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The role of internal marketing in engineering organisations in South Africa

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A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirement for the degree of Master of Business Administration

Johannesburg, March 2010

ABSTRACT

The purpose of this research was to investigate the role and responsibilities in the implementation of internal marketing in engineering organisations operating within the mining sector.

The literature review revealed that earlier literature attempted to define the term internal marketing, while later literature focussed on various aspects of internal marketing, such, as what constitutes internal marketing; who is responsible for it; and how internal marketing is implemented in an organisation. Drawing from the literature on internal marketing, this report attempts to critically analyse the role of internal marketing in engineering organisations within the mining sector. The report further examines who is responsible for internal marketing and which external-marketing activities are applied internally.

A total of 16 in-depth interviews were conducted with management and engineers to assess their understanding of internal marketing. The data was analysed using concept mapping to identity the key themes.

A total of 16 in-depth interviews were conducted with managers and engineers of engineering organisations to assess their understanding of internal marketing. The data from the interviews was analysed using concept mapping in order to identity the key themes. The interviews reflected that, despite some confusion as to the understanding of the concept of internal marketing; external-marketing like activities were being implemented internally. The research further highlighted that the responsibility for internal marketing was found to lie primarily with management, rather than with the marketing department.

It is clear that many organisations are unaware that internal marketing practices are being implemented. It would be beneficial to the organisation for these practices to be formalised and co-ordinated through a central point.

DECLARATION

I, Ingrid Nicolaus, declare that this research is my own work except as indicated in the references and acknowledgments. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

_____

Ingrid Nicolaus

Signed at Sandton on the 22nd day of March 2010

ACKNOWLEDGEMENTS

- My parent and friends for their endless patience and support throughout my MBA studies.
- Geoffrey Bick, my supervisor, for his time, guidance, patience and valuable assistance during the research process.
- Interviewees who participated in the study for their time to be interviewed.
- Endress+Hauser for granting me the opportunity to complete my electives in the Unite States of America.

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1 INTRODUCTION

1.1 Purpose of the study

The purpose of this research is to define the roles and responsibilities in the implementation of internal marketing in engineering turnkey project organisations operating in the mining sector.

1.2 Context of the study

Rafiq and Ahmed (2000) argue that there is a great deal of confusion in the literature as to what internal marketing is, what it is supposed to do, how it is supposed to be done and who is responsible for it. They further suggest that the vast number of interpretations on internal marketing has led to a diverse range of activities being grouped under the heading of internal marketing.

Gounaris (2008) suggests that the lack of a single agreed definition and clarity regarding the functional responsibility for internal marketing may explain why internal marketing is not implemented. This further explains why internal marketing remains an area which most companies neglect.

Organisations in the twenty first-century can no longer operate in functional silos, if they are to achieve their business objectives. According to Ahmed and Rafiq (2003) internal marketing guides people to appreciate the needs, aspirations and costs of each other. Organisations are influenced by the network of relationships not only between management and staff, but with each other. Internal marketing can assist to manage the different interactions and relationships to ensure staff are motivated.

Furthermore, Morgan (1986) adds that an emerging implicit paradigm views organisations as having both internal and external marketplaces. Marketplaces contain both internal and external customers, to whom internal and external marketing programmes and strategies respectively, are (either explicitly or implicitly) delivered, in an attempt to achieve the desired organisations goals.

1.3 Problem statement

1.3.1 *Main problem*

The research problem is to investigate the use of internal marketing in engineering turnkey project organisations operating in the mining sector, to ascertain where the functional responsibility is located, and to identify the range of internal marketing techniques practiced.

1.3.2 *Sub-problems*

The first sub-problem is to investigate the role of internal marketing in engineering turnkey projects organisations operating in the mining sector.

The second sub-problem is to ascertain where the functional responsibility for internal marketing lies within the engineering organisation.

The third sub-problem is to identify the current internal marketing practices in an engineering organisation.

1.4 Significance of the study

The study aims to provide guidance to managers in the application of external marketing, including external marketing-like activities, to internal marketing. Furthermore the study identifies who is responsible for the implementation of internal marketing and where the responsibility for the implementation of internal marketing is ideally situated.

1.5 Delimitations of the study

The study focuses on engineering turnkey project organisations in the South Africa mining sector, in Gauteng.

- The sample chosen was from engineering turnkey project organisations in the South Africa mining sector.

- The study was limited to organisations of more than thirty people.
- Only management and staff were interviewed.
- No attempt was made to select a random sample of respondents.

1.6 Definition of terms

There is no definitive definition of internal marketing as is explained in the literature review. All other definitions pertaining to this study are discussed in the text itself.

1.7 Assumptions

- Respondents had sufficient knowledge of the organisation to be able to clearly articulate answers to the questions.
- All participants had a basic understanding of marketing.
- The sample reflected normal perspectives and experiences.
- Data collected was coded into themes in a consistent and reliable way.
- In-depth interviews produced consistent results through data analysis (Harrison 2002).
- Respondents provided normal perceptions and no inherent bias was evident (Leedy and Ormrod 2005).

2 LITERATURE REVIEW

2.1 Introduction

Internal marketing is a relatively new field of study spanning over the last thirty years. The literature highlights that very few organisations have implemented internal marketing as it is not well understood nor clearly defined. MacDonald (2003) citied in Longbottom, Osseo-Asare, Chourides and Murphy (2006) encapsulated internal marketing as the "era of New Marketing". For organisations to succeed they need to focus on producing goods and services that add real value to customers. They can only achieve this if there is internal alignment and integration of strategy, marketing and operations.

Firstly, the literature review examined the various definitions of internal marketing; the development of key ideas; and the phases that internal marketing has undergone.

Secondly, the literature review focused on the following topics:

2.1. The role of internal marketing;

2.2. Functional responsibility for internal marketing; and

2.3. External marketing-like activities adapted for internal marketing

In conclusion, the literature review was summarised to develop the research propositions.

2.2 Development of internal marketing

Internal marketing was first defined by Berry, Hensel and Burke (1976: 11) citied in Wieseke, Ahearene, Lam and van Dick (2009: 123) as being "concerned with making available internal products (jobs) that satisfy the needs of a vital internal market (employees) while satisfying the objectives of the organisations".

Since then numerous definitions and activities have claimed to address the concept of internal marketing. The diversity of these interpretations has led to difficulties in the adoption and implementation of the concept. One definition that meets the criteria of a good definition according to Ahmed and Rafiq (1995) is Grönross (1985: 41) definition of internal marketing "…an organisation's internal market of employees can be influenced most effectively and hence motivated to customer consciousness, market orientation and sales mindedness by applying a marketing-like internal approach and by applying market-like activities internally".

Varey and Lewis (1999) criticised Ahmed and Rafiq (1995) for accepting Grönross (1985) definition, that marketing activities will motivate people. Thus discounting the possibility that some people are self-motivated; marketing activities provide an environment where motivation is valued; and internal marketing provides incentives rather than benefits are some of criticisms described in Varey and Lewis (1999). They further argue that Ahmed and Rafiq (1995) seemed to suggest that internal marketing is simply to persuade staff to follow a management-determined direction.

Rafiq and Ahmed (2000) analysed the key conceptual and empirical literature, identifying five key elements of internal marketing:

1. Employee motivation and satisfaction;
2. Customer orientation and customer satisfaction;
3. Inter-functional co-ordination and integration;
4. Marketing-like approach to the above; and
5. Implementation of specific corporate or functional strategies.

Rafiq Ahmed (2000: 454) used the criteria to define internal marketing as "a planned effort using marketing-like approach to overcome organisational resistance to change and align, motivate and inter-functionally co-ordinate and integrate employees towards the effective implementation of corporate or

functional strategies in order to deliver customer satisfaction through a process of creating motivated and customer orientated employees".

Despite confusion around the definition, Rafiq and Ahmed (2000) indicated that internal marketing has gone through three separate yet intertwined phases. The three phases are namely an employee satisfaction phase; a customer orientation phase; and a strategy implementation/ change management phase. A fourth phase has recently been included by Longbottom *et al*. (2006). The fourth phase is the creating value phase.

Phase 1: Employee Motivation and Satisfaction

The majority of the early literature focused on the issue of employee motivation and satisfaction. Employee satisfaction was considered an important parameter impacting upon customer satisfaction. The main reason for this was that the roots of internal marketing concept were derived from the efforts to improve service quality (Rafiq and Ahmed 2000).

Internal marketing was re-defined by Berry (1981) and citied in Rafiq and Ahmed (2000: 450) as "viewing employees as internal customers, viewing jobs as internal products that satisfy the needs and wants of these internal customers while addressing the objectives of the organisation".

The philosophy of the "employees as customers" that underpinned the first phase logic, Rafiq and Ahmed (1993) highlighted numerous potential shortcomings such as:

1. The "product" sold to employees may be unwanted or has a negative utility.

2. Employees may not necessary have a choice in the "products' they can select.

3. Due to the contractual nature of employment, employees maybe "coerced" into accepting "products" they do not want.

4. The financial implications of having satisfied employees could be considerable.

5. “Employees as customers” raises the question as to whether the needs of the external customers have primacy over those of employees.

If the last point was accepted, it would result in the inversion of one of the most fundamental axioms of marketing, namely that the external customer has priority.

In contrast, Papasolomou and Vrontis (2006) view “employees as internal customers”. The underlying assumption for this premise is that employee satisfaction enhances employee motivation and retention that ultimately leads to external customer satisfaction.

Phase 2: Customer orientation

The development of the second phase of the internal marketing concept was undertaken by Grönroos (1981) cited in Rafiq and Ahmed (2000). Here he was concerned that front-line service employees used “interactive marketing” to respond to the customers’ needs. Rafiq and Ahemd (2000) refer to Grönroos (1981) who further recognised the importance of the interactions between the buyer and seller. Not only do these interactions have a direct impact on repeat purchase decisions, but also provide marketing opportunities for the organisation. For the organisation to take advantage of these opportunities “customer-oriented and sales minded personnel” are required. In addition, effective customer service requires the integration of different functions to be efficient and well co-ordinated.

Phase 3: Strategy implementation/ Change management

The beginning of the third phase became evident when the role of internal marketing was recognised as an instrument for strategy implementation by various authors (Flipo 1986; Piercy and Morgan 1989; Glassman and McAfee 1992; Winter 1995; Ahmed and Rafiq 1995). Internal marketing developed as an implementation instrument, was supported by the growing belief that internal

marketing had the potential as a cross-functional integration mechanism within the organisation (Rafiq and Ahmed 2000).

According to Flipo (1986) internal communication is critical to overcome inter-functional conflict to ultimately ensure effective implementation of strategies. Thus internal marketing is advocated as a general tool for the implementation of any internal or external organisational strategy. Functional integration is required as strategy (including marketing) and spans over several functional areas.

The inclusion of internal marketing as a tool for strategy implementation places less focus on the concept of the employee as a customer, and more on the tasks and activities required for successful strategy implementation, i.e. a holistic approach as explained by Rafiq and Ahmed (2000).

Phase 4: Creating value

According to Longbottom *et al.* (2006) value adding propositions align the organisation's external marketing effort to internal marketing. Here the focus is on the management of internal relationships; reciprocal relationships; knowledge-renewal based on mutual exchange;, market relevance; and creating value which is profitable to both internal and external customers. Adding value is defined by Piercy (2002) as providing benefits in products and services that are superior to competitors.

Table 1: Development of Internal marketing key points by different scholars relating to the study (adapted from Gounaris 2008):

Author(s)	Key points	Target audience
Berry, Hensel and Burke (1976)	■ Internal marketing results in jobs (internal products) that satisfy the needs of employees (internal market) while satisfying the objectives of the organisation ■ Internal marketing is a strategy – based on communication with employees	Front-line personal
William (1977)	■ Internal marketing results in job satisfaction ■ Internal marketing is a strategy dealing with the status and pay concerns in order to improve customer service	Front-line personal
Gummesson (1987)	■ Internal marketing results in increased levels of efficiency ■ Internal marketing is implemented through communication	Employees involved in service value creation
George (1990)	■ Internal marketing results in effective internal changes ■ Internal marketing is implemented through co-ordinating human resource and marketing departments	Entire organisation
Ahmed and Rafiq (1993)	■ Internal marketing results in increased marketing strategy effectiveness ■ Internal marketing is implemented through the application of marketing techniques along with human resource management practices	Entire organisation
Foreman and Money (1995)	■ Internal marketing has various objectives depending on who is targeted ■ Internal marketing is implemented through communication and participative management	Specific departments or entire organisation

Author(s)	Key points	Target audience
Piercy (1995)	■ Internal marketing results in strategy alignment ■ Internal marketing removes interdepartmental barriers	Decision-makers
Wasmer and Bruner (1999)	■ Internal marketing results in individual employees' objectives aligning with the company objectives ■ Internal marketing is implemented through formal and informal internal market research and communication	Entire organisation
Rafiq and Ahmed (2000)	■ Internal marketing results in increased productivity ■ Internal marketing is the planned effort to achieve inter-functional co-ordination	Entire organisation
Ahmed and Rafiq (2003)	■ Internal marketing results in increased productivity ■ Internal marketing is a cultural framework and an instrument to achieve strategic alignment by managing internal relations through internal communication	Entire organisation
Ballantyne (2003)	■ Internal marketing results in knowledge renewal ■ Internal marketing uses inputs from both external and internal environment	Entire organisation
Lings and Greenley (2005)	■ Internal marketing is used to improve the internal climate ■ Internal marketing programme consist of four facets: formal information generation; informal information generation; information dissemination; and responsiveness	Front-line personal

2.3 Internal marketing and external marketing are interdependent

According to Morgan (1986) one of the primary reasons for the development of the internal marketing concept was the explicit recognition that internal 'customers' i.e. employees within the organisation can effect external customer relationships. Furthermore employees can have a direct influence on external customer-based outcomes such as loyalty, satisfaction, price sensitivity and this ultimately affects the overall performance of the organisation.

The internal marketplace can be viewed as a series of interactions between internal customers and internal suppliers at numerous different levels: individual to individual, group to group, function to function, department to department, employee to manager and so forth. Each of these interactions can either directly or indirectly influence the organisations ability to achieve its external customer-based objectives/ goals. Morgan (1986) in addition explains that the achievement of external customer-based objectives/ goals is fundamental to future business performance. External customers' needs and requirements to a large degree dictate the content and process of exchange between employees and the organisation.

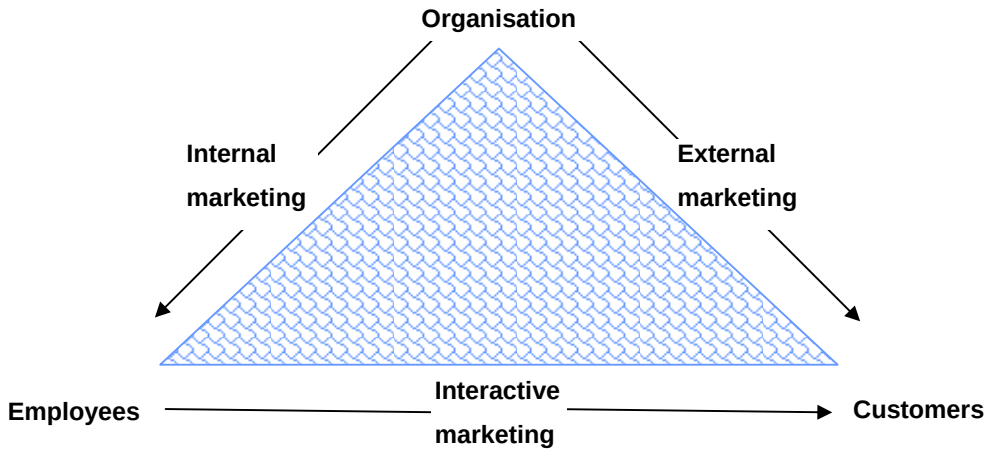


Figure 1: Three types of marketing (Adapted from Kotler and Keller 2006)

Figure 1 highlights the interactions between:

1. The company and its employees via internal marketing;
2. The company and its customers via external marketing; and
3. The employees and customers through interactive marketing.

Furthermore the interaction between the company and employees empower the employees to consistently create value for the external customers.

2.4 Role of Internal Marketing

One of the many roles of management is to communicate the various organisational strategies and objectives, including marketing, to the employees. One of the crucial elements to the organisation achieving its strategy is the employees' awareness of their role and how it fits into the overall functioning of the organisation is emphasized by Hogg, Carter and Dunne (1998).

Research conducted by Zeithaml, Berry and Parasuraman (1988) referred to by Rafiq and Ahmed (2000) provides evidence to suggest that the frequency, quality and accuracy of downward communication limits employee role ambiguity. Furthermore appropriate communication channels need to be investigated by management. Rafiq and Ahmed (2000) explain that supportive senior management is fundamental to the success of internal marketing as it clearly indicates the importance of internal marketing initiatives to all employees and thus facilitating inter-functional co-operation.

2.4.1 *A model of internal marketing*

The five criteria (inter-function co-operation, employee motivation, job satisfaction, empowerment and marketing-like activities), identified by Rafiq and Ahmed (2000) for assessing what constituted internal marketing was also used to illustrate the implementation of an effective internal marketing strategy.

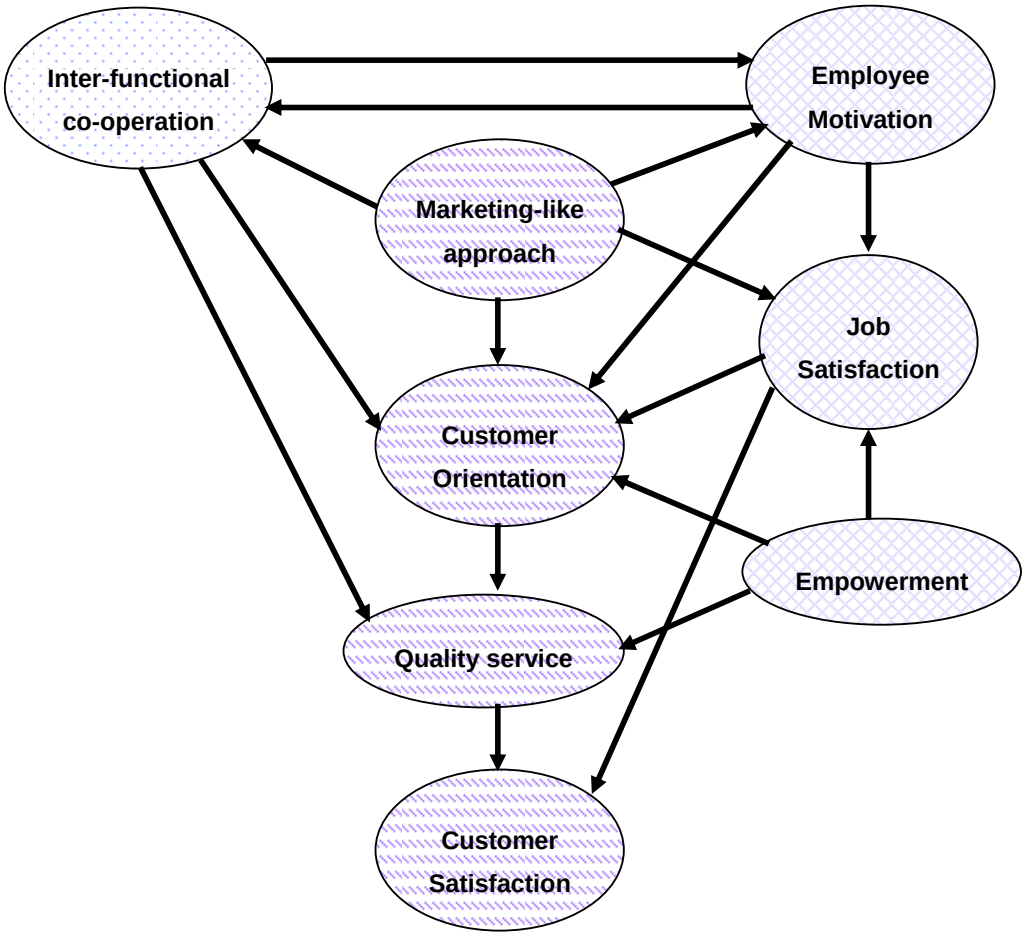


Figure 2: A Model of internal marketing (Adapted from Rafiq and Ahmed 2000)

The relationships indicated in Figure 2, were derived from the literature, showing interrelationships between the criteria for internal marketing. The motivation of employees via marketing-like activities was identified in the evolutionary development of internal marketing (Berry *et al.* 1976, George 1977, Berry 1981). Various authors also recommended the marketing-like approach to improve inter-functional co-operation and ultimately customer satisfaction.

Rafiq and Ahmed (2000) explain that customer orientation is at the centre of the model. Customer orientation is achieved through marketing-like approaches to motivate employees and improve inter-functional co-operation. Furthermore customer orientation plays a central role in achieving customer satisfaction and hence organisational goals.

Rafiq and Ahmed (2000) further maintain that empowerment is necessary for interactive marketing to occur. The degree of empowerment depends on the complexity/ variability of customer needs and associated tasks. Empowerment defined by various authors (Bowen and Schneider 1985, Burke 1986, Conger and Kanungo 1988 and Bowen and Lawler 1992) citied in Gounaris (2008) as the extent to which manager's grant employees the discretion to make decisions about routine job-related tasks. Furthermore, empowered employees feel better about their jobs as they have the flexibility to make on-the-spot decisions thus having a positive effective on job satisfaction.

It is proposed by Varey (1995) that internal marketing is a management approach to enable and motivate all members of an organisation, whether "front-line" or "back-office" to meet the requirements of the external customer. In later literature, Varey and Lewis (1999) broaden internal marketing to include:

- The retention of skilled people;
- Building and maintaining relationships with management who share the organisation's objectives;
- Building a corporate brand;
- Communication management with a clear strategy; and
- Productivity through participation.

Berry (1981) referred to by Rafiq and Ahmed (2000) proposed that internal marketing is the company's effort to improve its attractiveness as potential employer in order for the company to attract, select and retain the best employees in delivering excellent quality service to external customers.

Building or strengthening a corporate brand is both an organisation differentiator and competitive advantage, as people select brands in the same way they select friends, adds Papasolomou and Vrontis (2006). The implementation of marketing techniques enables employees to gain a better understanding of the brand and the role they play in enhancing the brand (Papasolomou and Vrontis 2006).

Another argument by Hogg *et al* (1998: 880) is that internal marketing is an integral part of the overall marketing strategy, involving “the use of marketing techniques within the organisation to create and communicate corporate values”.

Corporate values and brand values must be congruent to facilitate brand perceptions and coherent actions explain Papasolomou and Vrontis (2006). Furthermore, corporate values are a reflection of the prevailing culture within the organisation. Culture is defined by Hogg *et al.* (1998) as a coherent set of beliefs and shared core values. The culture of the organisation is dependent on how the employees view the organisation and its goals. Various authors (Deal and Kennedy 1982, Peters and Waterman 1982 cited in Kelemen and Papasolomou 2007), confirm that the strengthening of the cohesiveness of an organisational culture enhance organisational performance by securing greater commitment from the employees. The same authors argue further that instilling a set of values and reinforcing them with formal policies, informal rituals and jargon is instrumental in a successful organisation.

The culture of the organisation is further associated with the organisation’s identity, i.e. how people perceive to think and feel about the organisation adds Hogg *et al.* (1998).

Today, organisations are less able to separate internal and external activities. Furthermore, in order for organisations to deliver quality customer service, all employees need to understand their customers and become ‘customer conscious’ (Hogg *et al.* 1998).

This view coincides with Gummesson (1987), who argues that the marketing concept was originally developed for the company’s external marketing that could be applied internally, thus introducing the concept of the “internal customer” (Naudé, Desai and Murphy 2003).

2.4.2 *A multi-level model*

An internal marketing model utilising the 'four P' model is recognised and viewed widely as both 'user friendly' and practical as it uses neutral language, explains Morgan (1986).

The multi-level model proposed by Ahmed and Rafiq (1995) incorporate how marketing tools and techniques can be used effectively internally and to solicit commitment from management and staff alike. The model has six elements which constitute the marketing mix. Included in the model are internal marketing research; internal segmentation; and positioning to operationalise key parts and stages. The model has been embedded within a strategic framework thereby highlighting how strategy can be implemented. Direction, path and action are the three strategic level stages of the model.

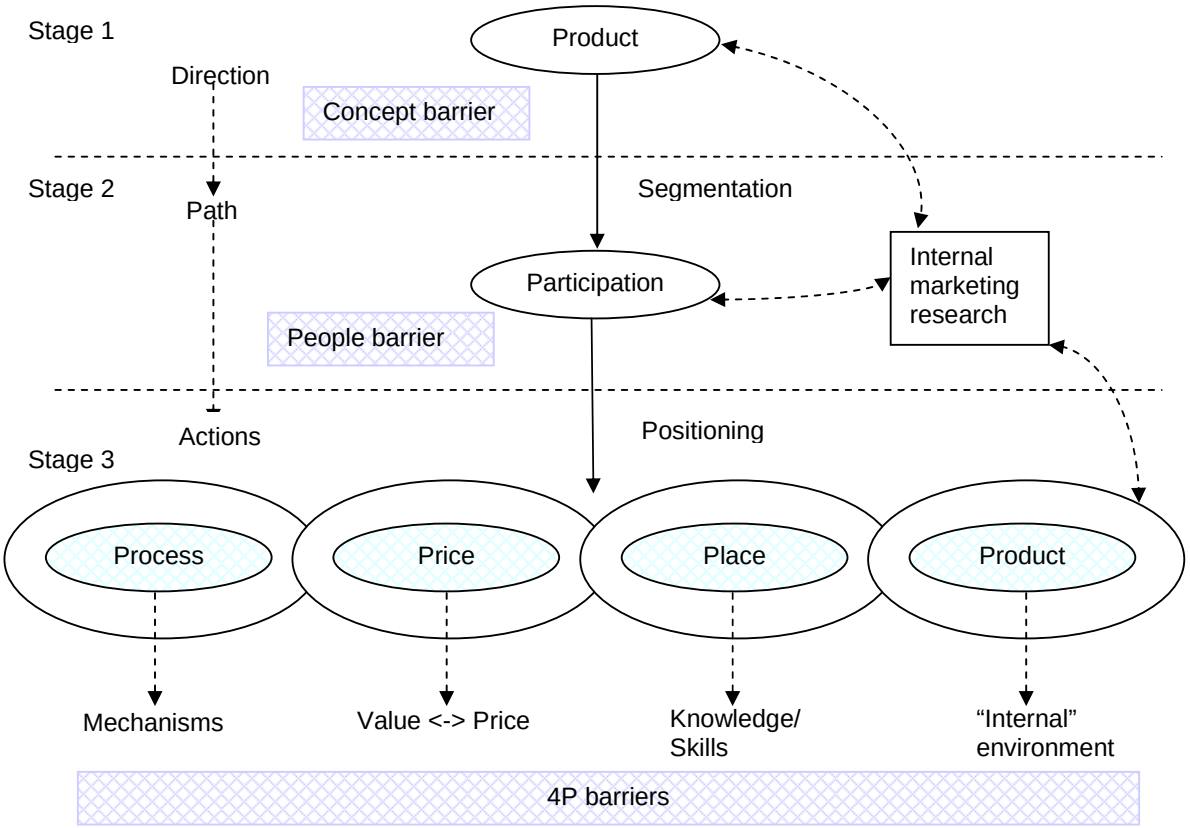


Figure 3: A multilevel model for internal marketing (Adapted from Ahmed and Rafiq 1995)

Stage 1: Direction

According to Ahmed and Rafiq (1995), the “product” is viewed as the change that is required, such as change in attitude and behaviour of employees; or more tangible activities, such as a change in product or goal. This change is required to ensure the successful implementation of the corporate or functional strategy. But the “product” cannot be determined solely by a one person and it must incorporate all the needs and requirements arising from the employees. At this stage both internal and external market research is required to be fed into the process to specify the “product” (Ahmed and Rafiq 1995).

Stage 2: Path

The ‘product” determines the direction that needs to be taken which is divided into different programme(s) for the various target segments explain Ahmed and Rafiq (1995). At this stage, specific attention is given to who should participate in this process of change or implementation. Here the requirements of the internal markets need to be determined either by simple surveys to in-depth data-collection techniques. Segmentation is critical at this stage to ensure participants fall into cohesive groups on the basis of some shared commonality. If specific needs are understood then resistance and fears to the change can be avoided or overcome (Ahmed and Rafiq 1995).

Stage 3: Action

Stage 3 referred to by Ahmed and Rafiq (1995), as positioning. This stage can only begin once participant segmentation is completed. The remaining marketing mix (process, price, place and promotion) can then be leveraged.

Process is defined as the context and mechanisms through which price, promotion are structured and includes elements such as power, authority and resources (Giddens 1979 citied in Ahmed and Rafiq 1995). An appropriate delivery format needs to be designed taking into consideration the organisation/ team structure, reward systems, power, responsibility and leadership (Ahmed and Rafiq 1995).

In this context Ahmed and Rafiq (1995) view price as a balance between utility/value against cost, to both the organisation and to the individual.

Promotion according to Ahmed and Rafiq (1995) is the operationalisation of promotional devices to increase knowledge and skills and awareness of strategic issues. Furthermore, promotion is an extremely effective vehicle for informing employees of their function, timelines for their actions and how to perform thereby clarifying their role in the enactment of strategy.

In the internal context, add Ahmed and Rafiq (1995), place can be represented as the visible and tangible as well and the invisible and intangible aspects of work and the work environment. This is more than the physical aspects of the environment, as it includes culture, symbolic and metaphorical aspects.

Place can be used further to enhance processes, such as, with whom power resides; the level of power within groups or segments; and how this needs to be altered and/ or adapted to allow for effective strategy implementation.

The aim of internal positioning is to overcome identified barriers as well as to fulfil the different participants' needs. Using employee segmentation effectively can prevent and overcome the identified barriers elaborate Ahmed and Rafiq (1995).

Morgan (2004) and Longbottom *et al.* (2006) expanded on Ahmed and Rafiq (1995) model to include the additional 3Ps, people, process and physical evidence.

Morgan (2004) argues that one of the most important elements in the marketing mix is people. People assume multi-functional roles as they deal with the different levels and activities within an organisation.

Processes are defined by Morgan (2004) as the script for pattern behaviour to ensure the smooth transition towards a new model of working. This migration is assisted by training and education.

Morgan (2004) refers to physical evidence as not only the physical environment of the workplace, but layout, dress code and levels of security.

Both Morgan (2004) and Longbottom *et a*l. (2006) indicated that internal marketing should be implemented at both a strategic as well as at an operational level as it cuts across all operations.



Figure 4: Internal and external marketing (Adapted from Morgan 2009)

Piercy and Morgan (1991) refer to 'internal marketing' as the development of marketing programmes targeted at the internal marketplace of the organisation. These marketing programmes are parallel and match the external marketing programmes for customers and competitors as shown in Figure 4.

In Figure 4, the product component refers to the strategy or plan that has been formulated. The price is what it costs people within the organisation to 'buy into' the strategy or plan. The messages sent out to the internal marketplace relating to product and price is the communication component. Distribution concerns

the media through which the strategy or plan is communicated and delivered in the internal marketplace (Piercy and Morgan 1991).

Furthermore Piercy and Morgan (1991) suggest that the same techniques and structures used for external marketing, such as communication and analysis, be adapted and used internally to market plans and strategies to key target groups within the organisation. Barriers and constraints need to be taken into consideration in the internal marketplace at both a strategic and an operational level.

In this model, the internal marketing programme acts as an output as well as an input to both the planning process and the external marketing programme. The objectives/ goals of the internal marketing plan are derived directly from the implementation requirements of the external marketing plan. (Piercy and Morgan 1991)

Costs are incurred when planned activities are executed to achieve effective strategy implementation explains Ahmed and Rafiq (1995). The effectiveness of these planned activities in a specific context depends on the appropriateness. But the benefits of the right type of activities outweigh the financial costs incurred. The authors' further notes, that internal marketing is time-dependent. Generally there is a time lag between undertaking the internal marketing activities and the desired outcomes.

2.4.3 *Proposition 1*

The role of internal marketing is complementary to the external marketing of the organisation**.**

2.5 Functional responsibility for internal marketing

Internal marketing questions traditional organisational structuring whereby organisations continue to enact and re-enact functional silos. Essentially internal marketing is the understanding that no single management function is effective if it operates in isolation. Ahmed and Rafiq (2003) suggest that

internal marketing is used to guide all people, functions and departments to co-operate in order to achieve the overall objectives of the organisation. In this way organisations examine and manage the total set of internal relationships and interactions that are added-value. A profound understanding of internal relationships between both individual and groups of individuals is required.

2.5.1 *Marketing versus Human Resources*

Berry *et al.* (1976) implied that "marketing-like" techniques involve actions, such as employee attraction and selection; employee socialisation; empowerment, participation in decision-making; and accurate, open communication between employees and management. By implementing these facets of an internal marketing programme, managers can be assisted in achieving their department's objectives. However, all of these actions occur under a specific framework that is customer driven and focused, which explains why internal marketing is different from human resource management (Gounaris 2008).

For instance, increasing the company's attractiveness as an employer is clearly a human resource management function, argues Gounaris (2008). Here the issue is: what kind of future employees the company would like to attract. Thus the internal marketing programme would aim to understand what such employees' value. They then become responsive to the potential employees' requirements in order to increase the company's attractiveness to a specific segment of future employees who share such personality characteristics as openness and extroversion. Mudie (2003) cited in Gounaris (2008) and Gounaris (2008) concur that unless the practice of internal marketing takes place with the organisation's external customer in mind then it is likely to be nothing more than standard human resource management practice.

Internal marketing programmes encompass activities that have been traditionally part of the human resource management function explains Woodruffe (1995) citied in Kelemen and Papasolomou (2007). In recent literature (Longbottom *et al.* 2006, Kelemen and Papasolomou 2007 and Gounaris 2008) suggest that internal marketing and human resource

management are interdependent and can be viewed as the interface between the two functions.

After reviewing the human resources and internal marketing literature, Kale (2006) summed up the ten key tools and techniques to ensure attraction, retention and motivation of staff, which cut across both functions:

- Competing for the best people;
- Becoming the preferred employer
- Include employees in the organisation's vision;
- Know the internal customer;
- Hiring for competencies and service inclination;
- Training for technical and interactive skills;
- Providing supportive infrastructure;
- Fully appreciating employees for work done;
- Measuring and rewarding strong performance; and
- Communicating.

The above tools and techniques, very similar to those highlighted by Berry *and* Parasuraman (1991), appear deceptively plain and straightforward in print, but are in reality difficult to implement.

2.5.2 *The approach*

Internal marketing should no longer be treated as a specialist function but rather as a convergence of a number of previously separate management technologies (human resources, strategic management, marketing management and quality management), explain Varey and Lewis (1999). Furthermore management is a continuous and complex process that cannot be viewed as a sequence of discrete steps or functions. Since Mintzberg (1973),

citied in Varey and Lewis (1999) it has been recognised that a manager's work could not be compartmentalised into different areas, but rather a portfolio of skills which are not functionally distinguishable and which cut across traditional functions.

Gounaris (2006) concludes that organisations utilising internal marketing experience difficulties in co-ordinating marketing and human resources involvement and responsibilities.

2.5.3 *Proposition 2*

Internal marketing is viewed as an extension of marketing and the responsibility lies within the marketing department.

2.6 Internal marketing practices

For internal marketing to be implemented effectively, a definition of the term which clearly specifies those activities which can be understood to constitute internal marketing must exist. However, the recent literature has shifted away from trying to define what internal marketing is and its philosophical basis, and has moved towards how to implement internal marketing.

Consensus on the operational description of internal marketing has not yet been achieved. For example, Naudè, Desai and Murphy (2003) describe aspects of an internal marketing programme as socialisation (e.g. organisational fit; identification with the company; employee participation in decision making; commitment; accuracy and openness of communication). Bansal, Mendelson and Sharma (2001), citied in Gounaris (2008) indicate an internal marketing programme entails training with an emphasis on the accomplishment of employee specific tasks; employee empowerment; sharing of information pertaining to customer needs; and rewarding employees based on their level of customer service.

Once the interaction between individuals and groups is recognised as an internal marketplace, various tools, techniques, models and approaches that

are already being used for external marketing can be applied internally suggests Morgan (1986).

Grönroos (1997) suggests further that internal marketing is applying external marketing-like activities internally. Ahmed and Rafiq (2003) further argue that the sphere of internal marketing extends beyond the implementation of marketing programmes alone. Internal marketing ideas are appropriate for the executive of any one of the organisation's strategies.

For greater effectiveness, Ahmed and Rafiq (2003) suggest that organisations use marketing-like techniques inside the organisation, such as developing internal customer relationships; conducting internal market research; identifying internal market segmentation and positioning, use internal communications and an internal marketing mix.

Managers need to be extremely carefully when selecting appropriate marketing activities as not all marketing activities can be applied without adaptation to the internal "market".

2.6.1 *Internal Communication*

Different communication media and their merits to facilitate internal marketing communications have received very little attention. De Bussy, Ewing and Pitt (2003) highlight the need for additional research is critical, especially with the widespread adoption of new communication technologies over the past decade.

Various authors citied in De Bussy *et al.* (2003) (Hartley and Lee 1986, Morgan 1990 and Gummesson 1991) have recognised the importance of communication in the implementation of internal marketing programmes. Internal marketing should be a two-way communication process between management and employees argues Varey (1995). Greene, Walls and Schrest (1994) stressed that the idea of internal marketing must originate from the top and be communicated to the very bottom of the organisation.

Communication climate plays a central role in employee communication as highlighted by Smidts, Pruyn and van Riel (2001) in their study. While another

study also citied in De Bussy *et al.* (2003), Unzicker, Clow and Babakus (2000) found that a positive relationship exists between effective internal communications, employee perceptions and commitment to the organisation, which is closely related to ethics.

Papasolomou and Vrontis (2006) add that internal communication is essential to communicate the brand so that employees become aware and knowledgeable to fulfil their role as brand builders.

Communication underlies the functioning of all processes, especially in highly cross-functional processes. According to Ahmed and Rafiq (2003), one of the most common internal marketing applications is the compiling of internal communication strategies. For these internal communication strategies to be effective, they must be divided into specific employee target segments.

Furthermore Ahmed and Rafiq (2003) argue that if organisations do not realise the need for different employee segments, messages will hold little meaning or be lost. Broad and disperse messages create distance between employees and the organisation and in worst case scenario confusion.

A competitive advantage exists when opportunistic behaviour is minimised, where conditions of trust, trustworthiness, and co-operation exist between management and staff explain De Bussy *et al.* (2003). Ethics or communication ethics should also form part of this equation.

The ethical and superiority of dialogue as opposed to monologue communication has been emphasised by public relations scholars, Pearson (1989) and Botan (1997) citied in De Bussy *et al. (2003)*. Commitment to open two-way communication is a willingness to listen and change practices where appropriate in the interest to achieve consensus.

Citied in De Bussy *et al. (2003)* Morgan and Hunt (1994) have identified ethical work climate, the degree of mutual trust, and innovation as three key dimensions of effective internal marketing communications. De Bussy *et al.* (2003) added a fourth dimension: employee/ organisational goal alignment.

2.6.2 *New age technology*

Technology developments and their associated costs have led to a dramatic shift since the mid 90s to new forms of electronic media, specifically internet-based technologies in employee communication programmes (Gordon 1998). Morgan (1986) adds that a greater selection of media is now available for managers to communicate with staff including electronic mail, video-conferencing, videos. Thus employees are exposed to increased volumes of both targeted communication and general information, which is time bound, concludes Sanchez (1999). Therefore the need to adopt a strategic approach to internal communication is urgently required (De Bussy *et al.* (2003)).

Desktop publishing programmes have become more accessible to organisations to development their own in-house internal media such as newsletters, electronic newsletters and brochures (Morgan 1986).

According to De Bussy *et al.* (2003), a major tool for management-employee communication is the intranet and e-mail. They explain further that some organisations such as the Ford Motor Corporation encouraged their employees to use the intranet by offering them a free personal computer.

Very little attention has been paid to the relative merits of using different internal marketing channels, maintain De Bussy *et al.* (2003). Furthermore, with the advent of the intranet, communication with staff no longer needs to be unidirectional.

Many authors confirm that internet related technologies enhance two-way communication. However, the internet and e-mail have also been accused of contributing to information overload. (Sanchez 1999).

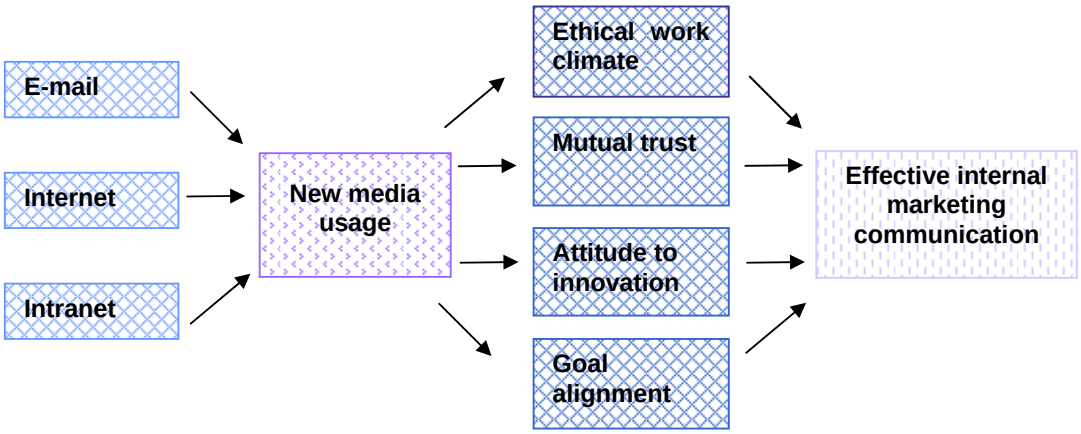


Figure 5: A conceptual framework for new media (Adapted from De Bussy *et al.* 2003)

In Figure 5, De Bussy *et al.* (2003) argue that for effective internal communication to occur, mutual trust, innovation, alignment of individual and organisation goals and an ethical work climate are necessary. These four dimensions need to be taken into account when using new media to communicate. The authors conclude that the use of new media, especially the intranet, impacted positively on the effectiveness of internal marketing communication.

2.6.3 *Proposition 3*

External marketing-like activities are adapted for internal marketing purposes.

2.7 Conclusion of Literature Review

Over the years internal marketing has evolved through four phases, from an employee satisfaction phase to a customer orientation phase to a strategy implementation/ change management phase and recently to focusing on creating value.

Although there has been a great deal of research in the field of internal marketing, it is still not well understood or being implemented effectively.

There is currently still no agreement on the actual definition of internal marketing. The literature has moved away from trying to define what it is or compartmentalising it into a philosophy or management approach (Grönross 1985, Ahmed and Rafiq 1995, Rafiq and Ahmed 2000 and 2003 and De Bussy *et al.* 2003). In the recent literature (De Bussy *et al.* 2003, Longbottom *et al.* 2006 and Gounaris 2008) focus on how internal marketing is being used and what kind of activities constitute internal marketing. Lastly the literature has also shifted from trying to "box" the responsibility for internal marketing into a specific department

The literature has directed the following three propositions:

2.7.1 ***Proposition 1: The role of internal marketing is complementary to the external marketing of the organisation.***

2.7.2 ***Proposition 2: Internal marketing is viewed as an extension of marketing and the responsibility lies within the marketing department.***

2.7.3 ***Proposition 3: External marketing-like activities are adapted for internal marketing purposes.***

3 RESEARCH METHODOLOGY

The purpose of this research is to explore the role of internal marketing, where responsibility lies within the organisation, and what external marketing-like activities are implemented in internal marketing in South African engineering organisations in the mining sector. It is a qualitative study.

The research methodology used aimed to investigate the problem and sub-problem and to determine the validity of the research propositions as described in this chapter. A management research characteristic is that whatever methodology is used is applicable to the problem being investigated holds Segal (1994) citing Pirow. Furthermore it is not influenced by any tradition which prescribes a particular technique that should be used on a particular problem.

The distinctions between qualitative and interpretive methodologies remain contentious acknowledge Klein and Meyers (1999) and Gummerson (2003). The intention of the research was to add to existing theory and did not predefine dependent and independent variables. The research was exploratory in nature as in-depth interviews were used to gather data for the research.

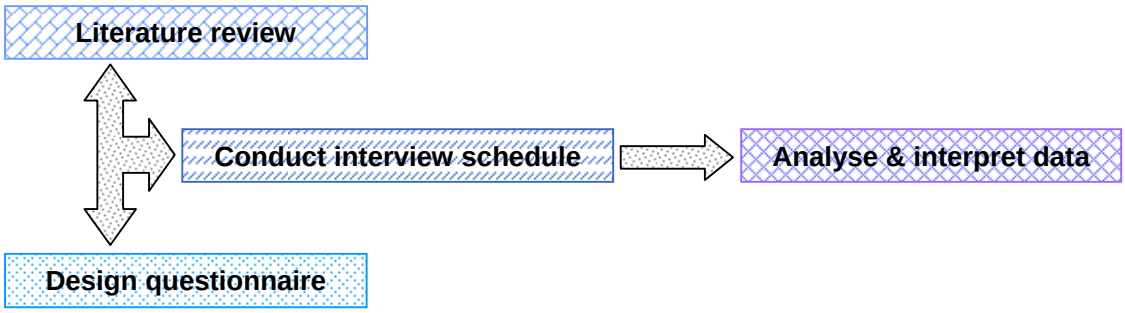


Figure 6: Flow diagram for research process

3.1 Research methodology / paradigm

The research paradigm used in this study is qualitative in nature and utilises in-depth interviews. Qualitative research usually provides a greater understanding of a concept rather than providing a precise measurement. Furthermore, this

type of research focuses on words and observations, meaningful characterisation, interpretation and other expressive descriptions. Any source of information may be formally investigated to clarify which qualities or characteristics are associated with an object, situation, or issue (Zikmund 2003). Furthermore, Miles and Huberman (1994) elaborate that the research model is not linear but interactive, inductive and open-ended.

In-depth interviews using open-ended questions with an unstructured and subjective approach are used to gain an understanding of the participants' experiences (Lincoln and Guba 1985). Patton (2002) adds that this type of research must be conducted in a naturalist setting with a selected sample.

3.2 Research Design

There are numerous definitions for research design. Two definitions cited in Cooper and Schindler (2001: 134) are:

> "The research design constitutes the blueprint for collection, measurement and analysis of data. It aids the scientist in the allocation of his limited resources by posing crucial choices: Is the blueprint to include experiments, interviews, observation, and the analysis of records, simulation, or some combination of these? Are the methods of data collection and the research situation to e highly structured? Is an intensive study of a small sample more effective than a less intensive study of a large sample? Should the analysis be primarily quantitative or qualitative?"

And:

> "Research design is the plan and structure of investigation so conceived as to obtain answers to research questions. The plan is the overall scheme or program of the research. It includes the outline of what the investigator will do from writing hypotheses and their operational implications to the final analysis of data. A structure is the framework, organisation, or configuration of…..the relations among variables of a

study. A reasonable design expresses both the structure of the research problem and the plan to investigation used to obtain empirical evidence on relations of the problem."

The data collection method for the study was one-on-one in-depth interviews. According to Cooper and Schindler (2001) the design is ex post facto as there is no control over the variables.

Creswell (1998) explains that the in-depth interview technique is used in exploratory research to probe respondents on topics in order to maximise the richness of the discussion and data collection in a relaxed environment.

The in-depth interview technique uses open-ended questions to guide the researcher to focus on core themes being probed. An interview guide was compiled to give guidance and ensure that all propositions were explored.

Harrison (2002) and Leedy and Omrod (2005) acknowledge the advantages of in-depth interviews as:

- The researcher can shift focus as new data comes to light;
- The researcher has control over the environment and questions asked;
- The ability and flexibility to probe and prompt interviewees;
- Ability to take cognisance of non-verbal cues;
- Immediate clarification of misunderstandings; and
- The opportunity to cover an variety of topics and data.

The disadvantages of in-depth interviews as identified by Harrison (2002) and Leedy and Ormrod (2005) are:

- The researcher, by nature of his/her presence, may alter what respondents say and how events unfold;
- There may be a perceptual distortion by respondents;

- Researcher bias may exist;
- There could be a lack of articulation by respondents; and
- There may be misinterpretation by the researcher.

Furthermore, Leedy and Ormrod (2005) identified several characteristics of qualitative research that need to be fulfilled:

- The research is exploratory in nature and a better understanding of the complex situations is gained;
- The research process is evolving and cognisant of the possibility of multiple interpretations and variables changing over the course of the study,
- The research is open to possible bias by the researcher based on data retrieved from a small number of individuals; and
- The research is intended to describe and interpret information based on the perceptions and personal narratives of individuals.

3.3 Population and sample

3.3.1 *Population*

The population included all turnkey engineering organisations in the mining sector within Gauteng.

3.3.2 *Sample and sampling method*

Typically qualitative samples are small, as greater insight is gained from investigating a small sample in depth, rather than superficially investigating a larger sample (Schmitt and Klimoski 1991). Respondents were selected from a sample based on their position within the organisation, availability and willingness to participate.

A representative from the selected organisation was contacted and requested to nominate three more people to be interviewed. The population of the research ranged from management, to senior and junior engineers. A total of 16 in-depth interviews were conducted.

Table 1 outlines the interviewee's positions within an organisation.

Table 2: Profile of respondents

Position	Number to be sampled
Management	5
Senior engineers	5
Junior engineers	6

3.4 The research instrument

The research instrument used was in-depth interview schedule with open-ended questions. The interview schedule contains three types of measurement questions says Cooper and Schindler (2001):

- Administrative questions – necessary to study pattern within the data and identify possible errors;
- Classification questions – allow respondents' answers to be grouped to identify patterns; and
- Target questions – in this case unstructured or open-ended questions.

Eight open-ended questions were utilised during the interview process to extract interviewees' own opinions. During the interview respondents were encouraged to share as much information with the researcher, in an unconstrained environment.

The instrument used during the interview process is attached as Appendix 1.

3.5 Procedure for data collection

A list of appropriate turnkey engineering organisations in the mining sector was sourced. The identified organisations were contacted until the desired number of respondents, 16, agreed to participate in the study. Each organisation was requested to select four people from three different spheres, namely, management, senior engineers and junior engineers.

Summary of process

- The database was sourced and relevant participants were identified;
- E-mails were sent requesting participation and describing the purpose of the study;
- Interviews were held at a time and place that was convenient to both the researcher and participants;
- In-depth interviews were used to gather information based on the insights gained from the literature review; and
- The communication approach for in-depth interviews was used to record the responses for analysis.

Interviewees were assured of the confidentiality of their responses and that no information, views expressed or company names would be divulged.

3.6 Data analysis and interpretation

The respondents' in-depth interviews transcripts were recorded and analysed in order for them to be studied in more detail. The data obtained from the respondents was used to extract and identify themes, perceptions and opinions. Data from the in-depth interviews was collated and clustered into themes to validate the propositions. Cooper and Schindler (2001) associate clustering as the first step in data mapping. Theories discussed in the literature review were applied to the data obtained from the interviews.

Concept mapping is one technique used to deal effectively with qualitative research. The opinions and views from the respondents are diagrammatically captured (Daley 2004). Novak (1998) holds that by analysing themes and interconnections using concept map, the qualitative data is displayed in a meaningful and effective manner (Novak 1998).

Novak and Cañas (2008), describe concept maps as having a focus question at the centre of each concept map. The focus question clearly articles the issue that the concept map assists to resolve. From the focus question, key concepts are listed in a 'parking lot', usually between 15 and 25. The concepts are ranked to establish the most general, most inclusive concept to more specific, least general concept, after which a concept map is complied conclude Novak and Cañas (2008).

Daley (2004) confirms that concept maps in their graphical format, simplify the findings for readers by providing a medium which enhances the linkage between actual themes and large parts of the study. Furthermore, the data analysis process in qualitative research contains three sub-processes of data reduction, data display and conclusion drawing. Concept mapping allows for each of these three processes to occur (Miles and Huberman 1994).

Concept mapping was applied to the data to identify the conceptual categories and themes. The data analysis process is viewed as one of the many challenges the researcher is confronted with, when using the qualitative process for analysing data (Daley 2004).

3.7 Limitations of the study

- Data can be coded into themes in a consistent and reliable way;
- Interviewees may have no prior knowledge or experience of internal marketing; and
- Researcher cannot guarantee reliability of information or interviewees.

3.8 Validity and reliability

Validity and reliability is required for research to be credible. Validity is defined as the accuracy of the instrument and the extent that it measures what we wish to measure. There are two types of validity, external and internal. The research measurement procedure's accuracy and precision is referred to as reliability (Carrmichael 2008).

3.8.1 *External validity*

External validity is defined by Cooper and Schindler (2001) as when an observed causal relationship can be generalised across persons, settings and times. The research is extremely valid, if the same results are obtained regardless of the researcher, the context or period (Carrmichael 2008).

3.8.2 *Internal validity*

The ability of a research instrument to measure what it is purported to measure; when the conclusion(s) drawn about a demonstrated experimental relationship truly implies cause is defined as internal validity by Cooper and Schindler (2001).

According to Cooper and Schindler (2001), internal validity can be classified further into content, criterion-related and construct validity. For the purpose of this research content validity was proposed.

Content validity is defined by Cooper and Schindler (2001) as the extent to which it provides adequate coverage of the investigative questioning guiding the study. If the instrument contains a representative sample of the population of subject matter of interest, then the content validity is good. Furthermore to maximise validity, the variable external sources must be minimised and interviews' conducted under standardised conditions.

3.8.3 *Reliability*

Cooper and Schindler (2001) hold reliability as the measurement concerned with stability, equivalence and consistency. Defined as follows:

- The instrument is stable if it secures consistent and coherent results with repeated measurements on the same subject.
- Equivalence considers the degree of error that may be introduced by a different researcher or by a different sample of items being studied.
- Consistency accesses the uniformity and homogeneity amongst the scaled and measureable items researched.

Furthermore, reliability is necessary but not a sufficient condition for validity (Cooper and Schindler 2001).

The questionnaire should provide the researcher with stable and consistent results if used again with a different person.

3.8.4 *Conclusion for Validity and Reliability*

The instrument was considered to be valid and reliable as the following criteria were met:

External and Internal Validity

- The observed causal relationship could be generalised across the interviewees, settings and times (Cooper and Schindler2001).
- All interviews were conducted under standardised conditions while minimising variable external disturbances.
- Interviews provided adequate coverage for the investigate by using a representative sample of the population for content validity according to Cooper and Schindler (2001).

Reliability

- The instrument used was stable as consistent and coherent resulted were obtained with repeat open-ended questioning on the same subject.
- Bias and the degree of error were minimised as only one researcher conducted the interviews.

4 PRESENTATION OF RESULTS

4.1 Introduction

The research findings are summarised in this chapter. Concept mapping was used to cluster the in-depth interview responses into key themes. The details of the concept maps are given in Appendix B. The results from the proposition testing are discussed in detail in Chapter 5. In Tables 3 to 10, the key themes developed against the propositions and relevant questions in the questionnaire are summarised.

4.2 Responses to Proposition 1

The role of internal marketing is complementary to the external marketing of the organisation.

Question 1, requested respondents to describe or define internal marketing, was deliberately broad in an attempt to facilitate discussion with the respondents and to provide a starting point for the interview. The intention was to gain an understanding of the respondents' knowledge of internal marketing.

The question elicited various themes around the definition of internal marketing. Key themes emerging from the concept map and which address Proposition 1 are outlined in Table 3.

Table 3: Definition of the term internal marketing

Theme 1: Strategy roll-out to the organisation
• Create the correct impression and thereby create confidence. Confidence is required in order to sell to customers.
• Confidence leads to motivation, which leads to loyalty and ultimately better performance of staff and the organisation

- Build loyalty
- Reinforce behavior to be inline with the organisation's vision and mission
- Communication of organisation strategy/ goals to employees and how the organisation is going to achieve its strategy/ goals
- How the strategy is broken down into activities
- To motivate staff to achieve organisation goals and objectives
- Staff to be satisfied in order to retain staff and intellectual property
- Attract staff

Theme 2: Part of total marketing

- Marketing to staff verses marketing to customers
- Communicating reasons to staff why we are doing something
- Employees receive first hand knowledge
- Building of interpersonal relationships
- Process to embeds organisations' values

Theme 3: Sell Internally

- Internal marketing is unique to the organisation
- Branding of the organisation internally
- The beliefs and values of the organisation
- To promote inter-functional co-ordination by breaking down silos
- Sharing of information/ knowledge between different departments

Theme 4: Marketing something inside the organisation

- Just as important to sell internally as externally (maybe more important internally)
- The organisations internal capabilities and skills to achieve its strategy/ goals
- Creating awareness as people represent the company externally
- Standard of products/services employees deliver

Theme 5: Don't know

- A few respondents had no knowledge of internal marketing
- Many respondents had not heard of the term internal marketing

Question 2, the internal marketing implementation rationale, was designed to apply the answers given in Question 1. There was a significant overlap between the answers given in Question 1 and Question 2. The emerging themes are listed in the Table 4.

Table 4: Implementation of internal marketing

Theme 1: Strategy roll-out to organisation

- Direction of company
- Know what is happening within the organisation and being factual
- Prevent turnover of staff

Theme 2: Adapt external marketing internally

- Better understanding of the organisation

- Communication between all employees and disciplines (management and staff, inter-function interaction)
- Motivating employees to breakdown silos
- Preventing blockages between departments
- Open communication to all to ensure transparency
- ‘Cheapest way to communicate with staff’
- Improve knowledge base
- To create loyal employees
- To create a sense of pride towards the organisation

Theme 3: Improve sales through internal effectiveness

- ‘A happy employee is an effective employee’
- Interaction between individuals, groups, departments
- Get better sales at the end of the day
- Team effort leads to better productivity
- Know capabilities and skills of the organisation

Theme 4: Creation of brand ambassadors

- Sell organisation to employees
- Live the organisation’s values
- Create confidence in the organisation

Question 3, the role of internal marketing, was designed to test Proposition 1 (The role of internal marketing is complementary to the external marketing of the organisation) further. The key themes are indicated in Table 5.

Table 5: The role of internal marketing

Theme 1: Improve on delivery • Manage own resources • Standardisation of polices and procedures and build into system
Theme 2: Internal communication • Communication is absolutely vital to the sharing of information • Giving staff the correct information • Talking to each others and having a positive attitude • Communicating across departments to sell oneself internally
Theme 3: Create success • Improving on delivery, efficiencies • Integration of Inter-departments leads to team work • Proud of what we are doing and wanting to be part of a winning team • Successful projects leads motivation • To work towards a common goal within the organisation

Theme 4: Create awareness of strategy and successes

- 'Time is money'
- Create an identity that staff can associate with
- Market success stories within

Question 4, the implementation of internal marketing using examples, was intended to explore the implementation of internal marketing further, building on from Question 2. Furthermore, the question addressed issues relating to Proposition 3 (External marketing-like activities are adapted for internal marketing purposes). The key theme emerging from the concept maps are indicated in Table 6.

Table 6: Implementation of internal marketing using examples

Theme 1: Build relationships

- Medium used to transfer message (direction/ strategy of company) to staff
- Feel part of company, a sense of belonging
- Sell oneself internally to other projects
- Breakdown silos and promote inter-department co-operation
- Sharing of information and knowledge

Theme 2: Motivation

- Communication is used to motivate and inform staff of what is happening within the organisation
- What can we do better?

- Success stories, wins are distributed via e-mails/ intranet and ‘lunch and learns’
- Departments working together

Theme 3: Marketing message

- Written word (brochures, documentation, e-mails and so forth)
- Spoken word (presentations, telephone, meetings, training, announcements)
- Free flow of information
- Different campaigns are used to communicate different messages
- Promotes and creates a pleasant working environment
- Know what skills/ capabilities organisation has

Question 5 was intended to identify the key benefits of internal marketing and concept mapping this question led to the identification of a number of themes as outlined in Table 7.

Table 7: Key benefits of internal marketing

Theme 1: Sharing of information and transparency

- Positive perceptions and image
- Inter-department co-operation
- Need to inform staff where the company is now and where it is going
- Planning for the future
- Create loyal employees

Theme 2: Organisational climate

- Attract employees from other organisations
- Create awareness by letting staff know what is happening
- Part of decision making process
- Sense of identity

Theme 3: Buy-in and build company

- Empowerment of staff to do their job
- Recognition of the importance of the brand
- Sharing of information and knowledge
- Knowledge leads to confidence
- Communication between silos
- Employees are prepared to go that extra mile “You look after me and I look after you”.
- Defend the organisation against competitors and customers.

4.3 Reponses to Proposition 2

Internal marketing is viewed as an extension of marketing and the responsibility lies within the marketing department.

Question 6, who is responsible for internal marketing, was designed to test Proposition 2 (Internal marketing is viewed as an extension of marketing and the responsibility lies within the marketing department). Six key themes emerged from the concept mapping as outlined in Table 8:

Table 8: Responsibility for internal Marketing

Theme 1: Everyone's responsibility • Company is made up of employees • Everyone is responsible up to a certain level • Team effort • Should not be left to a single department • After all we all have ideas (good or bad)
Theme 2: Marketing department with assistance from human resources • Human resources function but depends on what is being communicated • Strategy does not come from human resources, only forms part of the overall strategy • Jointly marketing and human resources
Theme 3: Marketing department with assistance from management • Marketing team with support from the managing director • Marketing with inputs from management
Theme 4: Internal marketing as a separate function • Separate department with it's own budget

Theme 5: Management including managing director

- Managing Director
- Top to bottom
- Leadership of company
- Inputs from marketing and human resources to ensure transparency

Theme 6: Marketing department

- Marketing department co-ordinates inputs from all departments
- Marketing department as a central distributor of information
- Marketing is there as a tool or a driver
- Marketing manager

4.4 Reponses to Proposition 3

External marketing-like activities are adapted for internal marketing purposes

Question 7, what activities form part of internal marketing, was designed to test Proposition 3 (External marketing-like activities are adapted for internal marketing purposes) and to explore what kind of external marketing activities are implemented internally. After an initial discussion, respondents were given a list (Table 9) to elaborate and discuss further and add additional activities.

Table 9: Summary of responses to types of marketing activities

Activity	Yes	No	Don't know
1. Meetings (staff / departmental)	16		
2. Meetings (management)	16		
3. Strategy meetings (bosberaads/ Lekgotlas)	10	2	4
4. Team building	10	6	
5. Social Events	16		
6. E-mails	16		
7, Intranets	16		
8. Newsletters (Internal)	16		
9. Newsletters (external)	8	8	
10. Notice boards	16		
11. Memo's	E-mails were considered to be memos		
12. Give aways	16		
13. Informal communications	16		
14. Other	4	8	4

Other activities included:

- Staff recognition programme;
- Football Fridays;
- Branding awareness;
- 'Lunch and learn';

- Committees (Employment Equity);
- Corporate Social Responsibility;
- Training;
- “Help desk”;
- Informal get togethers; and
- Employee surveys.

Concept Map 7 was used to cluster internal and external activities together as well as activities that cut across both.

Question 8, the effectives of internal marketing, was intended to gauge how effective an organisation’s internal marketing was.

Table 10: Summary of key terms regarding the effectiveness of internal marketing

Positive	Neutral	Negative
Communication is good	Access to information	Operate in silos
Effective, but room for improvement	Well informed (effective for what I do)	Not good can improve
Pretty good	Tailor made	Not effective
Communication between staff and management is good	Don’t have a benchmark	Feedback is limited

Positive	Neutral	Negative
Very effective	Rumors indicator of effectiveness	Divide between contractors and permanent staff
Getting better		Geographically dispersed
Segmented to suit different departments		Need support from management
Well informed		Overload of information
Training given		One way communication
Vision of top management		Don't know can improve
Between department is not good		No continuous loop

4.5 Summary of the results

The interviews were analysed in terms of the eight questions using concept mapping to cluster and identify key themes. By listing all the key themes in a *parking lot*, duplications and similar terms/ terminology could be eliminated thus resulting in a more manageable list of themes. All remaining themes were then ranked and then used to construct the concept maps.

5 INTERPRETATION OF RESULTS

5.1 Introduction

The interpretation of the results of this research is based on the findings from the interviews and compared to and contrasted with the findings revealed in the literature review. The propositions results that were tested are discussed by commenting on the responses to each question as they relate to the proposition.

5.2 Proposition 1

The role of internal marketing is complementary to the external marketing of the organisation.

From the responses to Question 1, which was very broadly defined, the majority of respondents were not sure what internal marketing was, nor were they sure how to define the term. The literature confirms that there are numerous definitions that have claimed to address the concept of internal marketing (Berry, Hensel and Burke 1976, Grönross 1985 Ahmed and Rafiq 1995, Grönross 1997). Furthermore, the diversity of these interpretations has led to difficulties in the adoption and implementation of the concept.

The research was assessed against Rafiq and Ahmed's (2000) key elements in defining internal marketing as well as their model of internal marketing depicting interrelationships. Rafiq and Ahmed (2000) key elements and the corresponding key theme from the research is outlined in Table 11.

Table 11: Comparison of Rafiq and Ahmed (2000) key elements to the research findings

Rafiq and Ahmed (2000)	Research findings
Employee motivation and satisfaction;	• Table 3, Theme 1: Strategy roll-out to organisation • Table 4, Theme 2, Adapt external marketing internally • Table 5, Theme 3: Create Success • Table 6, Theme 2: Motivation
Customer orientation and customer satisfaction	• Not specifically applicable to research
Inter-functional co-ordination and integration	• Table 3, Theme 3: Sell internally • Table4, Theme 2: Adapt external marketing internally • Table 6, Theme 1: Build relationships • Table7, Theme 1: Sharing of information and transparency
Marketing-like approach to the above	• Table 3, Theme 2: Part of total marketing • Table3, Theme 4: Marketing something inside the organisation

	• Table 4, Adapt external marketing internally • Table 4, Theme 4: Creation of brand ambassadors • Table 5, Theme 2: Internal Communication • Table 6, Theme 3: Marketing message
Implementation of specific corporate or functional strategies	• Table 3, Theme 1: Strategy roll-out to the organisation • Table 4, Theme 1: Strategy roll-out to the organisation • Table 6, Theme 1: Build relationships

The literature, (Varey and Lewis 1999) criticised the notion that marketing activities motivate people, since some people are self-motivated. Yet the majority of the respondents indicated that motivation was an essential part of internal marketing.

Motivation and satisfaction co-existed according to many of the respondents. The early literature focused on employee satisfaction to improve service quality, Rafiq and Ahmed 2000.

Management respondents identified internal marketing as an instrument for the implementation of strategy and operational activities across departments. Various authors citied in the literature (Flipo 1986, Piercy and Morgan 1989, Glassman and McAfee 1992, Winter 1995, Ahmed and Rafiq1995) confirm that internal marketing focuses on the tasks and activities required for successful strategy implementation.

Interpersonal relationships influenced the sharing of knowledge which empowers employees to add value that is unique to the organisation and superior to the competitors. Sharing of knowledge was viewed as an integral part of the overall strategy including marketing. Strategy was shared with employees by using 'marketing-like' techniques such as communication, newsletters and intranet.

Generally respondents had a positive association with their organisation and its goals. Having cohesive corporate values was identified as securing greater commitment from staff thus enhancing the overall performance of the organisation. Furthermore by reinforcing these values influenced the success of the organisation. From the literature, Hogg *et al.* (1998) and Kelemen and Papasolomou (2007) hold that corporate values play an essential part in creating successful organisations.

Values and beliefs influence interpersonal relationships and how the brand is perceived. A brand was viewed as both an organisation differentiator and competitive advantage). Respondents agreed that the use of marketing techniques enables employees to gain a better understanding of the brand and the role they played in enhancing the brand. In later literature, building and maintaining relationships and building a strong brand was included (Hogg *et al.* 1998, Varey and Lewis 1999 and Papasolomou and Vrontis 2006).

Other emerging themes were loyalty, performance and the capabilities and skills of employees. All of these themes were viewed as having a direct influence on external customer satisfaction and affect the overall performance of the organisation.

The company's attractiveness as a potential employer was emphasised by many of the respondents. The literature confirmed that organisations need to attract, select and retain the best employees to deliver excellent quality service to external customers (Berry *et al*. 1991).

Varey and Lewis (1999) broadened the definition of internal marketing. In Table 12, the corresponding key theme from the research is compared against Varey and Lewis (1999).

Table 12: Varey and Lewis (1999) and the corresponding research findings

Varey and Lewis (1999)	Research Findings
The retention of skilled people	• Table 3, Theme 1: Strategy roll-out to the organisation • Table 4, Theme 1: Strategy roll-out to the organisation
Building and maintaining relationships with management who share the organisation's objectives	• Table 3, Theme 1: Strategy roll-out to the organisation • Table 3, Theme 2: Part of total marketing • Table 4, Theme 1: Strategy roll-out to the organisation • Table 5, Theme 3: Create success • Table 6, Theme 1: Build relationships
Building a corporate brand	• Table 3. Theme 3: Sell Internally • Table 4, Theme 4: Creation of Brand Ambassadors • Table 5: Theme 4: Create awareness of strategy and successes
Communication management with a clear strategy	• Table 3, Theme 1: Strategy roll-out to the organisation • Table 4, Theme 2: Adapt external

	marketing internally • Table 5, Theme 2: Internal Communication • Table 6, Theme 2: Motivation • Table6, Theme 3: Marketing messages
Productivity through participation	• Table 3. Theme 3: Sell Internally • Table 4, Theme 3: Improve sales through internal effectiveness • Table 7, Theme 3: Buy-in and building organisation

Responses to Question 2 were similar to those given in Question 1. Management respondents confirmed that internal marketing should be instilled at both a strategic as well as at an operational level as it cuts across all functions, which coincides with the literature (Morgan 2004 and Longbottom *et al.* 2006).

Numerous interactions at different levels were identified across the organisations such as: individual to individual, group to group, function to function, department to department, employee to manager and so forth. The organisation's ability to achieve its strategy and to improve sales was either directly or indirectly influenced by these internal interactions.

Adapting external marketing-like techniques such as communication was viewed as motivating employees to breakdown silos and thus improving inter-departmental interactions and team effort. Internal communication can prevent inter-departmental conflict. Functional integration and co-operation is essential for successful strategy execution. This finding was consistent with the literature

(Berry *et al*. 1976, George 1977, Berry 1981, Flipo 1986 and Rafiq and Ahmed 2000).

Knowledge and sharing of information were identified as key drives to improve skills, capabilities and motivation, ultimately creating awareness of strategic issues.

The responses to Questions 3 were again similar to 1 and Question 2. The question was also designed to test Proposition 1 (The role of internal marketing is complementary to the external marketing of the organisation).

Management respondents recognised the need for change to occur in order for an organisation to achieve successful strategy implementation. The change required could be in attitude, motivation or behaviour of employees. Change cannot be determined solely by one person but needs to take into consideration all requirements arising from the employees as well as the external environment. According to, Ahmed and Rafiq (1995) the multilevel model for internal marketing reinforces the need for change to occur in an organisation.

Both senior engineers and management used the phrase “time is money”. The implementation of strategy is time-dependent and generally there is a time lag between implementation and achieving the desired outcomes. Any effective strategy incurs costs when planned activities are executed. But the benefits of the using the right type of activities outweigh the financial costs incurred. The literature argues further that there is an additional cost associated with strategy implementation – employee ‘buy-in’ (Ahmed and Rafiq 1995 and Piercy and Morgan 1991).

Communication was recognised as an extremely effective vehicle for sharing information to create an identity that fits within the overall strategy, ultimately achieving the organisation’s goals. Communication plays a pivotal role in engineering organisations where there is generally a combination of permanent and contract engineers operating in silos. A relationship between positive attitude and loyalty to the company existed when internal communication was effective. The literature confirmed that communication is a critical element of

internal marketing (Hartley and Lee 1986, Morgan 1990, Gummesson 1991, Unzicker *et.al.* 2000 and Smidt *et al.*2001 citied in De Bussy *et al.* 2003).

Question 5 was designed to test Proposition 1 (The role of internal marketing is complementary to the external marketing of the organisation) further by attempting to extract respondents' views on the key benefits of internal marketing.

Management and senior engineers were seen as part of the decision making process, and expressed the need for all employees to be empowered. The degree of empowerment should be determined by the complexity and variability of the job function. Empowerment was also necessary for positive interactions and effective communication to occur. In addition, empowered employees were more effective and efficient in their jobs having the flexibility to make on-the-spot decisions thus having a positive effective on job satisfaction. The literature confirms this notion (Rafiq and Ahmed 2000 and Gounaris 2008).

Individual execution of responsibilities often impacts on the performance and experience of other individuals or groups. Transparency and 'communicating by deed' harmonised positive interactions between employees and management. Positive interactions support the unity of the organisation which reinforces the brand and the organisation's values.

Intellectual property of an organisation is only a sustainable competitive advantage if the organisation encourages long-term commitment resulting in loyalty. Using appropriate internal marketing activities increased the probability of job performance, satisfaction and ultimately loyalty.

5.3 Proposition 2

Internal marketing is viewed as an extension of marketing and the responsibility lies within the marketing department.

The majority of the responses to Question 6 were of the opinion that internal marketing was everyone's responsibility. A clear understanding of the long-term objectives/ goals of the organisation were by both managers and

employees. The literature confirms that no function is effective if it operates in isolation and suggests that internal marketing is used to guide all people, functions and departments to co-operate in order to achieve the organisation's overall objectives (Ahmed and Rafiq 2003).

Respondents were requested to select one function or department. Here again respondents were divided between marketing, management and human resources.

5.3.1 *Marketing department with assistance from human resources*

One option was that overall responsibility lies within the marketing department with assistance from human resources. Under a specific framework, 'marketing-like' activities such as socialisation, participation in decision-making processes, empowerment, accurate and open communication are used to focus and drive customer satisfaction. Human resources' responsibility is for communicating policies, procedures and employee announcements. This is consistent with the literature (Berry *et al*. 1976 and Gounaris 2008).

Increasing the organisation's attractiveness as an employer is clearly a human resource function. Marketing needs to understand the environment to assist human resources to increase the organisation's attractiveness to future employees. The literature holds that unless internal marketing is practiced within the organisation with the external customer in mind, then it is nothing more than standard human resources practice (Mudie 2003 and Gounaris 2008).

Therefore, the attraction, retention and motivation of employees cuts across both functions. The literature confirms that internal marketing encompasses activities that were traditionally part of human resources such as competing for the best people; becoming the preferred employee, training for technical and interactive skills; providing supportive infrastructure; recognition of work well done and measuring and rewarding strong performances (Kale 2006 and Woodruffe 1995).

Responses suggested that internal marketing and human resources are interdependent and can be viewed as the interface between the two functions as confirmed by the literature (Longbottom *et al.* 2006, Kelemen *et al* and Papasolomou.2007 and Gounaris 2008).

5.3.2 *Marketing department with assistance from management*

Marketing department with inputs from management was considered to be another option to be responsible for internal marketing. Strategy is devised by management including both marketing and human resources amongst others. The strategy of the organisation needs to filter down into the organisation. How the strategy is broken into operational activities also needs to be communicated. One of the many roles of management is to communicate the various organisational strategies and objectives to employees. Supportive senior management is fundamental to the success of internal marketing initiatives to all employees facilitating inter-functional co-operation is consistent with the literature (Rafiq and Ahmed 2000).

5.3.3 *Internal marketing as a separate function*

One respondent identified the need for a totally separate internal marketing department that would receive inputs from all functions. The department would be responsible for the co-ordination and dissemination of information throughout the organisation. However, the consensus in the literature on internal marketing is that internal marketing should not be treated as a specialist function but rather as a convergence of a number of previously separate management disciplines (human resources, strategic management, marketing management and quality management (Varey and Lewis 1999).

5.3.4 *Management including managing director*

One school of thought is that internal marketing originates and is driven from the top and is communicated down. Since management is responsible for the development and execution of the organisation's strategy, it also needs to take

responsibility for the communication thereof. For effective execution to occur, no single management function can operate in isolation or be compartmentalised. Management is viewed as portfolio of skills that are not functionally distinguishable and cut across traditional functions (Mintzberg 1973). Furthermore, interactions between management and staff need to be a two-way communication process as confirmed by the literature (Varey 1995).

Zeithaml, Berry and Parasuraman (1988) also maintain that management is responsible for selecting the appropriate communication channels to ensure transparency, regularity, quality and accuracy of information.

5.4 Proposition 3

External marketing-like activities are adapted for internal marketing purposes.

Question 4 was designed to test Proposition 3 (External marketing-like activities are adapted for internal marketing purposes). Respondents used external marketing-like activities to describe the implementation of internal marketing in organisations. Unilaterally, communication was identified as the most common technique to share operational activities and strategy within the organisation.

Positions within the organisation dictated the amount of information shared. Respondents referred to this as internal segmentation. Segmentation correctly implemented, prevented barriers and constraints being formed between the different functions. Segmentation is effectively used for compiling communication strategies to disperse clear messages and preventing information overload. The literature adds that broad messages hold very little meaning, are lost, create barriers between employees or create confusion (Piercy and Morgan 1991 and Ahmed and Rafiq 1995, Ahmed and Rafiq 2003).

Continuous feedback or two-way open communication was another key theme identified by the respondents. Continuous feedback or two-way communication included listening and possibly changing inappropriate practices.

Project work is one of the key drives in the engineering sector. Engineering organisations employ both contract and permanent engineers. Often engineers are required to “sell” their capabilities and skills to the project leader. Training enriches the engineer’s ability to “sell” him/herself. Building and maintaining relationships between departments provides another platform to “sell” capabilities and skills. Being able to “sell” capabilities and skills internally is pivotal for inter-functional co-operation.

A pleasant working environment is fundamental for building relationships, inter-departmental co-operation and positive interactions. Working environment included workspace and security. This is also reflected in the literature which includes physical environment, layout of office and dress code (Morgan 2004).

Many of the respondents considered the brand and corporate identity to be essential elements for the organisation’s existence. Furthermore, both the brand and the corporate identity were viewed as a competitive advantage.

Initially many of the senior and junior engineers’ responses to Question 7 maintained that no marketing activities were implemented internally. After probing deeper, many of the respondents realised that all activities outlined in Table 9 and more were actually implemented in their organisations in various formats and to various degrees. The discussion then focused on the numerous external marketing-like activities that have been adapted successfully for internal marketing purposes.

The most regular channels of communication between management and employees are e-mails, meetings or informal discussions. Departmental or management meetings were held either weekly or monthly. Staff meetings were generally held on a monthly basis.

Through the development of technology, a greater selection of media is now being utilised. The intranet, electronic newsletters and e-mails are an important source of focussed and general information. Due to increased volumes of information being available in different formats, presentation and content play a crucial role, due to time constraints. Various authors in the literature verify the

importance of electronic media (Morgan 1986, Gordon 1998, Sanchez 1999 and De Bussy *et al.* 2003).

Electronic media, such as e-mails and the intranet contributed successfully to two-way communication. The intranet has had a positive effect on information sharing as information is easily accessible and regularly updated. Information can also be accessed at one's leisure and be used later as a resource. Conversely e-mail and the intranet were accused of contributing to information overload, which coincides with the literature (Sanchez 1999).

All the organisations compiled both internal newsletters exclusively for employees and an external customer newsletter. The general consensus was that the external newsletter benefitted internal staff as well as the customers.

According to the literature, for effective internal marketing to occur, organisational structure, attitude towards innovation, alignment of individual and organisation goals and an ethical work climate also need to be taken into account (De Bussy *et a*l. 2003).

Social interactions such as team building, informal gatherings and corporate social responsibility formed an important dimension of the organisation. In the current economic situation, financial constraints limited team building activities. The literature confirms that socialisation (organisational fit, identification with the company; employee participation in decision making; commitment, accuracy and openness of communication) are key elements of the internal marketing strategy (Naudè *et al.* 2003).

Responses to Question 8 were varied and claimed that the implementation of internal marketing was either not effective at all, or very effective. Respondents were then requested to elaborate further and clarify their responses.

Clarification of responses yielded that when internal marketing was broken up into different activities, most were rated positively with room for improvement.

One of the greatest concerns was information overload. Information was available through so many different channels that often there was not enough

time to review or digest this information before the next batch arrived. On the other hand respondents valued the availability of the information.

The divide between contractors and permanent employees was another issue which arose. The use of an appropriate communication channel could assist to minimise the divide and promote the sharing of knowledge and information.

The minority of respondents held the view that engineering organisations operating in silos prevented the free flow of information. Furthermore, the employees operating outside of the head office were at a further disadvantage.

In general, communication was rated as effective. The numerous social activities also scored positively.

5.5 Conclusion

After analysing the key concepts through the process of concept mapping, a number of key themes identified were repeated in subsequent concept mapping such as knowledge, sharing of information, communication, motivation and strategy.

Internal marketing is a relatively new field of study. There is no consensus on a single definition in the literature, and this corresponded with the respondent's inability to clearly define the term internal marketing.

Another area of confusion is where the responsibility and accountability for the implementation of internal marketing lies.

Many external marketing-like activities were implemented internally. In some cases external activities were accepted as part of the internal marketing strategy.

6 CONCLUSION AND RECOMMENDATIONS

6.1 Summary

The key results of the research were presented through a discussion of the research findings in terms of the three propositions that were qualitatively tested. The discussion included relevant findings from the literature review.

6.2 Conclusions of the study

6.2.1 *Proposition 1*

The role of internal marketing is complementary to the external marketing of the organisation.

Internal marketing was viewed as the roll-out of the strategy to the organisation internally, focussing on the tasks and activities required. Management adapted various external marketing-like techniques such as communication, newsletters and the intranet to share the overall strategy or operational activities with employees.

Strategy execution is time-dependent and generally there is a time lag between execution and achieving the desired outcomes. Costs are incurred when strategy is executed, but the benefits of the using the right type of activities outweigh the financial implications.

Information sharing is fundamental to achieve the strategy/ objectives of the organisation. In addition, sharing of information is influenced by interpersonal relationships. Using marketing-like techniques motivated employees to breakdown silos thus improving information sharing and inter-departmental interactions.

Sharing of information also empowered employees to add value that is unique to the organisation and superior to the competitors. Empowerment is necessary

for interactive marketing to occur. Empowerment was also necessary for positive interactions and effective communication to transpire.

Internal interactions directly or indirectly influence the organisation's ability to achieve its strategy/ objectives. Adapting external marketing-like techniques can prevent inter-department conflict thus encouraging co-operation and team work.

Group performance or experiences are often manipulated by individuals. Transparency and positive interactions support the unity of the organisation which reinforces the brand and the organisation's values and beliefs.

The values and beliefs are a reflection of the prevailing culture within the organisation. The cohesiveness of an organisation's culture can impact the organisations' performance and commitment from employees.

A brand is viewed as both an organisation differentiator and competitive advantage. The implementation of marketing techniques enabled employees to gain a better understanding of the brand and the role they play in enhancing the brand.

Customer satisfaction is influences by the performance, capabilities and skills of employees. Organisations need to attract, select and retain the best employees to consistently deliver quality service to external customers. Internal marketing assists to improve the attractiveness of the organisation to future employees.

Adapting appropriate marketing-like activities internally increases the probability of job satisfaction and loyalty.

Communication is an effective and most common mechanism for sharing information both internally as well as externally.

Proposition 1 is therefore **accepted.**

6.2.2 *Proposition 2*

Internal marketing is viewed as an extension of marketing and the responsibility lies within the marketing department

Internal marketing is indeed viewed as an extension of marketing, but the responsibility does not necessarily lie within the marketing department.

Internal marketing forms part of the overall strategy of the organisation that is devised and executed by management including marketing. The strategy of the organisation needs to filter down into the organisation. One of the roles of management is to communicate the various organisational strategies and objectives to staff. In addition, management is responsible for selecting the appropriate communication channels to ensure transparency, regularity, quality and accuracy of the information.

Internal marketing encompasses activities that were traditionally part of human resources or other management functions For instance, human resources is responsible for communicating policies, procedures, employee announcements and skills development, while management in general is responsible for the attraction, retention and motivation of employees. There was consensus that no single management function can operate in isolation or be compartmentalised if the organisation's overall strategy is to be achieved.

As a result, Proposition 2 is **partially accepted** on the grounds that Internal marketing is an extension of marketing but management is responsible for internal marketing.

6.2.3 *Proposition 3*

External marketing-like activities are adapted for internal marketing purposes.

External marketing-like activities were used to describe the implementation of internal marketing in organisations. Unilaterally, communication was identified as the most common technique to share operational activities and strategy

within the organisation. Communication strategies including two-way communiqué are devised to disperse clear messages thus trying to preventing information overload.

Furthermore, marketing-like activities are used to create, understand and communicate corporate values and the brand internally. The brand and corporate values are unique to an organisation and be deemed as a competitive advantage.

Today, due to technology development, a greater selection of media is being utilised. The internet and customer electronic newsletters are easily accessible, updated regularly and viewed as crucial sources of information irrespective of the fact that they are intended for the external customer.

An important dimension of internal marketing is social interactions such as team building, informal gatherings and corporate social responsibility. All of these activities have been adapted to suit the internal market.

Hence, Proposition 3 is therefore **accepted.**

6.3 Limitations of research

All respondents were permanent employees working for international organisations with their head offices based in the Johannesburg area. A more representative sample including contract workers might have yielded different results.

6.4 Recommendations

Internal marketing assists organisations with the effective implementation of their strategies/ goals. By understanding what needs to be done, by who, necessitates the formalisation of internal marketing strategies in engineering organisations. By formalising the internal marketing strategies ensures that the appropriate marketing-like activities are adapted and executed timeously. In additional, duplication of activities are avoided or adjusted to suit both internal

as well as external customers. Streamlining process and avoiding duplications lead to possible cost savings.

Internal marketing may be considered to be everyone's responsibility, but ultimately someone needs to take ownership for effective implementation to occur. Engineering organisations need to agree internally on the appropriate allocation of responsibility within the organisation. The structure of the organisation needs to be analysed to determine who is responsible for the implementation of internal marketing.

Even through there is a great a deal of confusion surrounding the definitions of internal marketing, organisation can only benefit by gaining an understanding of what internal marketing is. Organisations that have motivated satisfied and loyal employees generally are more efficient and high performing organisations. The internal marketing costs incurred are therefore negligible.

In any organisation communication needs to occur either between individuals, groups, or departments. Internal communication assists to promote transparency and sharing of information and ultimately building and maintaining interpersonal relationships.

6.5 Suggestions for further research

This research on the role of internal marketing in engineering organisations in South Africa is one of the first investigations of this nature. The exploratory work lends itself to follow-up research. Suggestions for future research include:

- To measure the effectiveness of internal marketing on contract employees (professional employees) verses permanent employees in the engineering sector;
- A comparison of internal marketing implemented at head office and internal marketing implemented at geographically dispersed branch offices in the engineering sector;

- Determining the optimal management structure for effective implementation of internal marketing in engineering organisations;
- A comparison of hidden costs associated with the implementation of internal marketing verses external marketing, and
- Qualitative research using a larger sample size to verify the findings of this research.

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APPENDIX A

Questionnaire – in-depth interviews: Adapted from Papasolomou and Vrontis (2006a p. 40)

1. In your own words, how would you describe/ define the term internal marketing?
2. Why do you think internal marketing is implemented within an organisation?
3. What is the role of internal marketing?
4. How is internal marketing implemented within in an organisation, use examples where possible?
5. What do you see as the key benefits of internal marketing?
6. Who do you think should be responsible for internal marketing and why?
7. What activities does your organisation do as part of internal marketing?
8. How effective is your organisation's internal marketing, and why do you say this?

APPENDIX B

Concept Map 1: Definition of the term internal marketing

Question 1: In your own words, how would you describe/ define the term internal marketing?

Step 1: From the interviews, key concepts were listed in *parking l*ot and reduced to between 15 and 25 key concepts

Parking Lot 1 for Concept Map 1

1. Strategy roll-out to organisation
2. ~~Corporate strategy~~
3. Operational activities
4. Attract staff
5. Capabilities/ Skills
6. Knowledge
7. ~~Knowledge base~~
8. Sharing of information
9. ~~Supply services internally~~
10. ~~Communication~~
11. Values/ beliefs
12. ~~Happening within organisation~~
13. ~~Company can do as a whole~~
14. ~~Marketing to customers~~
15. Professional
16. Performance
17. Motivate
18. ~~Proud to belong~~
19. Confidence
20. Brand
21. Satisfaction
22. Sell internally

23. Loyalty
~~24. Embeds values~~
25. Reinforces behaviour
~~26. Employees~~
~~27. First hand knowledge~~
28. Part of total marketing
29. Unique
30. Complementary
~~31. Correct impression~~
~~32. Winning team~~
~~33. Helping staff~~
~~34. Reasons~~
35. Awareness
~~36. "Product to company"~~
~~37. Attractiveness of company~~
38. Marketing something inside of company
~~39. People feel about company~~
~~40. Proud – what they say externally~~
41. People represent company
42. Standard of products/services they produce
43. Don't know
~~44. Know what goals and objectives are~~
~~45. Know what's happening inside of company~~
46. Inter-relationships
~~47. Company as a whole is capable of~~
~~48. Selling company to staff (brand)~~
~~49. Beliefs~~

Step 2: Reduced number of key concepts listed in a new *parking lot* and ranked for plotting on concept map.

Parking Lot 1 reduced to acquired number of terms

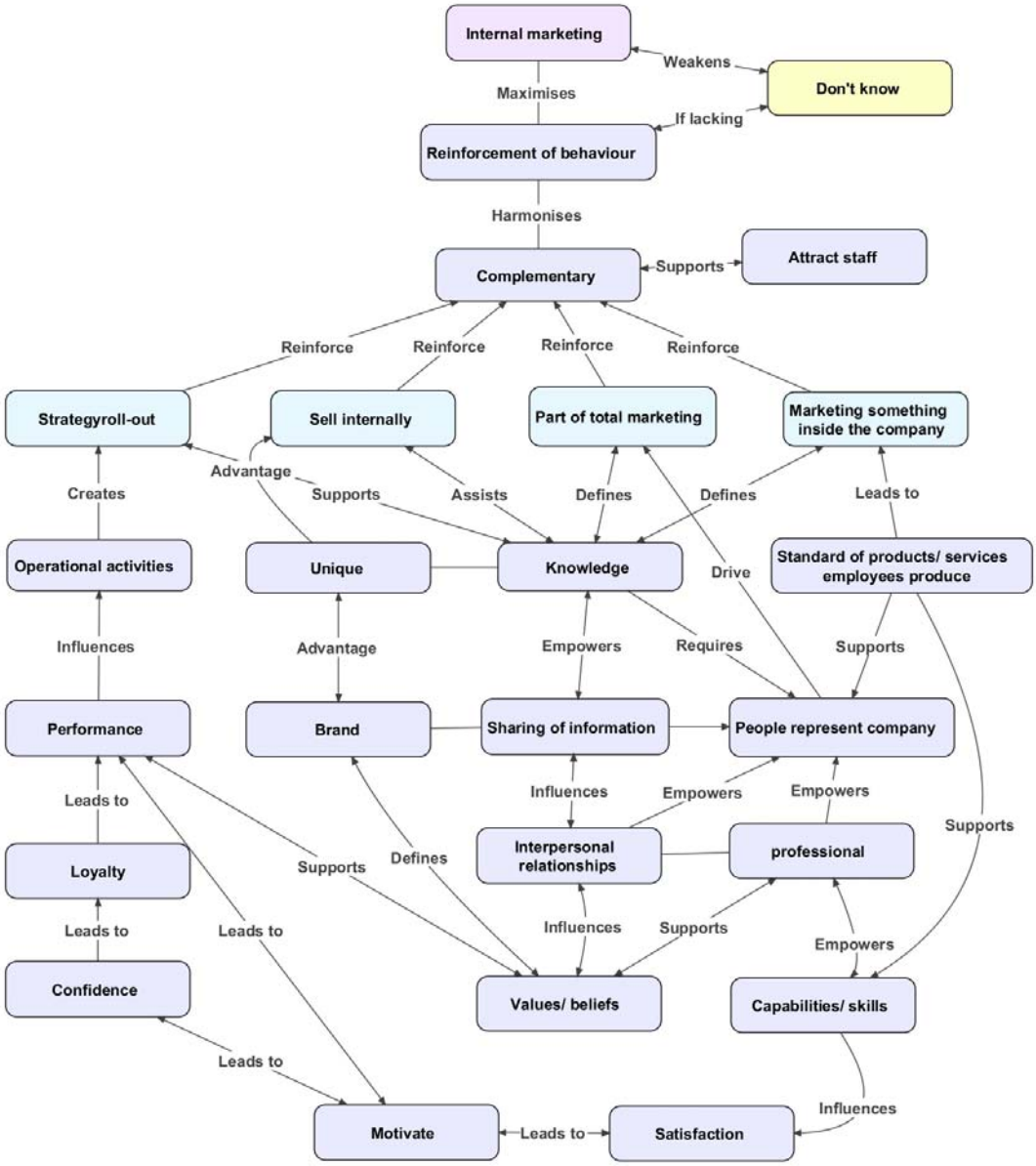
1. Strategy roll-out to organisation (1)
2. Operational activities (12)
3. Attract staff (24)
4. Capabilities/ Skills (17)
5. Knowledge (5)
6. Sharing of information (7)
7. Values/ beliefs (16)
8. Professional (8)
9. Performance (9)
10. Motivate (20)
11. Confidence (21)
12. Brand (18)
13. Satisfaction (22)
14. Sell internally (4)
15. Loyalty (23)
16. Reinforces behaviour (13)
17. Part of total marketing (2)
18. Unique (10)
19. Complementary (11)
20. Awareness (15)
21. Marketing something inside of company (3)
22. People represent company (19)
23. Standard of products/services they produce (6)
24. Don’t know (25)
25. Inter-relationships (14)

Step 3: Key concepts in hierarchy order for plotting on concept map

Parking Lot 1 in hierarchical order

1. Strategy roll-out organisation
2. Part of total marketing
3. Marketing something inside of company
4. Sell internally
5. Knowledge
6. Standard of products/services employees produce
7. People represent company
8. Sharing of information
9. Operational activities
10. Inter-relationships
11. Professional
12. Performance
13. Unique
14. Complementary
15. Brand
16. Reinforces behaviour
17. Awareness
18. Values/ beliefs
19. Capabilities/ Skills
20. Motivate
21. Confidence
22. Satisfaction
23. Loyalty
24. Attract staff
25. Don’t know

Concept Map 1: Definition of the term internal marketing



Concept Map 2: Implementation of internal marketing

Question 2: Why do you think internal marketing is implemented within an organisation?

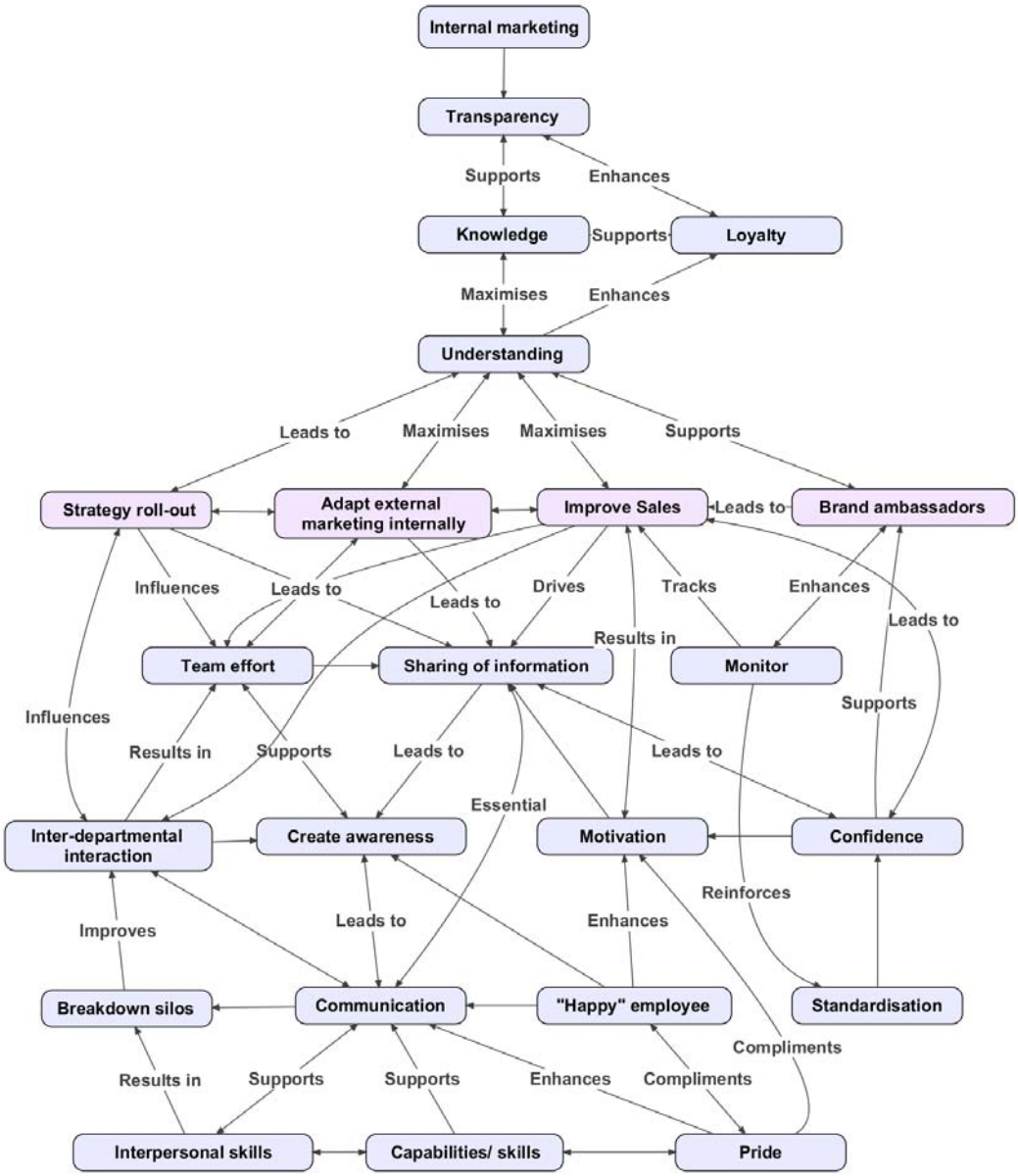
Key concepts listed in a *parking lot* and reduced to between 15 and 25 concepts for plotting on the concept map.

Parking Lot 2

1. Communication
2. Strategy roll-out to organisation
3. Creation of brand ambassadors
4. ~~Personalities~~
5. ~~Live company's vision/ mission~~
6. Improve sales through internal effectiveness
7. Sharing of information
8. Team effort
9. ~~Know company's objectives goals~~
10. ~~Informed~~
11. ~~Cost effective~~
12. ~~Belong~~
13. Standardisation
14. Create awareness
15. ~~Sell company skills~~
16. Knowledge
17. Monitor
18. Understanding
19. Happy employee
20. ~~Prevent turn over of staff~~
21. Interpersonal skills
22. Inter-department interaction
23. Transparency
24. Knowledge
25. Capabilities/ skills

26. Breakdown silos
27. Confidence
28. ~~Awareness~~
29. Loyalty
30. Pride
31. ~~Respect for company/ products~~
32. ~~Proud of company~~
33. ~~Who we are~~
34. ~~Sell company to employees~~
35. ~~team effort~~
36. ~~Talk to each other~~
37. ~~Direction of company~~
38. ~~Up-to-date~~
39. ~~Heading in same direction~~
40. ~~Everyone is on board~~
41. ~~Creating unity~~
42. ~~Cost effective~~
43. ~~inexpensive to implement~~
44. ~~Identity/ sense of belonging~~
45. Motivation
46. Adapt external marketing internally
47. ~~Happy employees~~
48. ~~Better understanding of company~~
49. ~~Well informed – being factual~~

Concept Map 2: Implementation of internal marketing



Concept Map 3: The role of internal marketing

Question 3: What is the role of internal marketing?

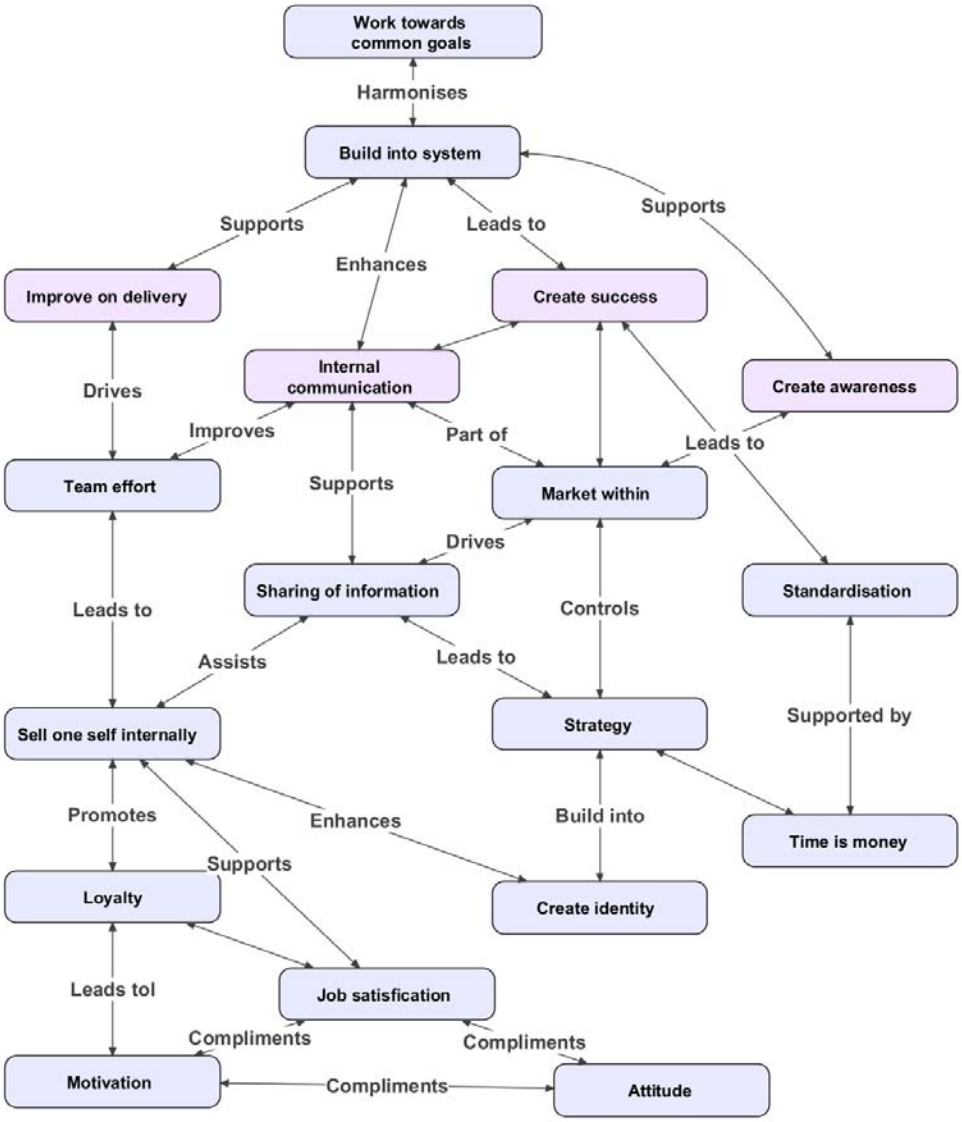
Key concepts listed in a *parking lot* and reduced to between 15 and 25 concepts for plotting on the concept map.

Parking Lot 3

1. ~~Informing staff~~
2. Internal communication
3. Improve on delivery
4. ~~Integration~~
5. Team effort
6. ~~Proud of what we are doing~~
7. Sharing of information
8. ~~Talking to each other~~
9. ~~Where company is going~~
10. ~~Positive attitude~~
11. Create awareness
12. Standardisation
13. Create identity
14. ~~Association~~
15. ~~Build into system~~
16. ~~Awareness~~
17. Motivation
18. Sell one self internally
19. Work towards common goals
20. Loyalty
21. ~~Perceptions~~
22. ~~Helping staff~~
23. ~~Provide information~~
24. ~~Giving staff the correct information~~
25. Time is money
26. Job satisfaction

27. Attitude
28. Create success
29. Market within
30. Create a sense of identity
31. ~~Advertising of successful projects~~
32. ~~Explain what is happening in company~~
33. Manage resources
34. ~~Focus / drive certain services / products~~
35. Breaking down silos

Concept Map 3: The role of internal marketing



Concept Map 4: Implementation of internal marketing using examples

Question 4: How is internal marketing implemented within in an organisation, use examples where possible?

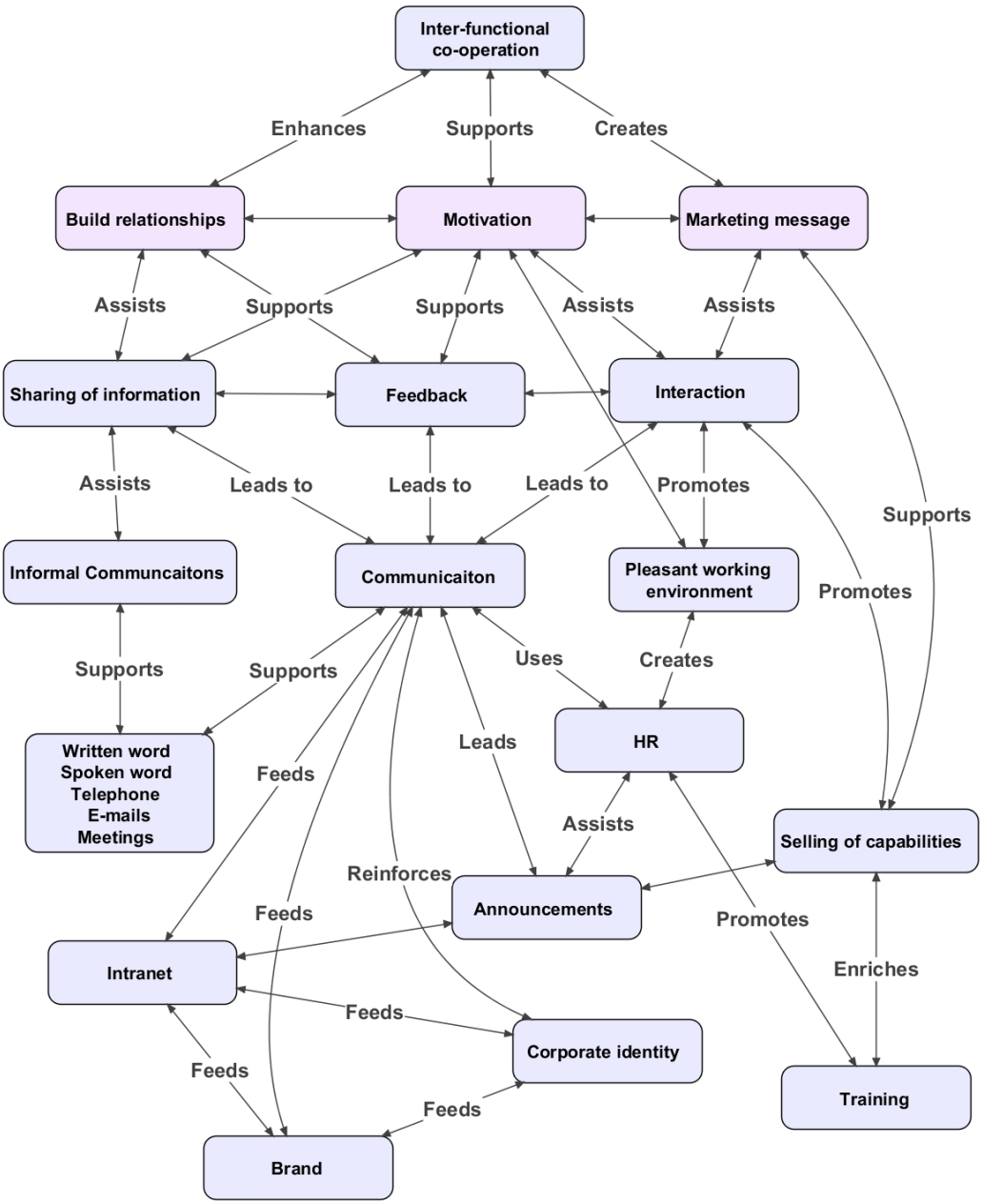
Key concepts listed in a *parking lot* and reduced to between 15 and 25 concepts for plotting on the concept map.

Parking Lot 4

1. Communication
2. Written word (brochures, documents)
3. Spoken word (presentations)
4. Telephone calls
5. Training
6. Meetings
7. E-mails
8. Newsletters
9. Word of mouth
10. Intranet
11. Sharing of information
12. Selling of services/ capabilities
13. Brand
14. Announcements
15. Pleasant working environment
16. Corporate identity
17. Transfer marketing message
18. Branding
19. Interaction
20. Build relationships
21. Feedback
22. Inter-functional co-operation
23. Informal communication
24. Open channel
25. HR – values/ policies/ procedures

26. Marketing – way to communicate/ packaging of message

Concept Map 4: Implementation of internal marketing using examples



Concept Map 5: Key benefits of internal marketing

Question 5: What do you see as the key benefits of internal marketing?

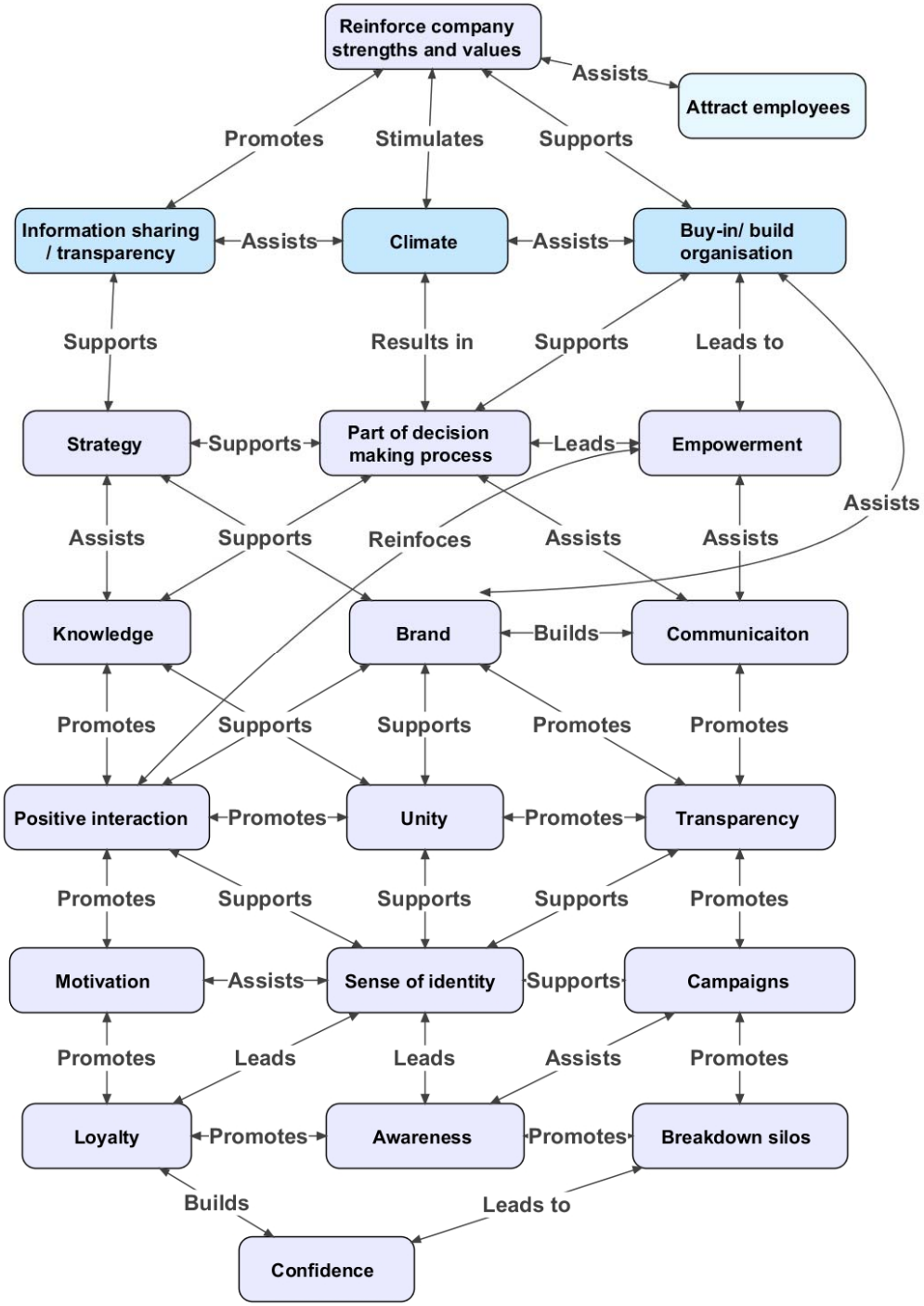
Key concepts listed in a *parking lot* and reduced to between 15 and 25 concepts for plotting on the concept map.

Parking Lot 5

1. Communication
2. Breakdown silos
3. Awareness
4. Campaigns
5. Organisational climate
6. Motivation
7. Transparency
8. Sense of identity
9. Empowerment
10. Where company is now, where it is going and how it is going to get there
11. Part of decision making process
12. Branding
13. Attract employees
14. Create happy medium between staff and management
15. Information sharing
16. Awareness
17. Loyalty
18. Extra mile
19. Buy-in and build company
20. Knowledge
21. Perceptions
22. Reference point
23. Empowerment
24. Image
25. Motivation
26. Reinforce company strengths/ values

27. Speak from the same voice
28. Transparency
29. Confidence

Concept Map 5: Key benefits of internal marketing



Concept Map 6: Responsibility for internal marketing

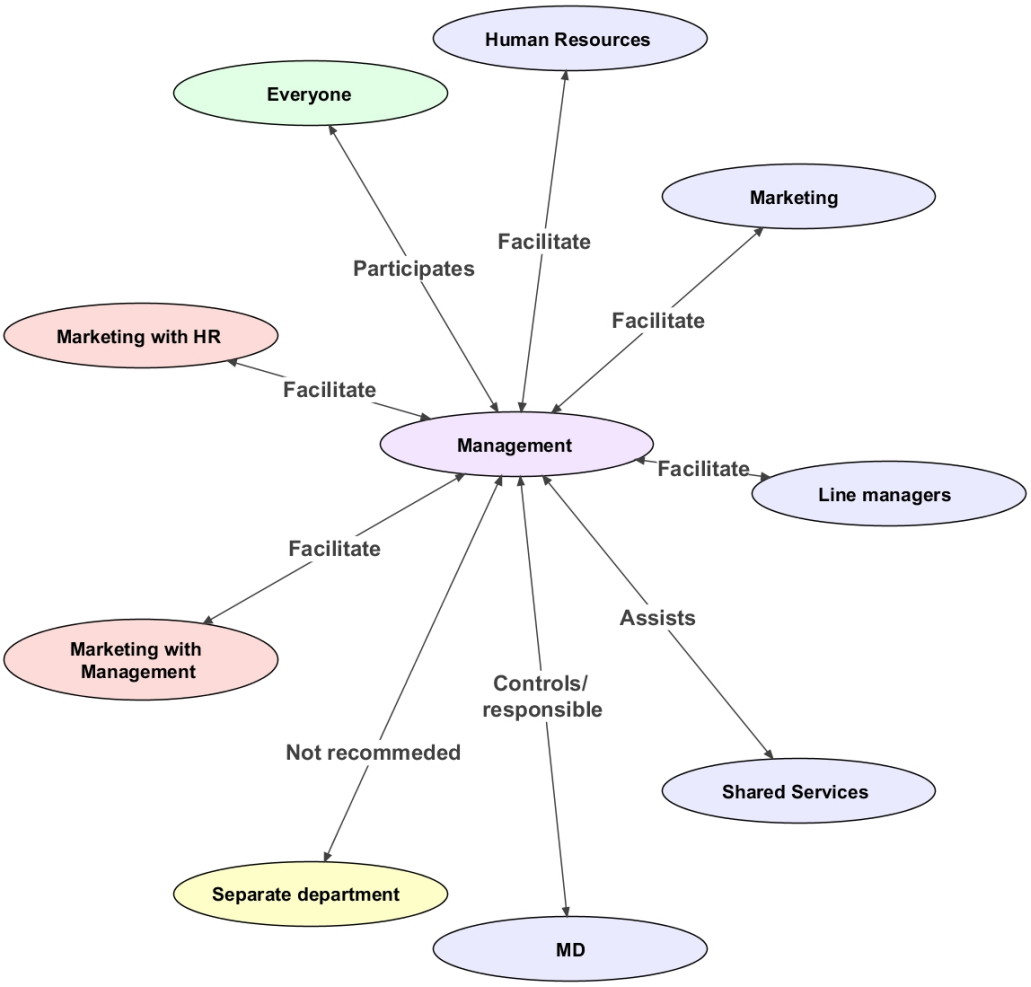
Question 6: Who do you think should be responsible for internal marketing and why?

Key concepts listed in a *parking lot* and reduced to between 15 and 25 concepts for plotting on the concept map.

Parking Lot

1. Marketing team
2. Marketing department
3. Marketing manager
4. Managing director
5. Management
6. Everyone – team effort
7. Human resources
8. Jointly between marketing and HR
9. Line manager
10. Separate department
11. Senior person
12. Everyone – all have good ideas
13. Project Engineer
14. Marketing department with inputs from management
15. Leadership of company
16. Section leader
17. Management top to bottom

Concept Map 6: Responsibility for internal marketing



Concept Map 7: Internal marketing activities

Question 7: What activities does your organisation do as part of internal marketing?

Key concepts listed in a *parking lot* and reduced to between 15 and 25 concepts for plotting on the concept map.

Parking Lot 7

1. Helpdesk
2. Meetings
3. Staff meetings
4. Monthly meetings
5. Company meetings
6. Customer newsletter
7. Department meetings
8. Project meetings
9. Annual Report
10. MD Newsletter
11. HR Newsletter
12. Project specific newsletters
13. Socials (braais, end of year function, Gold Reef City, Running/ Cycling club, farewells, Spring Day, Easter
14. Advisory capacity
15. Surveys
16. Mentorship
17. Newsletters – internal
18. Newsletters – external
19. Intranet
20. Internet
21. Notice boards
22. Team buildings
23. Informal communication
24. E-mails

25. Give aways (jackets, caps, T-shirts, mugs, pens etc)
26. Staff recognition programmes (quarterly awards, yearly awards, monthly)
27. Football Fridays
28. “lunch and learn”
29. Branding awareness
30. Committees (Employment Equity)
31. Corporate Social responsibility
32. Training
33. Informal get togethers
34. Internal launches
35. Salesmen Guides
36. Golf days
37. Social

Concept Map 7: Internal marketing activities

