Internal Marketing, Concept And Application For Increased Corporate Performance

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ABSTRACT
The study explained the company's internal use of marketing, the internal impact of marketing and its elements, the internal marketing of the management of change, and its brunt on corporate performance, which has given the perspective that a company's performance can start with potent internal marketing in the company. It was explained that the in-based approach to internal marketing communicated the company's strategy and planned to internal customers and many things that were part of internal marketing; however, occasionally, companies were not considered internal marketing. At the same time, communication between services provided to consumers by providing knowledge and ways to provide more value for consumers and evaluating services is carried out by communicating them with internal company parties. The impact of the internal customer approach - in this case, it is an employee - will result in the satisfaction of internal and external customers because satisfied internal customers will encourage positive behaviour to treat external customers well. Thus, improving service quality can be said to be part of internal marketing where the functions and approaches of internal marketing practices can be seen from the role of employees in achieving customer satisfaction. In addition, internal marketing also has several crucial elements that make internal marketing become successful in the company. In this article, the three elements of internal marketing: are internal market involvement, commitment, and research. Furthermore, internal marketing would affect the management of changes in the company. Conclude with the refinement of the organizational performance resulting from this internal marketing.

INTRODUCTION
Companies invest appreciable time, talent, and money to grasp the perspective of marketing, where they seek to understand the needs, desires, and expectations of the customers with an effective, efficient and profitable development of customers satisfaction. An understanding of non-organizational purchase behavior has long been discussed, in particular in the area of marketing. In contrast to Intra organizational marketing, one unit organization to another unit in the same company or commonly called internal marketing (Harrell & Fors, 1992).

The concept of internal marketing focused on aligning the internal market consisting of internal customers (Piercy & Morgan, 1991). Who are these internal customers? internal customers are employees, managers, and CEOs of companies in the same company, where they are targets to achieve management's wishes in implementing company strategies. Kotler (1997) defines internal marketing as training and motivating employees to serve external customers well. Its means that internal marketing is required as a result of external services. Rainey (2014) adds that internal marketing is thought-related. There will be a continual process that is an integral part of all the plans.
In this article, the authors are trying to explain the need for internal marketing, the internal marketing impact with its elements, the internal marketing of change management, and its impact on corporate performance, which gives the perspective that a company's performance can start with solid internal marketing in the company.

INTERNAL MARKETING

Kanibir & Nart, (2012) suggests that internal marketing is an approach from a strategic perspective in the science of marketing and thus can be seen as part of strategic marketing management with customer orientation. Cause of the organization's competitive behavior is in transition because of demographic change and psychographics, and the market environment, exploring how to give high-level customer value continually is essential for them to maintain a strong market position over their competitors. Internal marketing has also been a milestone that strategies made by management should be customer-oriented (Rafiq et al., 2000).

The discussion on internal marketing has reached many types of profit-oriented enterprises such as banking (De Bruin et al., 2021; Kaur et al., 2009; Papasolomou-Doukakis & Kitchen, 2004), airlines (Fu, 2013), the public sector (Zampetakis & Moustakis, 2007), hotels (To et al., 2015), but also in nonprofit industries such as schools (Thomaidou Pavlidou & Efstathiades, 2021), hospitals (Al-Weshah, 2019; Kim & Lee, 2016), and nonprofits organizations (NPOs) (Álvarez-Gonzálezh et al., 2017). It suggests that the organization's internal marketing is becoming essential and worthy of a more profound examination of the many benefits of internal marketing.

The benefits of internal marketing, according to rainey, (2014) are adopting and acting on the thinking of the marketing team and bringing benefits to the team overall and ultimately are corporate consumers, which with internal marketing, the whole management team from top to bottom know better: 1) Whom the company's end consumers and what they need; 2) Could plan targeted services to meet those needs and add value; 3) Effectively communicate service benefits and point out differences made to organizations. All three are described below.

Before companies start marketing the team, the company should know to whom the company is talking. Who is companies client base? It is probably more spacious than we used to think. The company has to find out who the actual client is. Who might publish better, and who does not know companies yet. Knowing with certainty the client would explain who will receive companies services. Plan services that suit needs and provide added value. Companies should be able to persuade their clients or customers by providing information related to what benefits will address their needs. Relevant consumer involvement with the service due to an agreement between consumer needs and services makes the consumer feel appropriate to the services rendered.

It is An attempt to communicate between services given to consumers by giving knowledge and how to provide services that give more value to consumers and ministerial assessments, which are done by communicating with the internal company in various ways. Employee training and development will provide more long-term value.
The effect of using an internal marketing approach is to create employees who have contact with external customers to be content with what is inside the company. Internal customer satisfaction in this matter - employees - would create a strong urge on employees' positive behavior to treat their external customers well. Internal marketing will attract, develop, motivate and sustain qualified employees through work products that meet their needs (Rafiq et al., 2000).

Internal marketing is roughly the same as external marketing, where products, prices, communications, and distribution are targeted. The difference between this internal marketing target, according to Piercy & Morgan, (1991) can be explained in the following program structure:

a. **Product.** The internal marketing "product" consists of management's strategies and plans at the basic level. The point of this product is that management should sell their 'products' - strategy and plan - to those within the organization. How to sell this product 'begins with a presentation to the CEO on what strategies and plans will be implemented in various ways and behaviors that will drive successful strategies and plans. It continues to sell products to the finance department, human resources, and operations about the target and how to achieve them. Under the impression of selling 'products' to leaders and other parts, it will ease carrying out planned strategies and business plans.

b. **Price.** This 'price' element in internal marketing is linked to what we ask our internal customers to 'pay.' When the internal party agrees with the strategies and plans we sell them, there is a 'price' in which they change their plans to implement our strategies and plans due to their approval. Therefore there will be a change in project financing that meets the new strategy and plan.

c. **Communication.** This third aspect becomes the most evident in the internal marketing program, media communication. In order that fit our strategies and plans, the process of informing and persuading requires that the media used by each company typically has its channel to communicate with its communications. Usually used the line with a face-to-face presentation to an important individual to accomplish the plan's success. Communication between internal and external marketing is almost as needed to invest time and expense to succeed in the implementation.

d. **Distribution.** Distribution channel elements to sell and communicate the strategies and plan we create become one of the critical elements in the implementation of internal marketing. Distribution channels in the internal marketing domain are committee meetings, training sessions for managers and staff, seminars, and written reports. This is so that our strategies and plans can quickly become known and understood by individuals in need.

The internal marketing process targets how to affect the various internal parties of the company, making internal marketing also known as internal branding. Internal branding aims to achieve a competitive advantage, not through core business policies that are easily replicated, but by managing employees. Employees become the center of brand
development, and their behavior can strengthen brand values. Therefore, it is essential to consider how the value and behavior of employees can be aligned with the value of the brands (Kaplan, 2017).

Excellent service will be rendered to external customers, so individuals who have contact with good customers directly need the support needed from other functions to accomplish anything else (Lings, 1999). For example, suppose Internet networking systems have problems with businesses that rely on the Internet to provide for consumers (online business). In that case, no matter how good the individuals directly connected to the consumer in service still cannot achieve good performance if information and technology teams do not aid fixed the problems in Internet networking.

In this example, external customer services can be enhanced as the information and technology teams recognize their intensified customers, examine their needs - in this case, this means internal market research - and the training supporting their internal customer service. This illustrates the importance of high-quality support services to their internal customers, who, in turn, will give high-quality services to their external customers. It means that internal marketing contains about interagency between functions with the target is the quality of service (Rafiq et al., 2000).

Service to external customers can be a problem of its own due to various internal problems. A study carried out by Paul & Sahadev, (2018) is interesting to follow. Where jobs that do not require special skills - because research is done at nursing homes - make it difficult for management to provide additional incentives for employees. On the other hand, employees or staff are encouraged to deal with customers with empathy, attention, and a high-level sacrifice. The situation led to high levels of dissatisfaction and a high employee turnover rate. One form of internal marketing, as the study by Paul & Sahadev, (2018) is by communicating with his inner customer's employees - that employees who have low performance will be taken decisive action (dismissal). This communication pattern allows management to transfer information to all employees, which is expected to change services to their external customers. The application of internal marketing elements can be a key to increasing employee satisfaction and performance (Ahmed et al., 2003).

Internal marketing is not just about the business with the benefits orientation. Businesses with a non-profit orientation may also implement internal marketing, such as research done by Álvarez-González et al., (2017). Internal marketing can increase personnel satisfaction, reduce transition, and increase the orientation of services and harmony with organizational goals. Therefore, employees and volunteers will be more willing and prepared to do more fund-raising activities and expand the number of non-profits or
services to more beneficiaries. In addition, internal marketing is the approach to using human resources management, which can eventually enhance non-profit business performance.

The various approaches taken by the company are part of internal marketing. The internally oriented approach to marketing is not only how to communicate corporate strategies and plans to their internal customers, but many things are part of internal marketing, but sometimes by companies are not considered internal marketing. In the second section of this article, we will discuss a variety of things included in internal marketing but sometimes considered off-internal marketing.

Research conducted by DE bruin et al., (2021) describes the phenomenon related to internal marketing. It was a rare phenomenon linked to internal marketing. However, it became exciting feedback because the results differ from most research on internal marketing where employees consider themselves able to provide quality service, which is a powerful influence on a customers sense of satisfaction - due to the presence of internal marketing elements composed of internal promotion, internal process, and internal purpose elements. The study also revealed that the quality of services had a negative relationship with internal products, internal price, and internal political power. This is because the sharia bank, a research facility, does not have its training ground, is being fueled by trips to the capital only for training. In both cases, employees' internal product became optimized, thus making the connection between internal marketing and employee satisfaction negative.

**Internal Marketing and The Main Elements of Internal Marketing**

*Internal Marketing and Occupational Involvement*

The practice of internal marketing impacted work engagement. In other words, providing empowerment to employees, employee motivation, information sharing, and a work environment will increase the level of employees involvement. One way is by improving the quality of internal services by improving employee skills so that an internal marketing approach can be considered in the long run. In other words, employees are not only the object of the company but also the existence of an interactive link between the company and the employees (Al-Weshah, 2019).

Employee empowerment means helping employees have the trust to complete their jobs with their own employees' abilities. This empowerment of employees will enhance the work process more effectively. Empowerment of employees that usually goes into human resource management is absolutely part of internal marketing. This is because trust in employees is a form of organizational culture. Where organizational culture is one aspect of internal marketing. Organizational cultural appropriations become moderators between internal marketing practices and employee satisfaction (Huang & rundle-Thiele, 2014).

*Internal Marketing and Commitment*

Internal marketing is focused on employees as customers. Employees committed to the organization demonstrate more innovative work behavior because they get more experience and knowledge about work and the organization (Haider & Akbar, 2017).
Employee commitment to an organization means that employees feel singled out and cared for, thus committing to the organization. Commitment results in individual attachment to organizations that become one of the personal reasons for remaining in the organization. Thus, internal marketing with an approach to increased employee commitment would diminish the individual's intent to leave the organization. Internal marketing will be effective when employees' commitment levels are high. The relationship of mutual promise also means that commitment increases trust or confidence in each other, which should be demonstrated in action (David, 2003).

Employee motivation and retention are a constant challenge for every organization, where a satisfying monetary incentive acts as an essential governing factor. In order to ensure the effectiveness that leads to the organization's success, incentives policies need to be based on principles of equality and justice. Management must focus on the importance of existing bonus policies, as it helps to improve employee performance by meeting their monetary needs (Kaur et al., 2009).

**Internal Marketing and Internal Market Research**

Increased quality services are said to be part of internal marketing, where the function and practice approaches of internal marketing appear to be from employees' roles in achieving customer satisfaction. Customer satisfaction levels rise as regular market research is conducted, allowing internal marketers to create internal marketing programs that meet the demands and expectations of employees that will provide outstanding and quality services to their internal consumers (Huang & rundle-Thiele, 2014).

Regular use of internal market research will provide information on management related to the demands and expectations of employees. Employees felt there was a way to provide information regarding her demands and expectations. On the other hand, management knows more about the employees' demands and expectations. These two will ultimately benefit each one in the long run. Management will more easily create strategies and plans that can accommodate the management goals and the demands and expectations of the employees.

Management needs to understand there is the pressure of individual employee aspirations, which is what the job is, the expectations of the organization, and the extent to which the organization can fulfill it as a work requirement. Thus, management should make a continuous, concerted effort to identify internal customer wants and needs by using various research tools, questionnaires, focus, and other group discussions, to produce required information about employees' ideas on the ideal job. Producing and understanding employees' needs will enable management to formulate an appropriate response design for internal markets (Kaur et al., 2009).

**Internal Marketing and Change Management**

A new paradigm of employee management relationships has been suggested where organizational competence and ability have been deliberately developed by creating internal structures and processes that influence members of the organization to act to ensure that competitive excellence is created and maintained. Gronroos (1981)
viewed internal marketing as a business function integrator in an organization, while Harrison (1987) had written about the alignment of parts of the organization for a common purpose as an organizational cultural problem. The new set of views on marketing interfaces from a non-market-perspective emphasizes the integration (Wilson, 1994).

Internal marketing, in view, develops the customer paradigm and ensures that quality management is not surrendered to separate management functions, reducing interdepartmental isolation (Martin, 1992) and inter-function conflicts through communication and responsibility with each other. Two-way communication aims to build mutual understanding and trust between managers and management (staff relationships) and functional departments. Cooperation is the key to success in making the necessary culture and organizational capability (Mastenbroek, 1991; in Varey, 1995). Incorrect assumptions in implementing organizational culture will impact the destruction of the proposed change program.

Internal marketing encourages interactive communication to help overcome resistance to change—marketers in developing marketing programs that anticipate and overcome the rejection of organizational changes. One of the implications that the manager is starting is that changes in the way organizations operate regarding the pressures of the business environment by making changes into adaptive organizations (Garratt, 1987) must align in order for the organization to move toward its strategic direction goals. It requires acceptance of the change (Pettigrew and Whipp, 1991) if the organization is to flourish in the desired way. Marketing-oriented personnel as suppliers to internal customers must also change (Collins and Payne, 1991).

Total quality management (TQM) is often seen only as a program for organizational change rather than an alternative philosophy in organizational management. Wilkinson and Wicher (1993) have offered internal marketing as an integral part of the TQM as "enabling conditions that determine appropriate infrastructure and internal environment for the TQM specific organizations." By making the TQM more closely associated with marketing, it must be possible to ensure that the Total Quality Management is led by the market (which is externally focused) rather than by quality. It can help avoid management emphasizing efficiency (planning and innovation) at the expense of effectiveness (achieving customer satisfaction and thus retention as a competitive advantage).

Internal Marketing and Company Performance

Internal marketing is in which there is communication between divisions in the organization. Communication is an indispensable activity in the proper functioning of all processes, but it is crucial in a very cross-functional one. Undoubtedly, one of the most common internal marketing applications is devising an internal communication strategy. When this is done in parallel with external marketing communications, the advertised promise has a better chance of being met to the level of performance required because the staff is better prepared to carry it (Ahmed et al., 2003).
Research results Thomson & Hecker, (2001) suggest that a key to marketing communication is to form emotionally solid contracts between individuals and organizations. An emotional contract means when internal customers find out what is going on and know what they must do. Engage and know that personal contributions from internal customers can increase the emotional supplies in business because they feel appreciated. In studies (Evelyn & Dharmayanti, 2017), offering a promotion award and a rise in salaries for high-achieving employees can promote good relations between employees and companies. Therefore, they will be able to stimulate their interest in making the most of their efforts for increased performance to support the company’s progress.

Internal marketing forces companies to be more empathetic in designing their communication with employees. If companies do not appreciate the existence of different employee segments and their different needs, they will continue to generate messages that mean little to the targeted segment. Widespread and spreading messages create distances between employees and organizations and, in worst-case scenarios, confusion in acting. If companies do not appreciate the existence of different employee segments and their different needs, they will continue to produce messages that mean little to the targeted segments. Widespread and spreading messages create distances between employees and organizations and the worst-case scenario confusion in acting. (Ahmed & Rafiq, 2003).

Zaman et al., (2012) citing the results of recent research showing the implementation of internal marketing could improve corporate performance. After more analysis and focus have satisfied the needs and desires of employees can help to attract and maintain expectations and maintain a competitive position in the market. Organizational activities such as service sessions and performance assessments should keep their employees from increasing trust between them. Research results Thomson & Hecker, (2001) also mention that communication with employees to meet the needs and wants of customers and competitors is essential for fast-market behaviors (Zaman et al., 2012).

Internal marketing is commonly referred to as the mix of elements in internal marketing, strategic awards, internal communications, training and development, organizational structure, senior leaders, physical environment, the employment of selection and succession, coordination of inter function, empowerment, and operational change, Aimed at creating high-performance work systems by managing those elements to create and achieve more excellent individual and organic competence and ultimately affect business performance (Ahmed et al., 2003). Supported by research (turkoz & akyol, 2008) there is a link in the perception, attitude, and intentions between employees and customers. Moreover, increasing customer satisfaction by creating employee satisfaction in internal marketing is affecting the company’s increased performance.

In the field of strategy, there are two main paradigms used to explain superior competitive advantages: a competitive power view (Porter, 1980) and resource-based
views (Prahalad and Hamel, 1990). Porter's company performance view uses competitive excellence to become the dominant paradigm. Nevertheless, let us not forget that organizational performance can also be accomplished based on resources. This view is based on the idea that good performance companies, from time to time, develop "typical competency" or "core competency" (Prahalad and Hamel, 1990) that enables them to outdo their competitors. Following Prahalad and Hamel (1990), core competence is defined as organizational-based skills that combine and integrate the skills of different practitioners who work in the business units and create a sense of superiority for customers. In other words, core competence is the organization's version of unique individual knowledge (Overmeer, 1997).

Following a resource-based approach, internal marketing frameworks are deployed here as a means to create competence in organizations. Internal marketing is used as a philosophy to manage human resources organizations based on the marketing perspective to build internal competence for external success (George dan Grönroos, 1989). Thus, it is said that the internal marketing mix can connect organizational competence and business performance. The primary purpose of the internal marketing baseline is to translate business strategies by adjusting internal marketing to create needed competence and, therefore, improve business performance.

Conclusion

Internal marketing is a form of how management can sell the 'product' to internal people at a price 'the internal part would pay as a result of the process of buying the product.' The product may be an idea or a strategy that management will implement. The management is also communicating by using various pathways to distribute the 'product' path through several distribution pathways owned by companies, such as committees, training, and other things that could become distribution routes. Internal marketing also has several key elements that make internal marketing a success. In this article, there are three elements of internal marketing: occupational involvement, commitment, internal market research. Furthermore, internal marketing would affect the management of changes in the company. Conclude with improvements to the organizational performance resulting from this internal marketing.

References


