The Role of Knowledge Management on Marketing Intelligence of Employees of an Organization (Case Study: Insurance Companies of Mazandaran Province)

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ABSTRACT: The importance of knowledge as an important and valuable property for contemporary organizations has generated the situations in which, the method to obtain, develop, govern and promote knowledge suitably is changed to one of the main responsibilities and challenges of all organizations. Using marketing intelligence is one of the new tools to help organizations reaching an appropriate situation in agitated environment in these days. The total goal of this study is the role of knowledge management on marketing intelligence of employees in an organization (case study: Insurance Companies of Mazandaran Province). The study enjoys a descriptive survey methodology and statistical sample of study includes all managers and employees of insurance companies in Mazandaran province, meanwhile, the sample size of study includes 278 people in 2012. Two field study and desk study methods are used to collect data and various books, journals, theses and valid scientific websites are referred. A researcher-made questionnaire with 32 questions according to Likert spectrum grading 1 to 5 is the tool to collect required data. Multiple choices from too low, low, average, high and too high with numeral value of 1 to 5 were used in the questionnaire. Validity of questionnaire was calculated by guidance and advisor professors and other related experts, and its reliability was calculated by means of Cronbach’s Alpha index. The results of study suggest that parameters of knowledge management are effective on marketing intelligence.

Keywords: Knowledge, Knowledge Management, Marketing Intelligence

INTRODUCTION

During recent years, various organizations and companies have started to join the trend of knowledge. New concepts such as knowledge work, knowledge worker, knowledge management and knowledge organizations warn us about this intensified trend. Using these words, Peter Drucker argues about a new form of organization in which the power of mind is replaced with the power of arm (mental power instead of physical power). According to this idea, those societies in the future will be expected to make development and progress which enjoy human knowledge. In this way, enjoyment of natural resources may not be as important as knowledge. A knowledge organization obtains the capabilities being enabled to make a great impact of a little power (Alvani, 2001, 283). Being paid attention as a continuous effort to increase competitive capabilities and strategic planning processes, the concept of intelligent is a part of marketing strategy (Jouhari & Stephens, 2006). In literature, the intelligence has been mentioned as a presupposition of strategic planning (Calf & Dishman, 2008) which increases competitive power of an organization and the process of its strategic plans (Jouhari & Stephens, 2006). Cutler believes that marketing is not an accidental phenomenon, but it is the result of accurate planning, design and performance. Marketing activities are being improved in all industries continuously to promote success opportunities, but it is difficult to reach marketing elevation (Cutler & Keller, 2006). Today, various tools are used to
cope with these problems among which, marketing intelligence is a newest tool. Intelligence is discussed in three various field in different papers and books: marketing intelligence, competitive intelligence and business intelligence (Right, 2006).

1- Theoretical Literature:

1-2) Description of Problem:

Today, organizations are being faced with plentiful environmental changes. The changes are too fast to occur during which, the existence of organizations will be endangered if they are not prepared previously. Using marketing intelligence is one of the new tools to help organizations reaching an appropriate situation in agitated environment in these days. The concept of intelligence is paid attention as a process in which, the competitiveness and strategic planning process are improved (Syman et al, 2008, 1).

The Concept of Data, Information and Knowledge

Data is the source to create information. Data includes raw realities and figures (Kidol, 2000) such as “per student”, but information is created by placing data in a specific field or environment (Kidol, 2000). Information is complicated and related to data with its background and interpretation. The relationship between data may explain the information. The exclusive relationship between various data may not lead to information, unless cause to understand the concept of information. Knowledge is a fluid mix of experiences, values, current information and organized perceptions which provides a framework to assess and enjoy new experiences and information. Knowledge is created and used within the mind of scholar. In organizations, knowledge is imagined not only in documents and resources, but also in working process, organizational procedures, applications and norms. Knowledge exists within people and is a part of unknown complexities of human. Changing data to information and then, to knowledge is the core of knowledge management (Jafari-Moghaddam, 2003).

Knowledge Management

Knowledge management is a process to help organizations recognize, organize, distribute and transfer significant expertise which exists within organizations as an unstructured part of organizational memory. Structuring of knowledge improves problem-solving of dynamic learning and effective decision-making in an efficient way. Some management theorists such as Peter Drucker, Paul Stresemann and Peter Senge have assessed and developed knowledge management as a separated course. Drucker and Stresemann insist on development of open information and knowledge of organization as the main resources of organization and Senge insists on organizational learning as one of the cultural aspects of organization. For years, Drucker explained the need of organizations to the systems to create open communication channels. These communications lead to more balance and better decisions (Majd, 2000).

Explanations and Concepts of Knowledge Management:

We review some explanations of knowledge management.

In a simple way, knowledge management can be introduced as following: Motivation of people to share their knowledge with others.

Larry Prusak from McKinsey Consulting Co. says: “Knowledge management is an effort to discover hidden properties in the mind of people and to change this hidden treasure to organizational properties to make it accessible and useable for a wide range of people who involve in making organizational decisions”.

Gorelick et al (2004) indicates: “Knowledge management is basically a systematic strategy to optimize accessibility of people and inter-organizational teams to related and practical knowledge, guidelines and experiences in another location”. This description is similar to description of Prusak, although it observes the knowledge more in viewpoint of user than the viewpoint of its provider. The other point in this description relies on relevance and practicality of knowledge to create value for users (Akhgar&Jahanian, 2010).

Accepted by US Center of Quality and Productivity, the opinion of Brooks indicates: “Knowledge management includes issues and processes to create, define, possession, organization and govern crucial skills, information and knowledge to enable people to fulfill organizational missions in the best manner”. The comprehensive description of Brooks of knowledge management for sustainable and reasonable organizations focuses on integrated organizations which are able to manage their horizontal, vertical, external and geographical borders in the core of their basic values, and to connect them to each other, appealing to the trust (Langstaff, 2000).

Beckman believes that knowledge management is a process to distribute personal and organizational knowledge within the entire organization, leading to an increase of efficiency and total function of organization (Beckman, 1998).
The objectives of Knowledge Management

The objectives of knowledge management are to assist people for innovation, cooperation and effective decision-making. Strategic commitment of knowledge management improves organizational function and elevates organizational opportunities.

Four major objectives of knowledge management systems are:
1) Creation of knowledge resources
2) Elevation of knowledge accessibility
3) Improvement and elevation of knowledge environment
4) Management of knowledge as a property (Abbas Farazeh, 2007).

Knowledge Management Process in the Organization:
Creating a systematic framework to analyze the potential role of information technologies in organizational knowledge management rooted in knowledge sociology, it is possible to categorize knowledge systems in four groups of knowledge processes:
1- Creation
2- Restore and recover
3- Transmission
4- Application

The Conceptual Model of Knowledge Management Relying on Key Factors of Success:
In this section, we develop a conceptual model for knowledge management. This model is designed according to key factors of success in knowledge management.

The model is formed based on organizational culture, management, human powers, training, organizational aspects, pilot, information technology, function assessment, benchmarking and dimensions of knowledge management.

![Conceptual model of knowledge management relying on key factors of success (Jafari&Akhavan, 2006).](image)

Marketing Intelligence

Descriptions

The concept of intelligence is a part of marketing strategy (Jouhari& Stephens, 2006), being paid attention continuously to increase competitive capabilities and strategic planning process.

Intelligence is mentioned as predefinition of strategic planning in existing literature (Calof&Dishman, 2008) which increases competitiveness of company and processing of strategic plans (Jouhari& Stephens, 2006).

It should be mentioned that intelligence differs from data and information, because intelligence requires a series of analysis aiming conceptualization of data and information which may be hidden in any organization (Bose, 2008).

According to Cutler, everyday information marketing intelligence discusses about changes of marketing environment to help preparation and adaptation of marketing plans. In fact, marketing intelligence system defines that which kind of intelligence is required, and takes it from the environment and delivers to the organization (Cutler & Keller, 2006).
Studies Performed Inside Iran

Danesh-Fard (2009) in his studies considered the effect of knowledge management on competitive power of organization. Five parameters for knowledge management and four parameters for competitive power of organization are introduced in his study. The results of his study indicate that there is a relationship between knowledge management and competitive power of organization.

SeyedHosseini et al (2009) point at the role of organizational agility in development of new products in vehicle manufacturing industries, and deem the knowledge management system necessary to collect required information.

Faryabi et al (2011) consider the effect of personal properties to create marketing intelligence in organization. In their study performed in Tehran, they considered the effect of some factors such as personality, creativity, motivation, intelligence and organizational post on marketing intelligence. They totally represented that personal factors are effective on marketing intelligence, and intelligence is the most important factor among selective factors.

MATERIALS AND METHODS

As this study seeks to consider the role of knowledge management in marketing intelligence of employees, a survey-descriptive study method is used. By distribution of questionnaires and holding interview by sample size, required data is collected. Managers and employees of insurance companies in Mazandaran Province are the statistical society of this study including 1000 people according to legal authorities. 278 people were selected as the statistical sample size of study based on De-Morgan Table. Branches of Insurance Companies were selected based on Clustering Method and people were selected by random sampling method.

Cronbach’s Alpha Index is used in this research to consider reliability of questionnaire. Namely 30 people among sample size were selected randomly before total performance of questionnaire, and then the above-mentioned questionnaire was distributed among them and collected again. In the next stage, Cronbach’s Alpha Index was calculated for questionnaire by means of SPSS software, and reliability index was calculated as x=83%, indicating an appropriate reliability of the tool to be performed.

Analysis of Data

Table 4-1. Distribution of participants based on their gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>193</td>
<td>69%</td>
</tr>
<tr>
<td>Female</td>
<td>85</td>
<td>31%</td>
</tr>
<tr>
<td>Total</td>
<td>278</td>
<td>100%</td>
</tr>
</tbody>
</table>

According to above table, 69% of participants are men and 31% are women.

Table 4-2. Distribution of participants based on education

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associate of Arts</td>
<td>36</td>
<td>13%</td>
</tr>
<tr>
<td>Bachelor of Arts</td>
<td>169</td>
<td>61%</td>
</tr>
<tr>
<td>Master of Arts</td>
<td>73</td>
<td>26%</td>
</tr>
<tr>
<td>Total</td>
<td>278</td>
<td>100%</td>
</tr>
</tbody>
</table>

According to above table, 61% of participants have a BA certificate (the most frequency) and 13% of them have an AA certificate (the least frequency).

Working Background

Table 4-3. Distribution of participants based on working background

<table>
<thead>
<tr>
<th>Working background</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10 years</td>
<td>169</td>
<td>61%</td>
</tr>
<tr>
<td>More than 10 years</td>
<td>109</td>
<td>39%</td>
</tr>
<tr>
<td>Total</td>
<td>278</td>
<td>100%</td>
</tr>
</tbody>
</table>

According to above table, 61% of participants have less than 10 years working background and 39% of them have more than 10 years working background.
Description of Variables of Study

Table 4-4. The Mean and Deviation of Answers

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>St. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application of knowledge in organization</td>
<td>3.54</td>
<td>0.62</td>
</tr>
<tr>
<td>Saving knowledge in organization</td>
<td>3.49</td>
<td>0.72</td>
</tr>
<tr>
<td>Stabilization of knowledge by training employees</td>
<td>3.67</td>
<td>0.67</td>
</tr>
<tr>
<td>Stabilization of knowledge by delivery of responsibilities to employees</td>
<td>3.48</td>
<td>0.74</td>
</tr>
<tr>
<td>Sharing knowledge in organization</td>
<td>3.42</td>
<td>0.67</td>
</tr>
</tbody>
</table>

It is seen according to the mean of answers that the variable of stabilization of knowledge by training employees has the most mean descriptively, and variable of application of knowledge in organization is in the second position.

To Consider Research Hypotheses

Hypothesis 1. There is a relation between knowledge application in organization and marketing intelligence.

Table 4-6: Pierson Correlation

<table>
<thead>
<tr>
<th>Variables</th>
<th>Pierson Index</th>
<th>Error rate</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application of knowledge and marketing intelligence</td>
<td>0.53</td>
<td>0.05</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Hypothesis 2. There is a relation between knowledge saving in organization and marketing intelligence.

Table 4-7: Pierson Correlation

<table>
<thead>
<tr>
<th>Variables</th>
<th>Pierson Index</th>
<th>Error rate</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge saving and marketing intelligence</td>
<td>0.45</td>
<td>0.05</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Hypothesis 3. There is a relation between stabilization of knowledge in organization by training employees and marketing intelligence.

Table 4-8. Pierson Correlation

<table>
<thead>
<tr>
<th>Variables</th>
<th>Pierson Index</th>
<th>Error rate</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stabilization of knowledge in organization by training employees and marketing intelligence</td>
<td>0.48</td>
<td>0.05</td>
<td>0.00</td>
</tr>
</tbody>
</table>
H0: There is no relation between stabilization of knowledge in organization by training employees and marketing intelligence.

H1: There is a relation between stabilization of knowledge in organization by training employees and marketing intelligence.

Noting that p-value is significant at the 0.05 level error according to Pierson Table, H0 is rejected with 95% confidence and we conclude that there is a relation between two variables. But the value of Pierson Correlation Index should be paid attention to consider the direction and intensity of relation. As regards, the Pierson Correlation Index is positive, the relation between two variables is direct and its intensity is 0.48. In other words, there is a relation between stabilization of knowledge in organization by training employees and marketing intelligence.

Hypothesis 4. There is a relation between stabilization of knowledge in organization by delivery of responsibilities to employees and marketing intelligence.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Pierson Index</th>
<th>Error rate</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stabilization of knowledge in organization by delivery of responsibilities to employees and marketing intelligence</td>
<td>0.55</td>
<td>0.05</td>
<td>0.00</td>
</tr>
</tbody>
</table>

H0: There is no relation between stabilization of knowledge in organization by delivery of responsibilities to employees and marketing intelligence.

H1: There is a relation between stabilization of knowledge in organization by delivery of responsibilities to employees and marketing intelligence.

Noting that p-value is significant at the 0.05 level error according to Pierson Table, H0 is rejected with 95% confidence and we conclude that there is a relation between two variables. But the value of Pierson Correlation Index should be paid attention to consider the direction and intensity of relation. As regards, the Pierson Correlation Index is positive, the relation between two variables is direct and its intensity is 0.55. In other words, there is a relation between stabilization of knowledge in organization by delivery of responsibilities to employees and marketing intelligence.

Hypothesis 5: There is a relation between sharing of knowledge in organization and marketing intelligence.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Pierson Index</th>
<th>Error rate</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sharing of knowledge in organization and marketing intelligence</td>
<td>0.41</td>
<td>0.05</td>
<td>0.00</td>
</tr>
</tbody>
</table>

H0: There is no relation between sharing of knowledge in organization and marketing intelligence.

H1: There is a relation between sharing of knowledge in organization and marketing intelligence.

Noting that p-value is significant at the 0.05 level error according to Pierson Table, H0 is rejected with 95% confidence and we conclude that there is a relation between two variables. But the value of Pierson Correlation Index should be paid attention to consider the direction and intensity of relation. As regards, the Pierson Correlation Index is positive, the relation between two variables is direct and its intensity is 0.41. In other words, there is a relation between sharing of knowledge in organization and marketing intelligence.
DISCUSSION

Proposals Based On Study Findings

More application of knowledge in Insurance Companies of Province, marketing intelligence will be more. Managers may strengthen the application of knowledge among personnel of insurance companies to increase utilization of marketing intelligence in order to reinforce knowledge application and creation of marketing intelligence.

More saving of knowledge in organizations, marketing intelligence will be more among managers of insurance companies. Managers and planners of insurance companies should save and maintain raw data to represent to others in suitable time.

According to this study, stabilization of knowledge by training personnel creates marketing intelligence. So, it is required for managers in these companies to institutionalize scientific and applied trainings in order to reinforce marketing intelligence.

According to this study, stabilization of knowledge by delivery of responsibilities in organization has a significant role to create marketing intelligence. So, it is suggested to managers to deliver responsibilities and existing knowledge in order to reinforce knowledge because organizational knowledge will be increase when it is used.

According to the results, more sharing of knowledge, marketing intelligence will be reinforced more. So, it is suggested to make continuous sharing of experiences and skills because employees can coordinate their duties unanimously.

According to the results of this study, more knowledge management among employees, marketing intelligence will be more too. So, it is suggested that managers and planners of insurance companies reinforce parameters of knowledge management to help the creation of marketing intelligence.

B) Proposals based on Experiences of Researcher:

1. In marketing management, application of marketing intelligence is highly observed. Managers should not try only to perform marketing researches and collect plenty of information partly improper, but they should also provide practical and useable intelligence for their organization by preparing knowledge management and accurate interpretation.

2. Development of a culture in which there are less negative competition, non-concentration, lack of knowledge exchange and conflict among members of groups, and people are aware of concepts of knowledge management.

3. Creation of an atmosphere in groups in which any individual has initiation to work, and self-confidence is appreciated to help organization obtain, create and develop knowledge successfully.

4. Managers should hold training courses and offer required motivators to create necessary motivation and commitment to obtain marketing intelligence.

5. Establishment of think tanks including experts and scientific, mental and academic elites and also establishment of proposal systems for academic thinkers to offer new ideas to enjoy knowledge management in organizations in order to reinforce marketing intelligence.

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