Introduction

- The Buzz Words We Hear Today:
  - Information Economy
  - Information Age
  - Information Society
- In fact, information, by itself, is being viewed as a resource for gaining competitive advantage.

On the flip side, we often hear:
- Marketing is too important to be left to the marketing department.
- WHY?
- Are all of you here focusing on marketing not talented or trained enough?
- Marketing and Technology Co-alignment: A Necessity

Examples

- COSMOS
- SABRE
- ECONOMOST

COSMOS

Federal Express's COSMOS customer service system tracks every movement of every package in the network (through handheld computers carried by all employees who handle packages). It has become the basis for the firm's continuing ability to differentiate itself in an increasingly competitive market. The company is now providing customers with terminals and/or software so that they can tie into systems directly - in effect enabling Federal Express to manage its own shipping department, thus creating huge customer switching costs.

Glazer (1991)

SABRE

American Airlines' SABRE reservation system, in addition to its well-documented role in retail travel agencies, is the basis of both the firm's successful frequent flier program and its ability to implement "yield management" or flexible and dynamic pricing. The system has now been extended to in-house corporate travel departments and help organizations manage their travel and entertainment operations.

Glazer (1991)
McKesson, the pharmaceutical wholesaler, implemented its pioneering ECONOMOST system by placing terminals in drugstores and tying them into McKesson’s central computer. Originally designed to expedite order processing and control inventory, the system rejuvenated the wholesale drug distribution industry (not coincidentally resulting in the elimination of dozens of competitors). McKesson is now effectively managing retail drugstores for its clients by selling back to them summaries of information collected daily.

Glazer (1991)

Topics of Discussion
- Defining Information and Assessing Information Quality
- Marketing Information and Knowledge Management
- Organizational Information Processing
- Explicit and Tacit Knowledge
- The Case of KPMG

Information
- Data that has been structured so as to endow it with meaning.
- Current trends:
  - Increase in amount of information.
  - Increase in speed of information transmission.

Information Continuum

Information Quality
- Accurate
- Relevance
- Clarity
- Timeliness
**Increasing Returns**

![Graph showing increasing returns on assets](image)

**Examples: Increasing Returns**
- Products that have high network externality
- Interstate highway system
- Fax machines
- When fixed costs are high and variable costs are low (Ford Motor Company)
- Organizational culture

**Market Information and Knowledge Management**
- Focus on information from the Market.
  - Consumers
  - Competitors
  - External Stakeholders, in general.
- Examples:
  - Buyer behavior
  - Competitive signals and reactions

**Market Information and Knowledge Management Domains**
- New Product Development
- New Product Marketing
- Customer Relationship Management
- Segment, Target, Position (STP)
- Designing Marketing Mix Elements
- Market Structure
- …

**Organizational Information Processing**
- Processes through with information is created, disseminated and used in firms.
- Encompasses organizational learning
  - Exploration
  - Exploitation
  - Vicarious Learning
  - Collateral Learning
  - Experiential Learning

**Organizational Information Processing Diagram**

- Assimilation → Transmission → Utilization
- Instrumental → Conceptual
Explicit and Tacit Knowledge

- Why did you decide to get a Marketing Degree?
- Explicit Knowledge: Can be easily articulated and passed on to others (e.g., technical skills)
- Tacit Knowledge: Embedded in organizational socio-cultural systems that create barriers to imitation.

KPMG: One Giant Brain

- Objective:
  - “… deliver the collective know-how of all our professionals, any time, any where on the map.”
  - “We don’t produce widgets, we are the quintessential knowledge-based organization; we are one giant brain.”

Knowledge Manager (KMan)

- The conference (Tacit Knowledge)
  - “It was a repository of experiences, ‘lessons learned,’ information, and documents submitted from throughout the firm, and reviewed for quality by content experts.”
- The Library (Explicit Knowledge)
  - Keywords searchable abstracts.

Knowledge Web (KWeb)

- Knowledge capture and dissemination
- Access to internal and external databases
- Messaging and collaboration tools
- Internet linkages
- Platform for creating various application software

Knowledge Management Process

- Acquisition
- Library Management Activities
  - Indexing
  - Filtering
  - Linking
  - Distribution
  - Application

Keys to Success

- Adapting organizational structures
- Embedding knowledge sharing environment in organizational culture.
Summary

- Defining Information and Assessing Information Quality
- Marketing Information and Knowledge Management
- Organizational Information Processing
- Explicit and Tacit Knowledge
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Conclusion

- We view every aspect of marketing with the “Information” lens.
- Our objective is how to best manage this information.
- We hope that soon somebody important will say:
  - Marketing is too important NOT to be left to the marketing department!