

*Do we really  
understand our  
customers?*  
CKM Approach



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# Introducing Victor Leung

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- Marketing Manager (KCRC)





# CKM Approach

- Various presentations in public conference
- Lecture notes of KMDC KM Dip
- Paper: for the Proceedings of the 11<sup>th</sup> HKQMA and 1<sup>st</sup> Six Sigma Convention (2005)



# SERVQUAL Model Gaps

## Gap 1

### Knowledge Gap

The difference between actual customer expectations and management's idea or perception of customer expectations

Management  
Perceptions  
of Customer  
Expectations

Expected  
Service



# SERVQUAL Model Gaps

## Gap 5

### The Expectation & Perception Gap

Differences between Expected and  
Perceived Quality

Expected  
Service

Perceived  
Service



# The Follow up of Gap Analysis Model

- Gap 1 is not fully explored.
- Customer is not part of the knowledge creation process.
- Lack of understanding of customers.
- Feed back is only on the customer perception on the service characteristics.
- *How to understand customers in more details?*



# Gap between Management Perception and Customer Expectation

- One wearing the shoes knows best where it pinches.
- In Chinese: 子非鱼，安知鱼之乐
  - Meaning that if you are not fish, how you know that the fish is swimming happily in the water?
- Better to learn from customers their experience in using your service/product.



# Benefits of Communication with Customers

- Better information on what customer needs;
- Closer relationship with customers;
- Share across the organization of what customers expect; and
- Change of cultures within the organization.





# Feedback from Customers

- Feedback about customer experience from specific service encounters soon after the interaction occurs.
- **Tools:**
  - Telephone interviews
  - Email/web site/IVR surveys/interviews
  - Face-to face interview



# Customer Knowledge Management- definition

- CKM is concerned with the management and exploitation of customer knowledge (Jennifer E Rowley, 2002)
- CKM is the ability to effectively leverage information/know-how in the acquisition, development and retention of profitable customers (Ernst & Yong)



# Customer Knowledge

- Managing knowledge :
- For the customer
- About the customer; and
- From the customers.



# Knowledge for Customers

- It is generated in the process within the enterprise, such as research and development.
- In a simple term, product knowledge from service supplier to customers.



# Knowledge about customers

- Knowledge about customer segments and individual customer.
- It can be captured by customer surveys, service management and complaint handling.
- Examples are the demographic data, customer profile, purchasing pattern etc.



# Knowledge from customers

- Captured it from customers basing on the fact that customers gain their own expertise while using the product or service.
- These customers can be worked as co-partnership in improving service.



# 3 Types of Customer Knowledge

- 1. Data-derived knowledge
- 2. Human customer knowledge
- 3. Tacit-unstructured, difficult-to-express knowledge.



# Data-Driven Knowledge

- Transactions of the customers;
- Accounting records;
- Billing records;
- Complaints; and
- Internal documents.





# Human Customer Knowledge

- Interaction among people;
- Experiential observations;
- Lessons learned;
- Qualitative facts



# Tacit-unstructured knowledge

- Intuit messages from customers at sub-rational level;
- Salesperson's interaction with customers, in the form of body language, and facial expressions;
- Good for product development



# Sharing of Customer Knowledge

- Without an increased awareness and use of organizational customer knowledge throughout the entire organization, the organization is expected to loss of competitive advantage and ability to provide the products and services meeting the customer needs.



HOW?



# PLG Meeting of KCRC

- University lectures providing facilitation;
- a forum for face-to-face exchange of opinion among passengers and KCRC Management.



# PLG Meeting of Other Transport Operators in Hong Kong

- Ferries
- Buses
- Railways



# Way Forward

- The development of customer knowledge is very expensive, but how to disseminate the knowledge within the organization?
- A need to develop an organization culture to create, share and use the customer knowledge for actions.



# Case Study



Thank you



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