

A Study of Customer Retention in Today's Competitive World

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Abstract

Dynamic is constantly changing market and technology developments. The organization can adapt to these changes have to be flexible. Strengthening organizational learning is one way to make to achieve this level of flexibility. In addition, due to the dire need organizations to participate in a competitive world, they must have the ability to meet their domestic and foreign needs. Knowledge driver for the organization is vital and a key factor for the creation of knowledge. To expand its base of organizational knowledge by learning from others (colleagues, partners, etc.) and create new knowledge through innovation considered. Both process development and creation of knowledge leads to conservation and sustainable competition for organizations. Dealing intelligently with knowledge resources is an important factor in organizational success.

Keywords: Customer Retention, Competitive World.

Introduction

The era of wisdom or knowledge is new title that refers to the present or near future. The development of human society in general and specifically the industrial and commercial organizations / industry put in a position where to survive to find tools and new strategies are appropriate to the prevailing circumstances. When organizations were seeking, and finding information and knowledge, but today, faced with massive amounts of data are different. In many cases, management and proper utilization of them is another matter. Perhaps that is why "knowledge management" has opened a special place in management literature and the experts are to develop techniques and procedures has brought to him. Today, information and knowledge, based on the position of individual and social life become even more competitive in the labor markets, subject to acquire, develop and update individual and organizational knowledge. To the extent that knowledge is considered essential component of capital production and the markets buying and selling is its own. In the report acquainted with the concept of knowledge and a

variety of opportunities and threats of market knowledge and its management roles and scientific knowledge of project management skills and knowledge management and scientific aspects of this kind of management is written.

What knowledge ultimately is valuable use of knowledge to be able to make better business decisions and improve practices that are based on knowledge. If knowledge makes better decisions and improves performance, is not what it will be conducting management?

That is why the few organizations to apply knowledge management, issue decisions have centered their work. They play the role of science in decision-making to determine how to monitor and keep track of the fact that: Who knows what at what time? In this regard, customer retention is particularly important in today's competitive world, because the cost of maintaining customer is several times lower than attract new customers so decide on the customer relationship is important for organizations.

Barriers and challenges for customer relationship management

Prior organization's CRM implementation, it should be possible to potential problems and knowledge needed to be able to deal with it. At the organizational level, there is different between parts of the business should communicate with customers and all sectors related to CRM, it create joint activities to make a difference. This relationship has been established between customers, and affects the employee's role within the organization. This can also be an emphasis on collaboration and partnership to reduce a certain part of the company. This policy change, usually in the early stages of implementation is faced with opposition. If you want to transfer to CRM effectively take shape, having a skilled workforce is essential. The companies must also have received commitments executives and the resulting resistance against changes to management and control. One of the important points is that organizations have the best talent to maintain their sales and service departments. They are talented staff to develop individual skills and reward them. For example, in call centers, six months required to become a novice to a qualified person and also takes six months to a skilled person, become an expert and professional employees work in the domestic sector, it should be involved in discussions related to customer needs and customer feedback should be considered in the process of developing products and services.

Since all parts of the organization work together and contribute to customer satisfaction, carriers have a reward system to inject impetus into this area are intended and created. CRM should be supported through individual bonuses; for example, if a sales charge based solely on numbers and sales figures receive awards, it does not matter whether other parts of the well in order to meet the needs of customers are moving or not.

It will be the main challenges that an organization might face in implementing CRM is divided into three primary areas:

1) Initial setup fee

The cost of the initial launch is one of the challenges of CRM. It may be organizations on customer management utilities, it have invested large amounts. Because some of these tools are practical, it is hard shared in various sectors.

1) Integrated application utilities

The organization needs to integrate applications based on customer life cycles and interactions with the customer are established. Organizations that manage customer interactions with languages and they need different monetary units, CRM cannot be implemented through traditional technologies. This would be extremely difficult for them.

2) Cooperation in various sectors

CRM is an integrated approach and cooperation of the business sectors that have previously functioned autonomously. The data that is collected as one part of the process should be shared in all other sectors. There may be some sectors share your data with others, expressed their dismay and discontent.

Public models of knowledge management

As can be seen in the model, the public model is composed of four main activities:

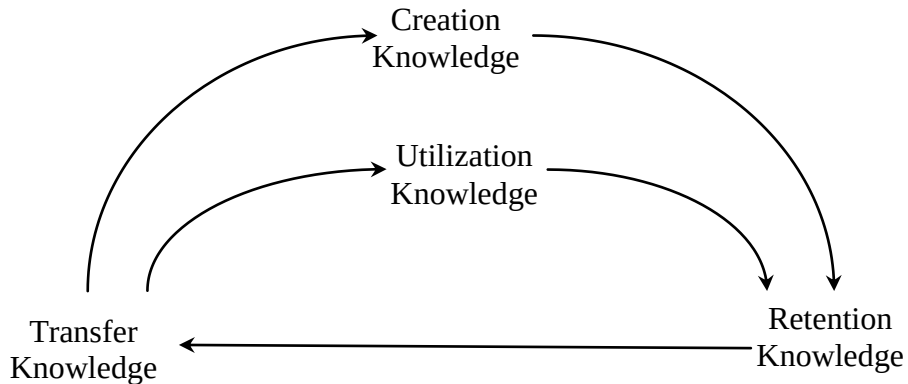


Figure 1. General model of knowledge management in organization (Newman & Conard, 1999)

1 Creation knowledge: This stage includes activities related to the arrival of new knowledge system that includes development, discovery and conquest of knowledge.

2 Transfer knowledge: knowledge of the activities that the system is viable (ibid.) In this regard, experts declared individual memory is the most important factor and it is the organization's ability to maintain and preserve knowledge. The important thing Deing & Corby (1999) to point out that institutional memory only has the capability of explicit knowledge. If organizations are to achieve an effective knowledge, management should not only rely on the creation and use of organizational memory. They refer other memory as individual memory. This memory is the main source and sinks hidden knowledge. Knowledge management can be effective only when the two types of institutional memory exist together and reinforce each other. Another thing point out experts and centers of knowledge portals and gateways centers of knowledge in organizations, in fact, the focus of the collection, organization and dissemination of knowledge. These centers may be physical or virtual. The goal of these centers is to lead to knowledge sources inside or outside the organization. The centers provide knowledge maps; maintenance and updating are (Bhatt, 2001: 71). These centers are considered in principle as branching points of access to any source of knowledge through them. More precisely these centers, ports of knowledge and all knowledge flow passes. In addition to the integration of these centers, content knowledge, especially knowledge will prevent many of rework (McGrif, 2000: 6).

3. Transfer Knowledge: refers to activities that are associated with the knowledge of a department or a person or persons other part involves and includes communications, translation, conversion, interpretation and treatment knowledge.

4 Utilization knowledge: involves activities that are associated with the implementation of knowledge in organizational processes (Newman & Conard, 1999: 5-7).

The objectives of knowledge management in commercial activities

Knowledge management will save not only an organization, but also as a support tool is knowledge management. Due to the pervasive nature of each business, process can lead to a process of knowledge

management. Of course, by one of the activities create knowledge, knowledge distribution or use of knowledge defined. In this article, we focus on the business processes of customer relationship management processes, knowledge management framework is provided in Customer Relationship Management, which will be used to create competitive advantage. There will be customer knowledge management model on behalf of the client it works with the customer knowledge are summarized. Knowledge is created, drawn, distributed, modified, and always used in all activities is customer relationship management. The ultimate goal of customer knowledge management, knowledge management processes horizontal transfer of theoretical models to practical purposes. The objectives of the Figure have brought include:

1. Transparency knowledge: with respect to customer knowledge management in business processes, the implementation of protection
2. Distribution of knowledge: the owners of the business processes in order to distribute customer knowledge protection. This is for all those who are involved in these activities are necessary. Transparency is essential for the management of knowledge management knowledge sharing.
3. Development of knowledge: that of supporting business processes associated with creating and adapting knowledge defines requirements. Individuals can create the knowledge. This knowledge is a process based on individual records related to customer relationship management stems. Process of customer knowledge development requires that students be distributed among the parties. Because of management knowledge needed to manage the distribution of knowledge.
4. Efficiency knowledge: business processes that support customer relationship management in the life sciences for the process of the knowledge available are involved. Effective knowledge management development needs the high level of understanding of the needs of the present and future customer needs, customer relationship management processes spread. Thus the uncertain environment should be one of the most difficult management decisions be made, the conscious part of customer knowledge is to destroy or ignore. The decision on the grounds we find this knowledge in actual flow in the current business processes, and slow. 4 goals knowledge management is a framework for analyzing customer's needs in providing customer relationship management process. This alone will not create value, but there will be a substrate for commercial activities.

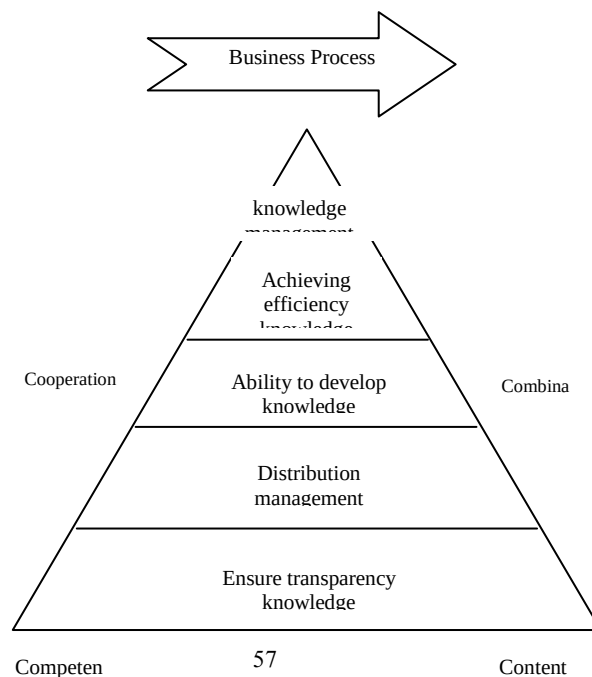


Figure 2. Goals knowledge management in business processes

Stages of designing customer knowledge management in East Cement

Customer knowledge management implementation approach in East cement company's changes and developed programs and processes and implementation of the system are synchronized in all three areas of man, culture and organization and its structure and technology happen. In fact, the implementation process has been based knowledge management software system. The system is based on "Nonaka and Takeuchi" set and designed.

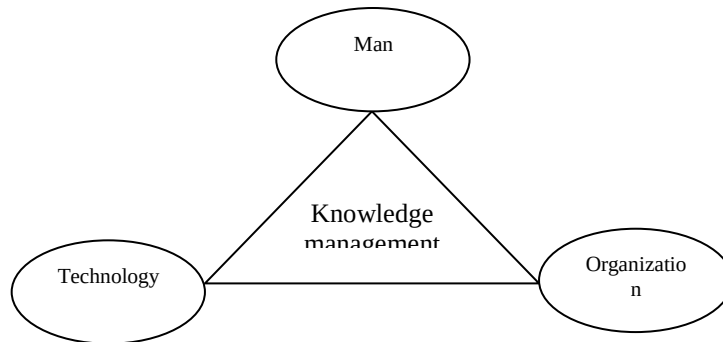


Figure 3. Knowledge, Man, Technology, Organization

Start Project

After discussion at this stage as project, design, coordination, and holding sales meetings voted to approve the project research was conducted in connection with the project.

The project started during a period of three months from February 2010 and continued until mid-May to close its results. Top management supports the project and middle managers. While experience in the implementation of knowledge management had indicated that without the support of the managers of these projects will lead to failure.

Activities carried out at this stage are as follows:

- Understanding the organization and its customers
- Review of strategic plans for sales organizations to extract customer's knowledge management strategy of the company
- Check the appropriate software to create IT strategy document
- Evaluation of the exchange of knowledge between organizations and customers
- Cognitive stimulation threshold customers
- Review the organization's technology infrastructure
- Compiling motivational methodology
- Determine the initial population of clients

Step of designing knowledge management model (Knowledge Map)

It based on Nonaka and Takeuchi due to the organizational structure and culture, designed and regulated. On this basis, according to a review of this model that focuses on the interaction between explicit and implicit knowledge and the four embedded process.

According to our knowledge in this phase of our theme and discussion processes with a view to customer knowledge which is derived from the "of, for, about" and the population of East Cement customers from

viewing the categories of "customer, product, process of buying and shipping, advertising "are important for our integration.

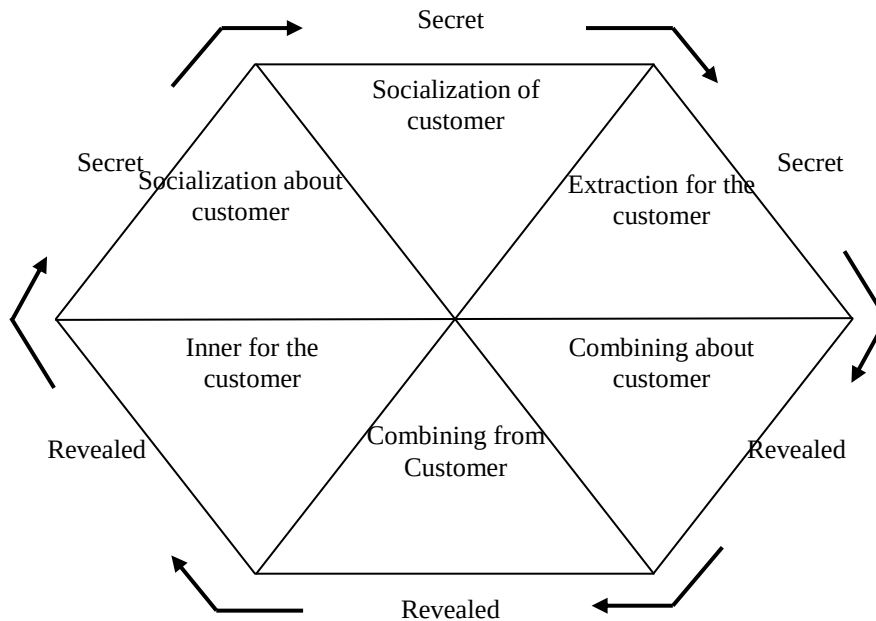


Figure 4. Proposed models of knowledge management

According to Nonaka four social process of removal, the composition being comprised of inner and hidden knowledge and explicit emphasis on the interaction between given the role of knowledge in customer flow process into three knowledge, knowledge of and knowledge about the split client and based on our research field that is East Cement Company and the four process customer, product, process of buying and delivery, advertising given the importance of their proposed model have been provided as shown in Figure 5-3.

Culture and education

The main objective of this step is education. At this stage, it is tried two ways appropriate context and the other at the Hotel Aria in order to deliver products and learning more about its customers. Generally, at this stage implement their model to have these things.

- Seminars for clients on a better understanding of the issue
- Create incentives to share knowledge enterprise customers using personal interviews
- Holding training sessions for sales personnel engineering unit sales in order to synchronize them with the project
- Customer Knowledge Management team consists of sales engineering offices

Provide specialized training to experts for continuing organizational strategy, cultural and technological

Equipping and preparing

According to the plan approved by the East Cement Company in sales meetings and based on the proposed model to provide the necessary equipment. In this regard, the following actions are:

- Bed preparation East cement company intranet for software development plan
- Holding frequent meetings to prepare in-depth questionnaire in line with the proposed model
- Final approval and complete the questionnaire and print-depth questionnaire to face to face interview
- Coordination for sufficient funds to go to clients and interviews
- Recruitment Consultant ads in this regard, to collaborate on this project
- Raised the number of initial customers for design
- Prepare a list of important clients and 15 clients participating in this study
- Passage of the interview for a double with customers to the correct interpretation of information
- Analysis of questionnaires to put the appropriate fields to store customer knowledge in the software system

Implementation of the project

According to the current schedule, the first phase of the study in two phases started its activities in coordination with the customer during reasonable hours and they are going to double and in-depth interviews with clients. It should be noted that law firms are looking for people who have influence and decision makers for companies just before the interview subjects were selected and set up an appointment with them. In the second phase along with providing in-depth interviews with customers to produce software in order to remove and combining our knowledge of the system. This phase took place in the IT environment and then analyzes the results of the first phase of the system's web-based interviews were conducted.

The reasons for use of this model

After reading on all models of knowledge management for the following reason this model to other models are preferred.

- A high reputation among the other models of knowledge management and implementation of knowledge management in more than 200 leading global organizations based on Nonaka model
- Comprehensive and cover all kinds of knowledge and reveal hidden knowledge at individual and collective levels, well covered by Nonaka.
- High capability in the use of IT due to the dynamic and flexible interoperability, healing and development by Nonaka software system is well reachable.

Conclusion

Although the concept of knowledge management for more than a decade ago, only a few years in Iran and that these issues are often raised in academic communities and Seminars. That is why these debates are often still theoretical aspects and about ways to implement and enforce it in the organization, less work has been done. In this chapter, we tried to develop their proposed model proposed by Nonaka and we proceeded to implement it in another stages. The project is described in six stages and at each stage; we have to check the relevant circumstances. In the proposed model we tried based on four process Nonaka and also according to the customer flow process knowledge as well as include four important process in East cement company.

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