



Teddy Bears and Perfumes: Advertising Information- Knowledge Management at its' best!

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Summary

This paper will examine the issues surrounding marketing in today's business orientated climate and the role of knowledge managers as providers of information.

1. Introduction

According to the Institute of Marketing, marketing is the management process which identifies, anticipates and supplies customer requirements efficiently and profitably. Although at first sight this definition appears to confine the term to the activities of a marketing department, it actually implies something much wider. The management process refers not only to the internal organisation of marketing, but also to other elements implicitly present which include market research (identifying and anticipating); correct design and delivery of product service (customer requirements) and satisfactory pricing policy (profitability). All of these functions can also be categorised as the very essence of what information specialists now term knowledge management. But how can knowledge management be properly defined? One of the most succinct definitions is that by Hoyt (1) -"knowledge management in it's most basic form is made up of the systems that connect people to people and people to information". He goes on to say that a key aspect of knowledge management is understanding how organisations, markets, and individuals create and manage value. The corresponding definition of organisational knowledge is said to be the combination of collective and personal information in context – in essence, information with value.(2)

Knowledge management can therefore be seen to be a combination of all the different types of collective information within the organisation. If marketing information is the essential key to success of that organisation - then the skills that are necessary in order to achieve that level of success must be those of a finely honed knowledge management team.

The modern view of marketing on the other hand is that it is not just a separate function of a specific department of an organisation but that a marketing outlook should be taken by all employees of the organisation if the business is to prosper.



A classic analysis of marketing breaks it down into four main elements, namely product, price, place and promotion (the marketing mix). Successful marketing means not only that these four elements must be individually correctly positioned, but that they should be consistent with each other in order to produce a synergistic effect. Thus, all types of products from expensive perfumes to children's teddy bears are correctly designed for a chosen type of customer and must be priced accordingly, distributed at the right places and suitably advertised and promoted. However one looks at it, correct marketing - and the management of this knowledge throughout the organisation - must be the top-rank objective of any business, and all other activities contribute to this aim. In this sense, marketing is the concept that unifies all activities of the firm.

This paper presents an examination of how closely intertwined marketing, information and the management of that information in the organisation really is - i.e. the management of knowledge within all parts of the organisation. This is achieved by an examination of the different types of markets; by presentation of those factors affecting both markets and knowledge management and a discussion on the merits of linking together these two areas.

2. Market classifications

In it's narrowest sense, a market is made up of the types and numbers of customers for a given product or service. However, in a wider view, a market may be considered to be the entire exchange system of producers, wholesalers, retailers and customers dealing in the product or service. Markets can be classified in different ways, as follows.

2.1 Consumer and Industrial Markets

It is sometimes helpful to distinguish between consumer markets and industrial (or business-to-business markets). In the case of mass-produced branded consumer goods, for example, the manufacturer has thousands of unknown buyers who purchase the product through retail outlets: in the case of industrial equipment and supplies, there may be only a handful of firms who buy the product and they are well known to the manufacturer, who may cultivate their business carefully on an individual basis. The terms of the goods and services which are sold to other business are quite different from those applying to consumer markets, and industrial marketing can be seen as a separate branch of the marketing profession.

2.2 Goods and Services

An obvious distinction is between goods and services: and within goods, between consumable and durables. Another concept commonly encountered is that of fast moving consumer goods, sometimes abbreviated to FMCG, meaning food, drinks, chocolates, household cleaning material and similar items which turn over very quickly. One of the reasons for introducing these terms is that sources of information are often structured in corresponding ways. Thus, some market reports or compilations of statistics may concentrate on, or be confined to, some particular class of goods or services.

2.3 Geography

A further analysis of markets can be made on a geographical basis, one distinction being between home and export markets. A moment's thought is sufficient to realise the host of additional problems presented by export markets - as opposed to home markets - foreign languages, overseas standards and regulations, transport and distribution problems different patterns of market behaviour and so on. Other geographical analysis of markets might distinguish between local markets, regional markets, national markets, European markets - and the international markets. The European market is worth a special mention here as this market is undergoing many changes, such as new countries joining the European Union; European countries who are presently pursuing accession strategies in order to join the EU and former Communist countries who are now able to trade more freely with other countries. All these reasons make the European market a rapidly changing and diverse playground for many new and established companies.

4. Factors affecting markets

The behaviour and structure of markets are influenced by a complex network of facts, some of them represented by the above considerations of geography and the numbers of buyers and seller. Other important factors include the following:

4.1 Transport facilities and costs

Good or bad transport facilities whether by road, rail, air or sea are powerful determinants and poor facilities may prevent a market from existing at all. The markets for perishable foods have been greatly extended in recent times by a fast motorway network and the development of refrigerated container vehicles.

4.2 Trade tariffs

Governments impose tariffs (import duties) and quota restrictions on quantities permitted to be imported, or even outright bans on certain goods. Tariff barriers between members of the European Union have long since disappeared, but the UK imposes import duties on many products imported from countries outside the Union.

4.3 Consumer groups and the "green" movement

Manufacturers and retailers are increasingly being affected by the environmental and consumer lobbies. Many organisations are now having to pay some attention to environmental issues and this has manifested itself in various ways such as less packaging on goods, information regarding the ingredients of labelled products and the availability of recycling depots at larger superstores.

4.4 Controls on advertising

In some countries markets such as the tobacco and cigarette market are not free to promote their goods as they wish, and the controls exerted on advertising, both statutory and voluntary, have an effect on consumer behaviour

4.5 The nature of the consumer

The level of demand for consumer goods is influenced by a variety of facts such as the amount of personal disposable income available for the purchase of optional items. Individual tastes in goods vary, and may be affected by a number of psychological and other variables which are difficult to study and to take account of in marketing. Tastes can, of course, be influenced by group behaviour, as in the case of clothes fashions and manufacturers themselves can create fashions or tastes in some sectors by clever promotion.

4.6 Prices

Price influences choice in complex ways. Thus for example, people may buy more fresh strawberries when the price falls than when they first appear on the market at a very high price. But, however low the price may fall, customers will not necessarily go on buying more - they may become surfeited with strawberries or some other attraction arises, so that the marginal utility of an extra strawberry is seen to be too low. Prices also relate to substitute and complementary goods.

4.7 General and Social Economic factors

Social and economic factors include changes in the size and composition of the population, which will have some effect on the markets for products and services aimed at these groups. Similarly, uneven distribution of income and wealth in society will have an effect on markets. Factors affecting supply include such things as the prices and supply of raw materials, the cost of labour, energy and other operating costs, the efficiency or otherwise of the technology in use, and so on. Also important to consider are political issues of the moment - which may affect a particular industry - and such things as the economy stability - or instability - of the suppliers country.

5. Factors affecting knowledge management

Clearly the factors outlined above have implications for the supply of information. Some of this will come from a company's own in-house files, such as analyses of sales of the firm's products, to indicate likely or regional trends. Much information about the market generally, social and economic trends, the fortunes of competitive brands and products, relevant legislation and regulations and so on, will be available from published sources. Finally in the absence of published data, a firm may set out itself to research buying behaviour and other aspects of its markets.

Whether research focuses on the marketing of a specific product or on understanding and monitoring of a market generally, information in the categories mentioned above is likely to be required. What factors then will affect the successful knowledge management of an organisation?

5.1 Group dynamics and politics

All organisations have what is termed “office politics” - especially in very large organisations. The free flow of information - both horizontal and vertical flows tend to be affected by the group dynamics present in the organisation. This is sometimes one of the knowledge managers most difficult problems - if the team need full access to most information in order to provide an excellent service - then a hampering of the free flow of information can cause grave difficulties.

5.2 Technology

The technology which is available to the team is crucial to the success of an overall knowledge management policy. The team need to be able to keep in touch with what is happening in different departments in the organisation - they need access to email, faxes, mobile phones, -ideally they need the latest equipment such as laptops and state of the art computers. Today’s knowledge managers do not spend all their time in the information unit or library - but are out in the organisation talking to other members of staff and keeping abreast of new issues, policy changes, trends and new products.

5.3 Professional skills

Good quality, well trained, alert and innovative staff who have a sense of business acumen are indeed an asset to the organisation. Good staff also expect - and deserve - adequate remuneration which, unfortunately in some organisations is often seen as a “cost” which can be glossed over.

Also worth a mention here is the cost of continuing professional development - staff must be encouraged to develop themselves and their careers - but again this is often seen as a disposable cost by the employing organisations.

5.4 Facilities

The facilities which are provided for the knowledge management team will also have a bearing not only on success but also on the efficiency and effectiveness of the team. Adequate staffing resources, adequate finances to buy material and staff training are all a cost to the organisation but it is essential that this is seen to be vital to the success of the marketing not only of the products or service - but ultimately of the organisation itself.

5.5 Organisational structure and communication

The structure of organisations inevitably play some part in the general culture and atmosphere which predominates in the work place. This in turn affects communication .The shape of the organisations can also affect the types of communication eg. a flat structure where the organisation is very “open” or Weber’s typical bureaucratic structure which has a tendency to rely on only on rigid vertical lines of communication. It is not the remit of this article to detail all the variables of communication in organisations but merely to point out that all of these facets play some part in influencing the success of the knowledge management team who need to be able to gain information easily from all aspects of the firm.

These and no doubt a host of other factors all contribute to the success of knowledge management working at its best in organisations.

6. Discussion

Cropley(3) stated that “knowledge managers, must ready themselves for dramatic changes and position all their services and activities carefully if they are to gain the full advantages of the technique.” We are presently in a time of such rapid change and no doubt the next few years will see increasing changes - that all business and marketing organisations will struggle to keep up with the changes.

Organisations more and more will come to rely on their knowledge managers for helping them sift through the streams of data and vast reams of paper which flow in and out of buildings. It is worth considering the context in which business organisation are operating in the final months of the twentieth century. Since the 1980's a further decade of technical advances and deregulation combined with increased trade freedom in much of the world have had a profound impact on the types and organisations of business enterprise. Knowledge managers must therefore prove the worth of their services in providing information that can, for example, lead to better decision making; move projects from one stage to the next; facilitate improved relationships with clients; exploit new business opportunities and save time and money (4). The knowledge managers specialist training in the discriminatory techniques of the selection, acquisition, abstracting, cataloguing and classification, indexing and packaging of information resources should be promoted. This can be achieved by establishing the basic principles of integrated information services provision.

7. Conclusion

This paper deals with marketing and the role of knowledge managers in today's market place. Products must not only be correctly promoted and priced, but also made available in the right places. To great extent the pattern of distribution will be determined by the nature of the product. At the same time, the existence of certain types of outlet has encouraged the development of new products and different types of packaging. For Central and Eastern European countries there has never been a more important time for the knowledge manager to assist organisations with this kind of business information.

Marketing therefore provides knowledge managers with an ability to use their expertise in advertising their main product - information. Information is the essential and vital tool on which all marketing principles are formed. From Teddy Bears to Perfume, no matter what the product, the management of knowledge from within and around the organisation is to be one of the ways in which the skills of trained information specialists are to be used now and in the future.

References

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