



## MARKETING COMPETENCIES OF ENTERPRISE AND ITS PARTNERS THEORETICAL AND PRACTICAL APPROACH

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### Abstract

This article concerns categories of knowledge, abilities and competencies, including the marketing ones. They provide the grounds for implementation of an effective marketing knowledge management in the company, including the network entities. The author presents the Smith and McKeen's model, in which one of the stages is based on the activity and creativity of participants in relationships in knowledge communities. Due to the synergy effects, flattening of the asymmetry in the knowledge between participants is observed in the network. Described categories are illustrated on the example of the IT sector.

**Key words:** knowledge, skills, competencies, marketing knowledge management.

### 1.Introduction

Knowledge is the key element of management process in an organisation. Knowledge management consists in its diffusion within, or outside the organisation. Knowledge transfer is a complex process because it refers to (1) knowledge found in human resources of the organisation, tools, tasks and their relationships<sup>1</sup>, and (2) a lot of knowledge in an organisation is implicit or difficult to articulate<sup>2</sup>. Knowledge transfer as an element of knowledge management is determined by skills and competencies of entities participating in it. Day<sup>3</sup> defines competencies as a complex set of skills as well as team learning and experiencing in business processes. It is a unique combination of material and extra-material resources based on company knowledge. Drucker<sup>4</sup> compares enterprise competencies to the process of generating knowledge about customers and competitors and integrating such knowledge with technology. Thus attention should be drawn to synergy effect that results from competencies of network partners and candidates.

The purpose of this article is to identify the structure of marketing knowledge management in the light of knowledge, skills and competencies possessed by the enterprise and established by the enterprises in network relationships with their partners / customers, and also to determine business activities and their effectiveness within which competent knowledge generation, acquisition and transfer take place.

As it is supposed, the currently prevailing view of occurring knowledge asymmetry for the benefit of network leaders / Promoters is losing importance because of progressing facility in knowledge transfer due to for example development of new forms of knowledge exchange in the so-called communities of knowledge. Such a change within existing structure of asymmetry for the benefit of the partner / customer does not depreciate in any way the reasons for establishment of structures based on knowledge, including marketing knowledge. In the phase of knowledge networking, the enterprises will apply the synergy effect of knowledge, skills and competencies of network partners. However, effectiveness of such activities, expressed in knowledge of initiatives for the benefit of knowledge transfer is low, at least in some groups.

Methodology: critical analysis of literature in the field of studied category is conducted in the article and qualitative method of empirical studies (case study) is applied for practical illustration of described processes and phenomena. The case study consists in a comprehensive presentation of a real situation occurring in a particular company or in regard to one of the functions realized within the company (e. g. management, marketing), which is treated as an individual case.

Direct surveys were performed on a sample of 823 students from public and non-public universities in Poland who were studying in mural and extramural programs in 2013 year. The selection of respondents is justified by a high percentage of computer and Internet users in this group<sup>5</sup> (table 1).

<sup>1</sup> L. Argote, P.Ingram, Knowledge transfer: *A Basis for Competitive Advantage in Firms*. "Organizational Behaviour and Human Decision Processes" 82 2000, pp.150–169.

<sup>2</sup> I.Nonaka, H.Takeuchi, *The Knowledge-Creating Company*. New York, "Oxford University Press" 1995

<sup>3</sup> G.S. Day, *The Capabilities of Market-driven Organizations*. "Journal of Marketing" 58 October 1994, pp.37-52

<sup>4</sup> P.F. Drucker, *Innovation and Entrepreneurship – practice and principles*. New York, Harper & Row 1985

<sup>5</sup> An average Polish young person spends about 18 hours a week on-line. It is nearly twice as much the generation of his/her parents (about 10.7 hours) and three times more than the generation of his/her grandparents (6.1 hours). People with university education (17.1 hours on-line) and secondary education (12.8 hours on-line) are predominant here. World Internet Project Poland 2010, p 34, in: Raport Młodzi 2011 [*The Youth Report 2011*], Chapter: Konsumpcja, czas wolny, nowe media; [*Consumption, leisure, new media*], Kancelaria prezesa Rady Ministrów [*Office of the Prime Minister*]; www.zds.kprm.gov.pl/mlodzi-2011; K.Bilińska-Reformat, *Internet jako alternatywny kanał dystrybucji sieci handlu detalicznego*, [*Internet as a alternative distribution canal in retail trade*], „Handel wewnętrzny”, [“Domestic trade”], september-october 2012, pp.420 - 427

Table 1. Basic information about performed research

Specification	Characteristics of performed study
Research technique	field research
Sample selection	targeted selection
Sample size	823
Criteria of selection of sample group	computer and internet users
Spatial range of research	Poland/ Silesia
Time range of research	April-June 2013

## 2. Knowledge, Skills, Marketing Competencies of Enterprise – Identification and Definition of Research Category

Marketing knowledge is defined as company knowledge of its customers and competitors<sup>6</sup>. In other words it is customer knowledge, consumer knowledge and market knowledge<sup>7</sup>. Huber, Morman and Miner similarly identify marketing knowledge with market information that is gained, transferred, interpreted and stored<sup>8</sup>. Jaworski, Khol, Slater and Narver define marketing knowledge as orientation on market<sup>9</sup>. On the other hand, Srinivasta claims that it is a phenomenon that combines three various marketing processes: product development management, management of the chain of values and management of relationships with customers<sup>10</sup>. The enterprise assets, including knowledge<sup>11</sup>, are nothing without organisational skills an their mobilisation and exploitation in such a way that it makes it possible to create value added for customers<sup>12</sup> and key competencies are the notion that best describes strategic skills<sup>13</sup>.

Knowledge, skills, experiences, attitudes and willingness to act in particular conditions but also ability to adjust to these changing conditions constitute competencies<sup>14</sup>. Marketing competencies of enterprise (fig. 1) are identified with strategic assets of enterprises<sup>15</sup>. Hamel and Prahalad<sup>16</sup> and also Sinkula<sup>17</sup> compare marketing competencies to key competencies of organisation. Marketing competencies of enterprise constitute the process of skilful generation and integration of marketing knowledge<sup>18</sup>. The notion of “processes” suggests series of activities.

<sup>6</sup> A.K. Kohli, B.J. Jaworski, *Market Orientation: The construct, Research Propositions and Managerial Implications*, “Journal of Marketing” 54 (April) 1990, pp. 1-18; J.C. Narver, F.S. Slater, *The Effect of a Market Orientation on Business Performance*, “Journal of Marketing” 54 (October) 1990, pp. 20-35

<sup>7</sup> M.J. Shaw, C. Subramaniam, G.W. Tan, M.E. Welge, *Knowledge Management and Data Mining for Marketing*, “Decision Support System” 2001, pp. 127-137

<sup>8</sup> G.P. Huber, *Organizational learning; the contributing processes and the literatures*, “Organizational Science”, vol. 2, 1991, pp. 88-115; C. Morman, A.S. Miner, *The impact on organizational theory on new product performance and creativity*, “Journal of Marketing Research”, vol.34 no 1, 1997, pp. 91-106; C. Morman, A.S. Miner, *Organizational improvisation and organizational memory*, “Academy of Management Review”, vol. 23 no 4, 1998, pp. 693 - 723

<sup>9</sup> B.J. Jaworski, A.K. Khol, *Market Orientation: antecedents and consequences*, “Journal of Marketing”, vol. 57, July 1993, s. 53-77; S.F. Slater, J.C. Narver, *Market orientation and the learning organization*, “Journal of Marketing”, vol. 59, July 1995, s.63-74

<sup>10</sup> R.K. Srinivasta, T.A. Shervani, L. Fahey, *Marketing, Business Process and Shareholder value: an organizationally embedded view of marketing activities and discipline of marketing*, “Journal of Marketing”, vol. 63, special issue 1999, pp. 168-179

<sup>11</sup> More on the subject of marketing knowledge in the Author's publications: *Marketing knowledge management in structural approach; community of practice in Microsoft – international comparison*. La Societe De L'information Perspective Europeenne Et Globale, Studia Ekonomiczne [Economic studies], Zeszyty Naukowe Wydziałowe UE 2013 [Management Department Scientific Workbooks University of Economics 2013]; *Koncepcje zarządzania wiedzą marketingową w przedsiębiorstwie sieciowym; [Concepts of marketing knowledge management in network enterprise]* “Handel Wewnętrzny” [“Domestic trade”], May-June 2013; *Influence of knowledge sharing between intermediaries and IT leaders on developing offers for customers – Polish perspective*; “International Journal of Management Cases”, Special Issue, Volume 15 Issue 4 and others

<sup>12</sup> K.Oblój, *Tworzywo skutecznych strategii. [Substance of effective strategies]* PWE publishing house, Warsaw 2001.

<sup>13</sup> The issue of enterprise competencies as the sources of competitive advantage is the object of interest for representatives of the concept of competency-based competition; they are C.K. Prahalad and G. Hamel. Core competencies of enterprise are defined by them as collective learning of organisation, particularly in the sphere of coordination of various production skills and integration of numerous technology streams. C.K.Prahalad, G.Hamel, *The Core Competence of the Corporation*, „Harvard, Business Review”, May-June 1990,

<sup>14</sup> M. Egeman, preface to Polish edition D. Thierry, Ch. Sauret, N. Monod, *Zatrudnienie i kompetencje w przedsiębiorstwach w procesach zmian, [Employment and competencies in enterprises in the processes of changes]* Poltext, Warsaw, 1994, p. 6

<sup>15</sup> R. Glazer, *Marketing in an Information-Intensive Environment: Strategic Implications of Knowledge as Assets*. “Journal of Marketing” 55, October 1991, pp. 1-19

<sup>16</sup> G. Hamel, C.K. Prahalad, *Competing for the Future*. Boston Harvard Business School Press 1994

<sup>17</sup> J.M. Sinkula, *Market Information Processing and Organizational Learning*. *Journal of Marketing*, 58 January 1994, pp. 35-45

<sup>18</sup> T. Li, R.J. Calantone, *The Impact of Market Knowledge Competence on New Product Advantage: Conceptualization and Empirical Examination*. “Journal of Marketing”, vol. 62, October 1998, pp. 13-29

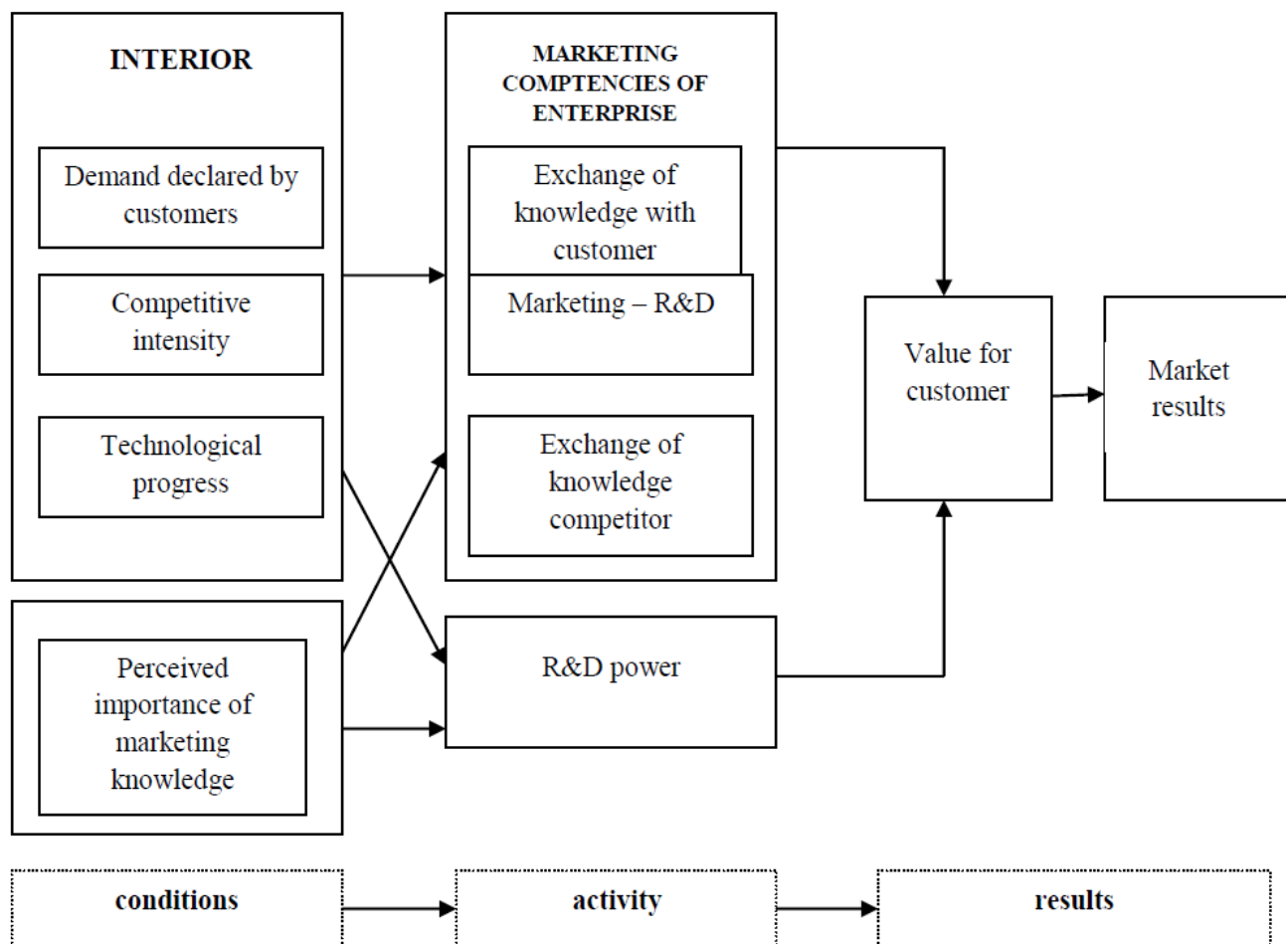


Figure 1. Model of enterprise marketing competencies

Source; T. Li, R.J. Calantone, *The Impact of Market Knowledge Competence on New Product Advantage: Conceptualization and Empirical Examination*. "Journal of Marketing", vol. 62, October 1998, p. 15.

As a series of processes, marketing competencies are characterised by some qualities: they are unlimited because generating marketing knowledge is embedded in cognitive activity of organisation and not observed from the outside, immobile because these processes are created in the enterprise, imperishable because usefulness of these processes is not decreased while being used. And if marketing competencies are not imitated, replaceable and they are difficult to be transferred between the entities, such competencies determine the key competitive advantage<sup>19</sup>.

### 3.Skilful and Competent Marketing Knowledge Management – Levels of Implementation

Management of marketing knowledge is a process of skilful and competent identification of marketing knowledge, ordering, measurement and storage, protection of possessed marketing knowledge, expansion and refurbishment of marketing knowledge resources and its dissemination thanks to creation of platform and tools of knowledge and experience exchange between all the partners<sup>20</sup>.

Because of different position of knowledge in the structure of needs of the enterprise and self-determination in the process of marketing knowledge management three levels of its implementation can be distinguished<sup>21</sup> (figure 2).

<sup>19</sup> G.S. Day, *The Capabilities of market...as above* pp. 37-52; J.G. Fahy, T. Hooley, T. Cox, J. Beracs, K. Fonfara, B. Snoj, *The Development and Impact of Marketing Capabilities in Central Europe*, "Journal of International Business Studies", 31/2000, pp.63-81

<sup>20</sup> D. De Long, P. Seemann, *Confronting Conceptual Confusion and Conflict in Knowledge Management*. "Organizational Dynamics" 2000, pp. 33-44

<sup>21</sup> H. A. Smith, J.D. McKeen, *Developments in practice XIV: Marketing KM to the Organization*. *Communications of the Association for Information Systems*. AIS vol. 14, 2004, pp. 513-525

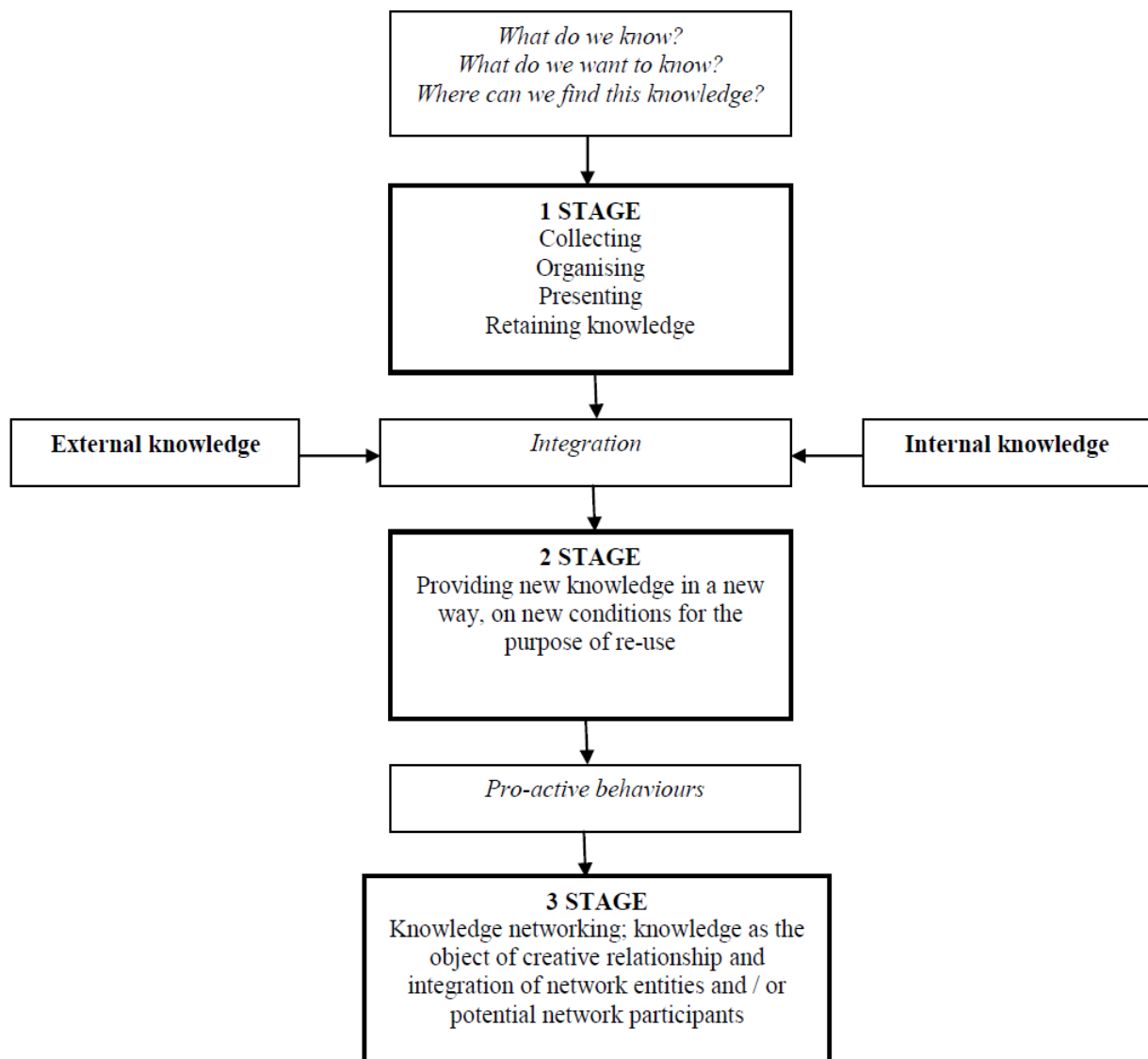


Figure 2. Marketing knowledge management in enterprise

Source: own case study on the grounds of: H. A. Smith, J.D. McKeen, *Developments in practice XIV: Marketing KM to the Organization. Communications of the Association for Information Systems*. AIS vol. 14, 2004, pp. 513-525

On the first level of marketing knowledge management, the enterprise answers the question „What do we know?“ The enterprise focuses on determining its basic marketing competencies and providing necessary knowledge in the space of problem solving. Front line knowledge users are recipients of this knowledge. Answering the question „What do we want to know?“ „Where can we find this knowledge?“ are development of this stage. The effectiveness of the process is obtained thanks to engagement in collecting, organising and presenting, as well as retaining elementary marketing knowledge of the enterprise.

Marketing knowledge management on the second level is reduced to the attempt to provide a value through involvement of new knowledge, new method and to design methods of knowledge re-use in direct or indirect way. Knowledge management performs fully integrative role for external and internal knowledge of the enterprise. The enterprise, in turn, demonstrates the capability to create new knowledge through analysis of existing resources, provision of knowledge necessary to implement business processes in enterprise and integration of a broad range of differentiated knowledge in useful collection of marketing knowledge.

On the third level marketing knowledge management becomes a proactive process developing new behaviours in this sphere. Activity is expressed in networking of knowledge community, involvement of marketing knowledge in the process of creation of smart products and services and learning in organisation and organisation behaviourism (action and reaction to knowledge). The enterprise develops cooperation in the sphere of knowledge transfer and promotes innovativeness and ability to apply knowledge.

#### 4. Skilful and Competent Marketing Knowledge Management – A Practical Example

The third level of management described in point 3 is the expression of particularly clear competent marketing knowledge management observed on the example of entities of IT sector, the leaders / promoters of network

relationships<sup>22</sup>. Exemplary competencies applied and improved in relationships with network partners by Apple Company, including the customer are presented in table No 2.

Table 2. Apple core competencies, on the stage (3) of marketing knowledge networking – examples.

Competencies	Customer	Competitor / co-operating party
1/ Proactive attitude of network leaders on the stage of articulating and communicating vision and strategy for achievement of synergy effects of enterprise, including marketing ones	Propagating the reasons for participation in knowledge communities: a) Development of interpersonal bonds and establishment of long-term relationships; b) Support and development of skills; c) Creation of platform for exchange of experiences; d) Diagnosing local resources: distributors and community; e) Creation of professional contacts and network of values; f) Diffusion of new technological solutions in short time on a global scale.	
2/ Creation of conditions conducive to creativity of network entities, stimulating the processes of learning in the network	Apple Users Group Management tools: a) Apple User Group Bulletin (AUGB) (Apple bulletin) b) Apple User Group Discussion List (AUGD) (Apple discussion groups) c) Apple Sales Web (ASW) (on-line sale for registered participants) d) User Group Vendor Discount Offers – short-term price tools for group leaders and / or its leaders	
	a) Apple User Group Support Team (group managers) b) Apple User Group International Regional Liaisons (regional group managers)	a) Apple User Group Pro and Online Group b) Apple Sales Training Online (ASTO) – current directory guides about products and their presentations c) Resources for Apple User Group Presentations and Newsletters – links enabling contact and knowledge exchange mainly between group ambassadors.
	Apple User Group Advisory Board – consulting group for contact and support of knowledge communities	
	Apple User Group leaders worldwide- consulting group for support of regional and local knowledge communities	
	Apple Consultants Network – <i>group of experts that provide dynamic presentations of the latest technological achievements and guarantee access to these products</i>	
4/Creation of „team brain” – team work in the so-called knowledge communities	63 Glocal /Mac User Group/worldwide knowledge communities	
5/Creation of partnership relationships with entities in the network and outside the network and establishment of reputation of „learning” network and involvement in „learning”	Voluntary actions for schools, hospitals and libraries	
	Selected events organised by particular knowledge communities in the period August-November 2013: Apple Products Review and Party, Southeast Creative Summit, Hands-On Learning With SMUG and MIAMUG, iMovie 11, Summer Party in the Park and Photo Walk	

Apple corporation, a leader in IT sector and promoter of network relationships in this sector, implements the concept of knowledge networking and a transparent way (3rd stage of marketing knowledge management), thanks to

<sup>22</sup> More on the subject of the Author's studies concerning sector and sub-sector network relationships on IT market can be read in the following articles: *Koncepcje wiedzy i zarządzania wiedzą w organizacji – dyfuzja wiedzy w Microsoft* [Concepts of knowledge and knowledge management in organisation – knowledge diffusion in Microsoft]; Zarządzanie i Finanse [Journal of Management and Finance], vol.11, no 1, part 4, Uniwersytet Gdański [University of Gdansk], Sopot 2013; *System certyfikacyjny Microsoft jako forma hierarchicznej organizacji biznesu w sieci –studium przypadku*. [Microsoft certification system as the form of hierarchical business organisation in the network – a case study] Zarządzanie i finanse [Journal of Management and Finance], Wydział Zarządzania Uniwersytetu Gdańskiego [Department of Management of the University of Gdansk], Sopot 2012; *Konsument w sieci wiedzy na przykładzie sektora teleinformatycznego*, [Consumer in knowledge network on the example of tele-informedia sector] „Handel Wewnętrzny” [“Domestic trade”], September - October 2011 and others

competent relationships with final customers and competitors / cooperating parties based on specialist technological / information knowledge. The corporation aims its activities almost exclusively at the group of competent recipients of high involvement and technological knowledge. It applies rather not differentiated forms of marketing knowledge management in both segments: customers and competitors / cooperating parties. Applied methods of knowledge transfer, innovativeness promotion and application of knowledge are based on mutually linked, competent relationships which are expressed for example in 63 glocal knowledge communities.

## 5. Awareness and Involvement of Computer Users in Knowledge Communities

The survey consisting of a questionnaire including 7 substantial questions and 1 question referring to respondents' particulars (years of computer use). The questionnaire was filled in by the respondents (tab. 3). For the purpose of the paper, responses to two questions were used.

Table 3. Computer use length of time

Years of computer using	No
- more than 5 years	419
- about 4 years	198
- 2-3 years	206
- less than 1 year	0

More than 50% of respondents have used computer for over five years.

The question: Do you know of any IT companies aiming at sharing knowledge? the respondents indicated Apple Support Community (111 respondents). While answering the question: „Are you familiar with the following projects of firms” (table 4), only 21% of respondents proved knowledge of presented initiatives for the benefit of knowledge transfer of five selected IT companies of significant position on Polish market.

Table 4. Initiatives serving knowledge transfer of IT sector entities.

Intel's projects	No	Microsoft's projects	No	IBM's projects	No	HP's projects	No	Apple projects	No
„Teaching towards the Future”	71	European Counselling Initiative	-	The Academic Initiative IBM Poland	-	The Centre of Digital Community	-	Apple Products Review and Party, iMovie 11,	-
„Innovative Odyssey”	39	ITeraz Europa	33	Internet in Schools – Project of the President of the Republic of Poland]	141	HP Labs	23	Southeast Creative Summit,	-
Intel Education project	-	Partnership for the Future	29	KIDSMART programme	111	HP Global Business Centre, Wroclaw - Excellence through Enthusiasm!	144	Hands-On Learning With SMUG and MIAMUG,	-
Intel International Science and Engineering Fair (ISEF)	19	Microsoft Imagine Cup	11	workshops and seminars - IBM Innovation Centre	11			Apple User Group Support Team	111
Intel computer clubs	127	Academic Board at Microsoft's	-						
Educational programme “Design and discovery”	39	Network of knowledge tele-centers (TKN)	-						
others	-		-		-		-		-

## Conclusions

Effective marketing knowledge management is a process of skilful and competent identification, ordering, measurement and storage, protection, expansion and refurbishment and popularisation of enterprise knowledge and its partners, including the network ones, about their market and to the market benefit. In presented model of marketing

knowledge management, according to Smith and McKeen, the third stage of the process consisting in proactive behaviour of enterprise in marketing knowledge management allows for behavioural relationships between the network participants, based on knowledge, skills and competencies for the purpose of achievement of synergy effects in knowledge community. Such behaviours at least flatten currently observed quite significant knowledge asymmetry between network participants. This stage of model is particularly actively and creatively implemented by the entities of the sector of engaged technologies, including IT, the example of which is Apple Corporation among others. However the effectiveness of this stage of knowledge management is not satisfactory yet because of low knowledge of such initiatives implemented by the leaders of the sector among computer users.

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