

# Role of Knowledge Management System In Retail Industry

 Rinky Batra

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**Retailing** is the combination of activities involved in selling or renting consumer goods and services directly to ultimate consumers for their personal or household use. In addition to selling, retailing includes diverse activities such as buying, advertising, data processing, and maintaining inventory.

Retailers are business firms engaged in offering goods and services directly to consumers. In most but not all cases, retail outlets are primarily concerned with selling merchandise. Typically, such businesses sell individual units or small groupings of products to large numbers of customers.

**Retailing is the largest private sector in the world and the prime mover of the economy.** It accounts for almost 10% of the GDP of most developed nations. Retailing globally is huge - \$6.6 billion and much of it is organized. Therefore, a retail business has to face a lot of competition to survive in the industry. To gain an edge over competitors, the business should have well-trained staff and impeccable customer service. A [knowledge management system](#) caters to both of these requirements. It not only helps you to train your staff in the best possible and organized way (by keeping all knowledge articles and training resources in a centralized platform) but it also serves the purpose of self-service-based customer service.



## Customer Knowledge Management System

Customers would prefer retailers whom they perceive to be most suitable to meet their purchase expectations. Retailers therefore would need to have a superior and fine-grained understanding of the **customer and 'customer knowledge'** for commercial success in the fiercely competitive environment. [The challenge in the retail industry is to develop a superior understanding of the customer along with the creation of a large scale of operations.](#) 

The retail industry needs customization on a large scale to attract and keep its customers. This can only be possible by adopting a systematic and process-oriented approach towards the acquisition, storage, analysis, and application of customer

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knowledge; an organization practice that can be broadly described as **customer knowledge management**. More often than not, the knowledge that provides a competitive edge to individuals or organizations is complex and embedded in a specific context. Such knowledge is difficult to articulate and therefore difficult to be captured in documents.

## The two types of knowledge:

1. **Explicit knowledge**, which by definition can be easily articulated and captured in documents, can be managed using information technology, e.g., computers, relational databases, and communication networks.
2. **Tacit knowledge** cannot be articulated or documented. Organizations can only create facilitative conditions such that tacit knowledge can be shared through personal connections, by means of direct communication between experts who possess such knowledge.

Therefore, the purpose of their knowledge management system is not replication or dissemination, but a synthesis of knowledge from experts and in the process, development of new knowledge. The knowledge management systems facilitate people-to-people connections, subsequent collaborations and as a result, organizations do not focus on building large document repositories. Instead, knowledge management systems create directories of expertise of either customer interactions or employee's problem handling experience. For instance, it is important for a retailer to know what prior knowledge a customer had about a particular product when the customer stepped into the shop /website and how such knowledge was modified based on the shopping experience. Such information about consumer behavior is invaluable, it can only be captured through a process of interaction or socialization with the customer. Therefore, **customer knowledge management in the retail industry** should have methods to interact with customers and collect interactive data. Interactive data adds the 'human element' to the transaction data and the knowledge thus captured can be effectively utilized for customization or even for product innovation.

Retailers must deploy a **knowledge management system** that can pervade beyond the physical retail space to capture **determinants of consumer behavior**.  $\square$  Retailers dealing with high-involvement, high-frequency products need to create virtual meeting and discussion places such as comments, feedback, community forums, and social media platforms for their consumers. Such customer 'communities of practice' would discuss product attributes that are present or those that are desirable because the existing products do not fulfill their needs. They can be rich sources of new product ideas and also useful in identifying new usages of existing products.

## Knowledge Management and Retail Customer Service

The lifeblood of retail businesses has always been sales. But it is customer service that turns those casual purchasers into loyal customers. Retail customer service is the act of providing customers with assistance, answering their questions, and helping them solve problems. Things like well-trained salespeople, responsive communication, effective use of technology, showing empathy for customer needs, and providing personalized experiences are just a few retail customer service examples a company can execute to ensure positive outcomes.

Retail customer service is about providing seamless experiences that tell the customer that you not only care about making the sale, you care about them being satisfied with their purchase. Customers value their time; if they need to seek support either before or after the sale, they want it to be easy, efficient, and without a lot of hassle.

**Perfection is not the key to survive the competition, but performing better than competitors would lead to success.**

Companies with strong capabilities and competencies for delivering customer experience excellence are outperforming their competition. Therefore, your company should make efficient use of the knowledge management system to satisfy the customers and drive sales. Below are few benefits of deploying a knowledge base system in the retail industry to stand out from the competition.

## Customer Access to Products and Processes

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The customer service experience starts before the customer enters your store (whether that be for a recent purchase or for help with a previous purchase). Most customers will research online; read reviews, check your store opening time, and maybe your refund policy. You can take advantage of this by giving this information ahead of time. Set up an FAQ section or support articles on your website with the **help of knowledge management software** such as [PHPKB](#). Improving the quality and value of this information will make the in-person interaction when the customer visits your store more smooth.

## Self-Service

The customers these days don't want to wait in queues to talk with support agents. Rather, they want to retrieve desired answers quickly. Therefore, offering an exhaustive self-service portal puts the power in the hands of the customer. You can share important information with users through a knowledge base, can build engagement with the community, and give customers access to their own account with the customer portal. AI, algorithms, and automated services help make sales by providing the desired data to customers swiftly.

## Measuring Satisfaction

Knowledge management software generally comes with reporting dashboards that give a complete view of the health of customer service. Powerful insights about customer feedback illustrate what's working well and what needs to be improved.

## Knowledge Management System and Training Store Employees

With an efficient knowledge management system like PHPKB in place, you can **train the staff on the job easily and drive excellence in stores.** — The knowledge management system can be used in the retail industry to create and share training materials to easily onboard new employees and let them understand how to use POS terminal, how to add/update stock inventory in the stock register, learn the tactics of effective customer service and various other how-to guides with step by step instructions, screenshots, and videos.

The deployment of a knowledge base system will provide the right knowledge to the right employees with no geographical barrier.

- Scale-up learning efforts for the in-store staff and managers using an e-learning knowledge base
- Train in local languages with a multilingual knowledge base system
- Automate skill training at store locations
- Training without geographical barrier
- Arm your store sales team with the latest knowledge about product features, benefits, and comparisons
- Enable your sales team with sales skills blended with customer service orientation
- Use multimedia training to drive the communication to the last mile of the customer interaction
- Train your point of sales staff and POS cashiers to up-sell and provide suggestions
- Raise in-store hospitality with a trained and confident workforce
- Launch product faster by driving communication quickly to the last mile

Online URL: <https://www.phpkb.com/kb/article/role-of-knowledge-management-system-in-retail-industry-226.html>

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