size and Sampling Method

According to a random sampling of the population, the sample size based on Cochran formula is derived. The sample for the study 92 people.

#### **Methods for Data Collection**

In this study used both field and library method. The theoretical bases for library research and field study

determined the effect of variables.

## The Questionnaire Consisted of Two Main Parts

- General questions (this part of the questionnaire, which includes questions related to respondents' demographic characteristics (such as sex, age, education, experience in the organization, and type of employment) is.)
- questions related to variables (initial questionnaire is attached) that offer and structure of the questionnaire are as follows:

The Main Variable Micro Variables **Related Questions** Knowledge Acquisition 3-2-1 The creation of knowledge 6-5-4 9-8-7 Knowledge Management Storing knowledge Distribution of 14-13-12-11-10 Maintenance of 19-18-17-16-15 Customer Relationship 25-24-23-22-21-20 Customer orientation 32-31-30-29-28-27-26 IT Customer Relationship Management Change the variables associated 42-41-40-39-38-37-36-35-34-33 with client organizations to

**Table 1: Structured Questionnaire** 

#### VARIABLES ANALYSIS

The results of exploratory factor analysis by SPSS software is shown in the table below. As expected, the software shows the output of questions in the eight items of knowledge acquisition, knowledge creation, and storing knowledge, distribution of knowledge, storing knowledge, technology, customer relationship, customer orientation and change organizational variables grouped in the customer relationship.

The size of sampling adequacy (KMO) and Bartlett Exploratory factor analysis by SPSS significance test of sphericity of 0.806 and 0, respectively. It should be noted that about 79% of the variance of the eight factors to explain the factors affecting employee performance.

Cronbach's alpha coefficient of 0.7 is higher and indicates that the questionnaire is designed for high reliability.

In order to study confirm or refute the hypothesis we have used a simple linear regression analysis.

# The Main Hypothesis

Knowledge management, customer relationship management (CRM) is a significant positive influence.

y=0.181+0.878x

Table 2

ANOVAb									
	Model	Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	3.246	1	3.246	212.310	$.000^{a}$			
	Residual	1.376	90	.015					
	Total	4.623	91						
a. P	redictors: (Co	onstant), KM							

$\mathbf{ANOVA}^{\mathbf{b}}$									
Model Sun		<b>Sum of Squares</b>	df	Mean Square	F	Sig.			
1	Regression	3.246	1	3.246	212.310	$.000^{a}$			
	Residual	1.376	90	.015					
	Total	4.623	91						
b. D	ependent Va	riable: CRM							
Coefficients <sup>a</sup>									
Model			Unstandardized Coefficients		t	Sig.			
		В	Std. Error	Beta					
1	(Constant)	.181	.114		1.589	.115			
	KM	.878	.060	.838	14.571	.000			
a. D	ependent Vai	riable: CRM			ĺ				

The results of data analysis show that the main hypothesis is confirmed. Regression analysis was used to test this hypothesis.

As well as secondary research hypotheses based on regression multivariate and univariate regression and correlation were to approve or reject as follows:

Table 3

Hypothesis is Confirmed or Rejected	Hypothesis	
Confirmation	Acquisition of knowledge on customer relationship management (CRM) is a significant positive influence.	first
Confirmation	the creation of knowledge based customer relationship management (CRM) a significant positive influence	Second
Confirmation	save of the customer relationship management (CRM) is a significant positive influence.	Third
Confirmation	The distribution of knowledge on customer relationship management (CRM) is a significant positive influence.	fourth
Rejection	maintenance of the customer relationship management (CRM) is a significant positive influence	Fifth

# **FINDING**

• The conclusion from descriptive statistics

According to the survey results, the average level customer relationship management and knowledge management in the company is high.

- The results of the analysis of the data show that work experience is significant and positively related to customer relationship management.
- The results of the analysis of the data show that the number of years that have implemented customer relationship management, customer relationship management is a significant and positive.

# **CONCLUSIONS OF INFERENTIAL STATISTICS**

After normal verification and reliability and validity of the data, using regression and correlation coefficients

obtained the following results:

The purpose of customer relationship management, data collection, needs, ideas and requests of customers and create an integrated system for better service delivery and customer satisfaction.

Organizations today need to provide feet beyond the needs of their customers, so they can more satisfaction and win their trust so requires communication and customer relationship management system, which is the main thesis research, knowledge management customer relationship management (CRM) is a significant positive influence. The results of the analysis of the data show that the main hypothesis is confirmed. The results of Gebbert & et al (2002), Gebbert & et al (2003), Moreno (2011), Kim & et al., Dong (2012), confirmed are my results.

According to the results, the company can use appropriate facilities and equipment, as well as the use of modern technology in the exchange of information with customers to create a good condition. It is recommended to conduct cross-sectional surveys in order to eliminate defects and services to enhance customer satisfaction index and loyalty index act.

According to the results, we can identify the following suggestions for expanding knowledge management and customer relationship management offered:

- Involving people in the process of creating, sharing, application and assessment through design and implementation of appropriate mechanisms;
- Development of customer-related data as a key element in customer relationship management;
- Promoting a culture of partnership for knowledge sharing organization

It also recommended that future research using methods to rank the impacts of variables influencing management decisions to prioritize their customer relationship management.

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