Employee motivation as a tool to implement internal marketing

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Abstract — Implementation of strategies in the organization is the major problem. For the happening of marketing motivation plays an important role. Without motivation of employees, it is difficult to implement internal marketing. In the external marketing, we are using motivational marketing concept so that customer buy the product repeatedly. Motivational marketing brings customer loyalty. Internal marketing is the growing concept in the organization. It is the buy-in process. Before doing external marketing, it is essential to start marketing inside the organization. Employee motivation is a tool through which buy-in process becomes easy. This study reveals what are the difficulties organizations are facing in implementation of internal marketing. Motivation of employees is a prerequisite for success of internal marketing. To improve performance of organization internal marketing is implementing in the internal market. Before implementing marketing strategies, it is important to motivate employee first. However, internal marketing concept under conceptualized. There is need to focus on its concept. Many authors gave their own view about this concept.

Keywords— Employee motivation, internal marketing, implementation of internal marketing.

I. INTRODUCTION (INTERNAL MARKETING)

According to Vary and Lewis (1998) depicted that internal Marketing first identified within service literature in 1970. It is used as a solution to problem of delivering service quality. In the organization, there was problem of how to improve service quality? Thus, the aim of internal marketing is to develop customer conscious employee to improve service quality [1]. According to (Ewing and Caruana, 1999) the main aim of internal marketing is to have customer-oriented employees motivated in the organization. It is also focusing on acquiring and retaining customer oriented employees. By using internal marketing approach, service quality of employees can be improved. In the organization, employees are working to provide service to external customers for this it is important to take care of employees because they are interacting with the external customers. Organizations are facing problems that how to retain and motivate employees? Some scholars researched on effect of internal marketing in employee retention and they found that there is positive effect on it. Many researchers also worked to see impact of internal marketing on employee job satisfaction and this proved that due to internal marketing employee can be satisfied. Main intention here is that to make employees feel that management considers the employees and their needs [2].

Internal marketing approach of customer orientation considers the attraction, retention, and motivation of service-minded employees. In the view of Rafiq and Ahmed (2000) motivation of employee is not only sufficient in itself. With this customer, orientation is also important. According to Ballantyne (1997) many authors agreed that internal customer satisfaction would ultimately effect the satisfaction of external customers [3]. Thus, motivation of customer-oriented employees is important to improve service quality that is the function of internal marketing. Ravneet Kaur (2012) presented a model, which shows that internal marketing aim is to improve service quality through employee satisfaction [4]. If the employee is providing better service due to making their image in front of customer but may be, they are not motivated because of poor human resource system. Demotivated employees are destructive for the
organization. Internal marketing not only provide better service to external customer but also cares to its employee. Lings and Greenly (2005) recommended providing better service and customer satisfaction it is necessary to encourage and motivate employees through the internal marketing. It improves the service quality of organization. This means that to improve service quality of organization, motivation of employee plays an important role. Organizational problem is how to improve service quality. The answer lies in by motivating and satisfying employees. Internal marketing is the practice through which employees can be motivated. [5]. Motivation of employees is necessary for the implementation of marketing practices. It is well known fact for the happening of marketing motivation plays an important role. Internal marketing is the buy-in process. Before doing marketing in the external market it is necessary to do marketing first in the internal market. Marketing is not the one person job. It involves all of the organizational people. Marketing is the exchange process. According to Sasser organization is a market. In the organization all the employees, are doing exchange with each other. Many researchers defined internal marketing differently. There are the three views of meaning of internal marketing which are-

1) It is to motivate and satisfy employee.
2) It makes employee customer oriented.
3) It helps in change management [6]

Simply we can say that internal marketing is the marketing inside the organizational boundary. Giving motivation and satisfaction is the act of human resource management. However, due to increasing competition motivation of customer is essential. Concept of marketing changed due to fierce completion. Customer orientation is required to get success in the market. The organization, which is not using the concept of change management, is also lagging behind. To make the buy-in process motivation of employees is first priority.

It is necessary to know what gives satisfaction and motivation to employees to implement internal marketing successfully. Many private companies are giving opportunities to their employees. However, as we see today’s internal market of organization is full of boredom, stress, conflict, and tiredness etc. employee satisfaction gives way to remove these problems of internal market.

Literature Review

2. Internal marketing and Employee motivation

Rudolf and Kleiner (1989) motivation means “the development of a desire within an employee to perform a task to his/ her greatest ability based on that individuals own initiative.” Motivation gives stimulus to perform task. It is the willingness to do work. According to Jobber (1994), poorly motivated force will be costly due to-

1. Excessive staff turnover
2. Higher expenses
6. Negative morale
4. Increased use of management
5. Absenteeism
6. Sick leaves
7. Strikes
8. Grievances [7].

According to Berry et al internal marketing is the way to satisfy employees need [8]. Needs are never fulfilled. Motivational marketers satisfy want of a person. To satisfy the need there are various choices in the market. Actually, you purchased what you want. This way motivational marketing is effective. For example if a person need job then he would get it anywhere. However, if he wants job in a particular company that is his want. Marketers ask what you want not what you need. If marketers try to satisfy your need then it is not possible for them [9].

According to Berry, internal marketing is the concept to treat employees as customer. The reason behind this is that organization is a market and there is need to satisfy need of the internal customer [10].

Aim of human resource management is to manage employees [11]. With the aid of marketing like activities, internally internal customer becomes satisfied and happier. People purchase the thing
because they want the feeling that comes with the product. They do not need that product but they want to get feeling with that particular product. Most of the times we buy are not our need that is our want [12]. Organizational success depends on how effectively managers motivate their subordinates. It is not easy to motivate employees. It is difficult to understand the reason of people behavior. According to Marshall (1998) explained that internal marketing means how the company manages its employees. Meaning of internal customer service is that they deal with how employees serve each other. Internal customer is every employee of the organization. There is exchange of products and services in the organization. Lings (2000) et al it is based on the assumption that external service quality is dependent on internal service quality [13].

Aydinalp studied on 5 star hotels to find out the effect of motivation on marketing communication. It is found that internal and external factors both are important for motivation of employees. It makes a positive impact on marketing communication [14]. What motivates employee is the biggest challenge in front of management. Motivation criteria should be decided according to need of employees. Internal marketing is the best option to find need of employees [15]. Due to internal marketing practice, employees can be motivated. It is found internal marketing plays an important role for motivation. Internal marketing practice includes employee involvement, consultation, information and awareness [16].

Various studies revealed that there is positive impact of internal marketing on job satisfaction, employee commitment, employee etc. An empirical study conducted by Myriam on a sample of 116 banking customer advisors and three clients of each (348 client). They found that customer orientation has a mediating effect between internal marketing and service quality perception. For this, they used measurement scale, which has been established according to churchills paradigm [17].

Oneote Bogdan et al. examined that “Employees motivation as a critical element of internal marketing Case study: The use of non-financial motivation through sport activities.” This study carried on Romanian companies. The aim of this study is to implementing sport activities in the internal marketing program to motivate employees. A sport activity in the daily work schedule gives employees satisfaction, trust and loyalty. Sport activities improve the health of the employees thus; it is very effective non-financial motivation in the present scene [18].

Many problems are associated with employee during the working hours:-
1. Sitting on the chair for long time.
2. Stressful environment.
3. Hectic schedule.
4. Conflict between employees.
5. Monotonous work
6. Some employees not fit mentally due to personal problems.

Solution of all the above problems is only one adding sport activities in internal marketing programme.

Kyriazopoulos et.al. (2007) researched on implementing internal marketing through employee’s motivation. They surveyed in 356 bank branches of Greece and studied internal marketing influences on work commitment of employees. They also suggest how internal marketing linked with market orientation concept. They conclude that public sector banks failed to implement the concept of internal marketing. Public sector banks are not following the performance appraisal and motivational programs for their staff. Their employees are not motivated for to achieve goal but they are committed to the organization. They are
able to stay in the organization for long time because there is job security. While in the private sector bank, employees are motivated. Their commitment is low because they know there are many other opportunities in the market for their career improvement [19].

3. Implementation of Internal marketing

According to Berry employees are customer and jobs are product [20]. For the buy in process, it is necessary to motivate employees. We call it internal marketing because it is in-house marketing. Motivational marketing is the marketing that motivates customer. According to Berry internal marketing is antecedent of external marketing. Due to intense competition, it is difficult to motivate customer to buy products because they have number of choices [21].

Implementation of internal marketing improves quality of human resource. According To Done Et Al., IM programs included for employee development. Due to internal marketing organization gain long-term growth and success [22].

According to Bailey and Clarke 2001 motivation is the best way to enhance knowledge sharing among employees. Fang Rong-Shyh et al. empirically studied on employees of banks and found positive effect of internal marketing mechanism on intrinsic knowledge sharing motivation. According to them following is the internal marketing mechanism:-

1) Participative Decision
2) Training
3) Communication
4) Motivation

Similarly, for improving extrinsic motivation also managers should conduct this mechanism. To improve employee’s intrinsic motivation there is need to carry participative decision, training, communication, and motivation. Limitations of this study are that they focus only banking sector [23].

Piercy and Morgan, Reardon and Enis, Gilmore and Carson, describes it as a marketing approach internally. Using marketing as activities for internal people, Ozretic Dosen internal marketing includes marketing activities are-

(a) Internal Market Research
(b) Segmentation
(c) Communication
(d) Internal Pricing
(e) Product Policy
(f) Sales and Distribution
(g) Promotion [24]

Implementation of internal marketing strategies are:-

a) Internal Market Research

Information plays an important role in marketing. To meet the needs of internal and external customers information’s are required. Internal market research is a tool by which we collect, analyze, design and find relevant marketing situations facing the company. Internal market research is a tool through which companies can get relevant information about internal customers. Internal marketing rely on reports of employees e.g. Performance reports, behavioral reports, career planning reports etc. This gives the result data. Marketing intelligence system used to obtain everyday information about development in the marketing environment.

Internal marketing collect marketing intelligence by

1) Reading journals – organizational people are reading journals in which they get information about the policies, strategies, achievements, plans of different organizations.
2) Internal publications – Internal publication of organization has many benefits. It gives overall information of organization. It gives vision and mission of the company. It also gives strategies, policies of organization.
3) Meetings- Meeting helps to resolve problems. In the meeting, they get different viewpoints and information from persons. It
helps in the development of marketing environment.

4) Talking to employees. - This is very important factor to resolve conflict. In the working hours, there are many hurdles to achieve goal. It also helps to know about market position.

a) Segmentation

To improve the market intelligence system it is important to train and motivate the employees [25]. To improve the Not all employees are alike. Therefore, there is need of segmentation. Segmentation is a group of similar choices. Market segmentation can be demographic, psychographic and behavioral. In each target market firm develops some central benefit in the mind of employees. That is market offering. By this, the firm understands the need of the internal market. Companies are giving certain benefits to the employee. Companies giving benefits to employees without knowing their choices then it is wasting time of it. In comparison to external customers, internal customers have not various choices [26]. Jobber (2005) represents internal market segmentation shown in figure-[27]

In the diagram (a), figure there are 3 fundamental internal market segments are-
1. Sympathizers- This segment support changes.
2. Neutral- In these segment employees have no opinion in respect to organizational change.
3. Opponents – Those who have not interest in changes or who are against changes and such employees would like to retain their identity. In this way, Jobber categorized 3 segments of internal marketing mix.

Segmentation can be varying according to industry types. We cannot use similar segmentation in every company.

b) Communication

Kalla (2005) depicts internal marketing as the formal and informal communication happens at all levels in the organization. Through the communication, data about employee needs and desire are collected. With the aid of proper communication, the management can understand employee satisfaction level and loyalty [28]. Stauss and Hoffman (2000) depicts that the planned use of communication actions to systematically influence the knowledge, attitude and behaviors of current employees.” Here focus is on communication action of the organization. It influences the attitude and behavior of employees [29]. Due to lack of communication many problems arises in the organization, e.g. conflict between employees, lack of knowledge of products and services of organization, poor image of organization, weakens human resource management.

There are many advantages of internal communications are-
1) It builds trust among employees.
2) It provides timely and reliable information
3) To make happy employees
4) It improves work environment

Now days some organizations are using informal communication, self managed teams to improve organizational performance. Informal talk of employees improves the relation between
employees and reduces conflict. Internal communication is the strength of the organization. Internal communication enhances teamwork. Flow of reliable information builds trust between employees.

In the view of Argenti (1998) Goal of internal communications are-

1. Employees believes themselves that they are important asset to the organization.
2. Builds image of the organization.
3. It is to inform employees about internal changes, products and services of the organization.
4. To explain benefit plans to the employees.
5. It increases understanding of market.
6. It is to encourage employee involvement and participation in internal activities.

Communication must be freely in the organization. In the present scenario, major problem of organization is lack of communication. Top management involvement is necessary to improve internal communication. Promoting internal communication by top management is very important [30].

d) Internal pricing- This is the cost of internal activities. Internal marketing is an investment thus every investment has its price. Before investing cost and benefit, analysis should have to done by firms.

e) Product Policy- In internal marketing jobs are product. Thus, product policies are programmes and services through which management act on employees. Educating and informing employees about the job product.

f) Sales and Distribution- In external marketing distribution relates to how product reaches to the target customer. In the similar manner to accomplish task in the internal organization proper distribution channel is required. Internal distribution channel such that it save time, energy etc. of employee.

g) Promotions: - Internal promotions are to promote internal activities of the employees in the organization. Promoting employees incentive plans, bonus plans job benefits, public relations etc. it helps to attract, retain and motivate employees.

Promotion includes-

i) Internal sale- employees are selling products and services inside the organization.
ii) Internal advertising –Internal advertising means to promote goods and services internally. Employees who understand and like their product and services promoted their products and services. Thus, advertising starts from inside the organization.

iii) Internal incentive and disincentive- Incentives are for desirable action. Disincentive prevents undesirable behavior. Organizational policies, rules, procedures are such mechanism for disincentive. Incentives are best for motivating employees.

iv) Internal websites-websites are improving knowledge of the employees about product and services. Internal websites are promoting their employees to do more better work. Technology is increasing day by day. It is fast and quick method to transfer information from one place to another [31].

According to Kotler (2000) American Marketing Association (AMA) to improve the efficiency of employee’s internal marketing plays an important role (Jarvi 2009) [32].

There are various internal marketing activities, are information to employees, training of employees, creating togetherness, teamwork and motivation [33]. Employees brand building behavior includes courtesy, responsiveness reliability, helpfulness, & empathy among others. These behaviors of employees make an impact on consumer’s perception of service quality.
According to Krishnan & Hartline (2001) branding applied to tangible product and intangible services as well. This traditional view originates the concept of employee branding. It is also present in the internal marketing. In the service organization, service experience is used as a motivator for customer that is delivered by employees [34]. According to Schultz (2004) there is lack of senior mgmt support to implement internal marketing. For the implementation of internal marketing top management, support is first priority. Only top mgmt can push any idea to whole organization. To make the buy-in process of internal marketing top mgmt support is vital. Lack of knowledge about internal marketing is also one of the obstacles to implement it in practice [35].

Research Proposed model

There are limitations in existing literature is that in what way IM implemented to improve employee motivation so that they act in a customer oriented manner. Internal marketing is the marketing inside the organization. Employees treat as customers and jobs as product. The focus is to identify the need of employee so that they became ready to purchase job products. In the motivational marketing customers are motivated to purchase product. They are motivated during the purchase and keep them motivated. In the similar way, motivational marketing is also for organizational people. Here employees are motivated to buy job products. After they buy job products, also they keep motivated.

When employee is not satisfying with the job products there is difficulty in implementing internal marketing. Before implementing internal marketing strategies, it is necessary to motivate employees for job products. In diagram (B) shows the relation between motivational marketing, internal marketing and organizational performance. This is a theoretical research model that shows the importance of motivation of employees for job products for success of internal marketing. Internal marketing is the buy in process.

According to Kelvin & Lorrie, there are two important aspects of buy-in process—

1) Intellectual buy-in-This involves understanding of business policies, goals, mission etc. It gives all over understanding of organization.

2. To build commitment and to engage people. Using emotions to engage people. Researchers confirm the value of emotional capital [36].

For the success of marketing emotion and logical reason both are important. Men have several emotions sad, angry, upset, and empowered and so on. According to Majumdar “emotion stimulates the mind 3000 faster than rational thought”. To win heart of consumer there is need to do marketing with emotions. They attract with the product that makes them emotionally attached. It is important to understand emotions. The new model came for this is called emotional marketing [37].

Both play an important role in buy in process. The biggest mistake organization is doing using only intellectual buy-in. they are not doing any effort to win employee heart or to make them happy.

Marketing of Organizational product is first required in the internal market. It is based on assumption that if the employee is not convinced about organizational product and services then how they do marketing in external market. Second most important thing is commitment of employees is building by winning employees heart. Internal marketing process should starts with motivation of employees. It is well-known fact that employees are strength of organization.
3. Conclusion

To solve the problem of implementation of internal marketing motivation plays an important role. Due to increasing competition internal marketing is necessary to improve organizational performance. Identifying and satisfying the need or want of employee to motivate them. To make employees customer oriented and make a change in the organization internal marketing is required. To make the success of buy in process motivation is very important. There is need of more theoretical and empirical studies on implementation of internal marketing.

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