

Internal Marketing from a Marketing Manager's perspective

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EXECUTIVE SUMMARY

Increasingly, organisations look for ways to improve their marketing orientation and effectiveness through internal marketing, which is part of the Holistic Marketing Concept (Kotler, 2008, p.10, 24; Little & Little, 2009). Some companies are focusing on marketing orientation because they want to increase service quality (Little & Little, 2009). Ultimately, all companies want to gain competitive advantage, which research has shown is closely linked to being marketing oriented (Schlosser & McNaughton, 2007).

Despite a desire to be marketing oriented and implement internal marketing, organisations are finding it difficult to implement effectively, because of internal barriers and conflicts (Kilburn, 2009; Lam, Kraus, & Ahearne, 2010; Le Meunier-FitzHugh & Piercy, 2009; Little & Little, 2009; Proctor, 2010; Schlosser & McNaughton, 2007; Smith, Gopalakrishna, & Chatterjee, 2006; Wieseke, Ahearne, Lam, & Dick, 2009).

Literature reviewed in this report looks closely at the individual components of internal marketing with the goal of being a market oriented organisation. It provides theory on what needs to happen, why it needs to happen, who should be involved in making it happen (Little & Little, 2009) and some suggestions for how it should happen (Proctor, 2010).

Although there have been a number of articles published on internal marketing, companies would benefit from more case studies and practical instruction on how to implement internal marketing in a business environment (Lam, et al., 2010).

TABLE OF CONTENTS

| | | |
|-------|--|----|
| 1. | Introduction | 1 |
| 2. | Discussion..... | 3 |
| 2.1. | Literature review..... | 3 |
| 2.2.1 | Hiring, training and motivating employees..... | 4 |
| 2.2.2 | Coordination of all marketing activities..... | 6 |
| 2.2.3 | Vertical alignment with senior management | 7 |
| 2.2.4 | Horizontal alignment with other departments..... | 9 |
| 3. | Conclusions | 11 |
| 3.1. | More research and practical methodology is needed..... | 11 |
| 3.2. | Management commitment and behaviour is influential..... | 11 |
| 3.3. | Marketing personnel have valuable skills for internal marketing | 11 |
| 4. | Recommendations | 12 |
| 4.1. | Why and how internal marketing theory might be useful in an organisation..... | 12 |
| 4.2. | Whether or how internal marketing theory could be implemented in an organisation.... | 16 |
| 4.3. | RECOMMENDATION 1: Developing internal marketing strategy and plans..... | 20 |
| 4.4. | RECOMMENDATION 2: Marketing Manager leadership..... | 21 |
| 4.5. | RECOMMENDATION 3: Marketing management | 21 |
| 5. | References | 22 |

1. INTRODUCTION

This report looks at internal marketing from the perspective of a Marketing Manager (a member of the senior management team) with an interest in understanding the components of internal marketing and finding practical ways to support or implement internal marketing in an organisation and develop collaboration between traditionally independent departments.

This report seeks to gain an understanding of internal marketing theory, why and how internal marketing theory might be useful in an organisation and whether or how internal marketing theory could be implemented in an organisation.

The following process was undertaken in developing this report:

1. Break down internal marketing theory to understand its individual components.
2. Review recent literature on internal marketing and identify eight articles to form the core of the report.
3. Consider how easy or difficult it might be to apply the theories from the selected literature to an organisational setting.
4. Use the literature and considerations about applying the theory to make recommendations that would be useful for Marketing Managers, Chief Executives and other senior managers who would like to apply internal marketing theory in a marketing oriented organisation.

The benefits of this report includes understanding internal barriers and conflicts an organisation may experience to an internal marketing approach (Schlosser & McNaughton, 2007); the influence that a manager's behaviour has on an employee internal marketing behaviour (Kilburn, 2009; Wieseke, et al., 2009); how a cross-functional team approach to overcoming traditional horizontal and departmental boundaries in internal marketing (Little & Little, 2009); how to achieve vertical alignment between senior managers and frontline employees for a marketing orientation (Lam, et al., 2010); how to integrate key marketing team functions (Le Meunier-FitzHugh & Piercy, 2009; Smith, et al., 2006); and the practical ways that internal marketing can be implemented in an organisation (Proctor, 2010).

The reference material included has been limited to articles that are in relation to a marketing orientation and published within the last ten years, in an effort to use current sources (and thinking) for this assignment.

2. DISCUSSION

2.1. LITERATURE REVIEW

Kotler's (2008) internal marketing theory, which is part of the 'Holistic Marketing Concept' was used as the basis for understanding the internal marketing concept. Kotler (2008, p.24) writes :

Holistic marketing incorporates internal marketing, ensuring that everyone in the organization embraces appropriate marketing principles, especially senior management. Internal marketing is the task of hiring, training, and motivating able employees who want to serve customers well. Smart marketers recognize that marketing activities within the company can be as important or even more important than marketing activities directed outside the company. It makes no sense to promise excellent service before the company's staff is ready to provide it (Kotler, 2008, p.24).

Kotler's theory on internal marketing (2008, p.24) has been broken down to look at the four components more closely (as listed below). Please note that hiring, training and motivating employees could be considered as three separate components themselves, but for the purpose of this report they have been bundled as human resources activities and looked at together.

1. Hiring, training and motivating employees;
2. all marketing functions must work together and be coordinated from the customer's point of view;
3. there must be vertical alignment with senior management; and
4. horizontal alignment with other departments.

Companies that embrace internal marketing understand that taking care of customers means taking care of employees (Little & Little, 2009). They realise that their employees are important because they are responsible for delivering quality products and services to their customers (Little & Little, 2009) and sustained delivery of products and services that exceeds customers' expectations will develop customer loyalty, as they become highly satisfied or even delighted (Kotler, 2008, p.124-126; Little & Little, 2009).

Employees should be treated as internal customers (Little & Little, 2009). By keeping employees informed, involved and engaged in the company and its products and services, employees are

more likely to be motivated to deliver quality products and services to its consumers (Little & Little, 2009).

However, even marketing oriented organisations find it difficult to implement internal marketing, as they deal with internal barriers and conflicts (Kilburn, 2009; Lam, et al., 2010; Le Meunier-FitzHugh & Piercy, 2009; Little & Little, 2009; Proctor, 2010; Schlosser & McNaughton, 2007; Smith, et al., 2006; Wieseke, et al., 2009).

The following is a review of findings gathered from literature reviewed and is broken down by the four components of internal marketing listed earlier in this section.

2.2.1 Hiring, training and motivating employees

Recruiting the right employees for a marketing oriented organisation

An employee's natural disposition towards being marketing oriented is not as important as the impact that their manager's behaviour has on them (Kilburn, 2009). In fact, a manager's own commitment to internal marketing and their related behaviour will influence employees to behave in the same way, and this influence will increase over time as the employee and the manager work together (Schlosser & McNaughton, 2007; Wieseke, et al., 2009).

The recruitment process should include discussion on the organisation's marketing orientation strategy, internal marketing and processes so the prospective employee can shape their view of the organisation at the earliest opportunity (Schlosser & McNaughton, 2007).

Training employees for a marketing oriented organisation

New employees (through induction) and existing employees need ongoing training and refreshment of:

1. The organisation's brand values and strategy (Kotler, 2008, p.11, 24; Little & Little, 2009)
2. Functional or 'soft skills' (Kotler, 2008, p.358; Little & Little, 2009)
3. The process and systems for collection and dissemination of marketing intelligence (Kotler, 2008, p.11, 24)

An employee's perception of an organisation's marketing orientation strategy and processes is shaped by their own goals and their view of the organisation (Schlosser & McNaughton, 2007).

Employees also need to be provided with marketing information and understand the 'big picture' (Schlosser & McNaughton, 2007, p.308), which 'creates opportunities for a more coordinated strategic response' (Schlosser & McNaughton, 2007, p.308).

Employees need to 'be the brand' (Little & Little, 2009) when they interact with customers, so they need to be educated about what the brand means and what the customer expects from the brand (Kotler, 2008, p.358; Little & Little, 2009).

Also, employees also need to be trained to deliver the 'functional demands' of the customer, which are considered 'soft skills' and go beyond what the customer expects the product or service to do for them (Kotler, 2008, p.358; Little & Little, 2009).

All employees need to be trained to capture marketing intelligence and understand the organisation's knowledge management processes and systems, so the information can be disseminated throughout the organisation (Kotler, 2008, p.24; Schlosser & McNaughton, 2007).

Motivating employees in a marketing oriented organisation

Motivating employees in a marketing oriented organisation requires performance criteria and demonstration of management behaviour that is consistent with marketing orientation and internal marketing (Kilburn, 2009; Lam, et al., 2010). Kilburn (2009, p.83) says that 'appropriate reward structures' must be designed by 'those responsible for implementing the internal marketing program' and be in place before employees will demonstrate high levels of 'internal customer orientation' (Kilburn, 2009).

They also need an organisational structure that enables them to work across different departments or functions and have the authority and senior management support for making improvements that they feel will improve the quality of products and services to the customer (Little & Little, 2009).

Employees also need to have good role models who display behaviour that is consistent with internal marketing and being marketing oriented (Lam, et al., 2010). Senior managers, middle managers and employees' expert peers all influence employee behaviour (Lam, et al., 2010; Wieseke, et al., 2009).

2.2.2 Coordination of all marketing activities

Kotler (2008, p.356) says 'Internal marketing describes training and motivating employees to serve customers well. The most important contribution the marketing department can make is arguably to be "exceptionally clever in getting everyone else in the organization to practice marketing"'. To do this, an organisation will need to coordinate all marketing functions to appear as one from the customer's perspective (Kotler, 2008, p.24):

The various marketing functions – sales force, advertising, customer service, product management, marketing research – must work together (Kotler, 2008, p.24).

The relationship between marketing and sales may seem to be 'symbiotic and complementary', however they are typically disconnected in a number of ways (Le Meunier-FitzHugh & Piercy, 2009; Smith, et al., 2006), especially in large organisations where these two functions are likely to be two different teams and led by separate senior managers with separate business objectives (Le Meunier-FitzHugh & Piercy, 2009).

Barriers and conflicts between sales and marketing include:

- A general lack of understanding by the organisation and the sales and marketing teams about what marketing and sales activities actually entail and achieve (Le Meunier-FitzHugh & Piercy, 2009).
- Different working locations: sales are typically in the field and marketing are typically located at head office (Le Meunier-FitzHugh & Piercy, 2009).
- Different employee backgrounds, working style, training and business language (Le Meunier-FitzHugh & Piercy, 2009).
- Lack of understanding about how expenditure on marketing mix impacts the number of leads generated (Smith, et al., 2006).
- A disjoint between the generation of leads by marketing (and the timing for lead generation) with the sales team's capacity to follow-up (Smith, et al., 2006).
- Marketing have soft, long-term goals around developing brand value versus sales' hard, short-term goals for converting leads into sales (Le Meunier-FitzHugh & Piercy, 2009).
- Marketing activities are seen as a cost, whereas sales activities are seen as a source of income (Le Meunier-FitzHugh & Piercy, 2009).

- Marketing often prepare generic sales material with long lead times, whereas sales will request material customised to the prospective client at short notice (Le Meunier-FitzHugh & Piercy, 2009).

Recent literature suggests the following for bridging the gap between these two functions:

- Develop collaboration, not integration: a mutual understanding of purpose, goals and activities (Le Meunier-FitzHugh & Piercy, 2009);
- Senior management commitment to collaboration (Le Meunier-FitzHugh & Piercy, 2009);
- Formalised communication channels and sharing of information between both functions (Le Meunier-FitzHugh & Piercy, 2009);
- Complementary, not competitive, goals and measures (Le Meunier-FitzHugh & Piercy, 2009); and
- Front-end planning of marketing expenditure to match sales team capacity (Smith, et al., 2006).

2.2.3 Vertical alignment with senior management

If employee training and motivation is implemented effectively, then the most important component of aligning employees at all levels within the organisation is the demonstration of management behaviour that is consistent with internal marketing (Kilburn, 2009; Lam, et al., 2010; Wieseke, et al., 2009). Employee behaviour is influenced by the behaviour of their managers (formal influencers) and expert peers (informal influencers) (Lam, et al., 2010).

Wieseke et al. (2009) conducted two multinational studies that looked at relationships between employees and their senior managers in relation to influencing marketing oriented behaviour by looking at an employees' 'organisation identification'. (Wieseke, et al., 2009):

1. The more the leader identifies with the organisation, the more their employees identify with the organisation;
 2. The longer the leader and their employees have worked together in the organisation, the greater the influence a leader has on an employee's organisational identification;
- and

3. An employee's organisational identity is the highest when they have a very charismatic leader with a high level of organisational identity that they have worked with for a long period of time.

These findings apply as much to positively influencing employees to identify with an organisation as well as impairing employees' attitudes toward an organisation (Wieseke, et al., 2009).

Another study by Kilburn (2009) also found that the greater the commitment of senior managers in being internal customer oriented, the greater the commitment of their employees in being internal customer oriented. The study found that the impact that a manager has on their employees, through demonstrating customer-oriented behaviours, has the most significant impact on employee behaviour than other factors (Kilburn, 2009).

Influencing middle managers and frontline employees

A study into the 'diffusion of marketing orientation throughout the organization' by Lam, Kraus et al (Lam, et al., 2010) made the following findings:

- Senior managers who want to influence an organisation's marketing orientation must first 'sell the organization itself to the internal public, especially to middle managers and expert peers' (Lam, et al., 2010).
- Senior managers can only influence frontline employees through their middle managers or an employee's expert peers.
- How a middle manager behaves themselves will influence the employees' marketing oriented behaviour.
- Senior managers may need to influence expert peers, who have informal influence, if their middle managers do not behave in a marketing oriented way. However this would create a disjointed management presence.
- Large size work teams hinder an 'informal route' of influence that expert peers may have on employees, whereas the size of work teams does not influence the effect that senior managers and middle managers have on their subordinates.

Implementing internal marketing

Proctor (2010) looks at how organisations in the healthcare industry sector can implement internal marketing with the goal of 'customer relationship management (CRM)'. He suggests 21 practical actions that can be taken to implement internal marketing, with a focus on

preparing employees to build a relationship with customers and deliver a quality service to customers (Proctor, 2010).

Actions include (Proctor, 2010):

- Making sure employees are told about the organisation's mission and how they fit into it;
- Making sure internal communication channels effectively share information on how to market ideas and services internally;
- Apply marketing skills and initiatives internally to understand employees' needs and wants;
- Let employees know why they should do things as well as how to do them; and
- Develop an employee suggestion system to encourage ideas on improving the quality of customer service.

2.2.4 Horizontal alignment with other departments

Interdepartmental connections

In order to embrace internal marketing theory, companies need to believe that 'marketing is not a department so much as a company orientation' (Kotler, 2008, p.24).

Little and Little (2009) propose the 'Home Team Approach' of implementing a cross-functional team across human resources, operations and marketing functions. This approach would utilise existing company human resource (people) and requires support and authority from senior management, including authority for implementing improvements that they think will improve quality for customers (Little & Little, 2009). If members of each department are actively working together in this way, they are more likely to take shared ownership and responsibility for internal marketing activities (Little & Little, 2009). Further, serendipitous opportunities may also arise as they 'benefit from the sharing of tacit knowledge that can occur in cross-functional teaming', as Little and Little (2009) say, in reference to the findings of Mohamed, et al., (2004).

Another benefit that may arise is the alignment of objectives and measurement of success that are complementary, rather than opposing (Little & Little, 2009). Also, the insights gathered by operations during their interactions with the consumer can provide crucial intelligence if fed

back to marketing (Little & Little, 2009), who would then disseminate to the other departments in the organisation (Kotler, 2008) so they can quickly respond and make improvements to their products and services (Little & Little, 2009).

Interface between marketing and human resources functions

Traditionally, employees are considered to be the responsibility of the human resources function and customers are considered to be the responsibility of the marketing function (Little & Little, 2009). Although it may seem natural to include the marketing function in internal marketing activities targeting employees, this is not always the case (Little & Little, 2009).

Although human resource is responsible for recruiting and training employees and traditionally may be seen as responsible for internal marketing, communications between human resource and marketing functions is vital (Little & Little, 2009). Without input from marketing, who know 'what' should be delivered to the customer and what 'be the brand' actually means for employees, human resources may be unable to recruit or provide the right skills for the organisation (the 'who' component) (Little & Little, 2009).

Interface between marketing and operations functions

The marketing team can also support the operations team, who are responsible for supplying the customer with the product or service through tasks performed by frontline employees (Little & Little, 2009).

Although operations can easily identify the 'hard skills' (Little & Little, 2009) that employees need to possess in order to deliver the technical quality or specifications (Kotler, 2008, p.358) of a product or service that meets or exceeds the customer's expectations, they may find it difficult to identify the 'soft skills' (Little & Little, 2009) that are required to deliver the 'functional quality demands' (Little & Little, 2009, p.358). Little and Little (2009) provides an example of functional quality as 'the time it takes to complete a transaction'. Kotler (2008, p.358) provides an example of functional quality as 'Did the surgeon show concern and inspire confidence?'

If marketing applied the knowledge and skills that they use for external customers to internal marketing, they could help the organisation understand employee behaviour (as they do consumers) (Kotler, 2008, p.28), communicate the 'brand promise' to employees (as they do to consumers) (Kotler, 2008, p.28) and help employees and other departments understand what 'be the brand' means from the consumer's perspective (Kotler, 2008, p.28; Little & Little, 2009).

3. CONCLUSIONS

3.1. MORE RESEARCH AND PRACTICAL METHODOLOGY IS NEEDED

There is theory backed-up by studies and evidence that provide senior managers with information so that they can understand what internal marketing is and why it should be implemented. The literature also highlights potential barriers and conflicts that may an organisation may face when implementing internal marketing. However, more practical information and case studies are needed to demonstrate how to implement internal marketing in an organisation.

3.2. MANAGEMENT COMMITMENT AND BEHAVIOUR IS INFLUENTIAL

If senior managers desire their organisation to be marketing oriented and for their employees to also be marketing oriented, the most influential thing that they can do is to behave in a way that is consistent with having a high level of commitment to internal marketing and marketing orientation.

There is evidence that supports this theory and also shows that as the time worked with an employee increases, a managers level of influence increases.

3.3. MARKETING PERSONNEL HAVE VALUABLE SKILLS FOR INTERNAL MARKETING

Internal marketing means treating your employees as the internal customer and marketing tools, knowledge and practices can be applied to the internal customer as equally as they are applied to external customers. Although marketing should have a role in internal marketing, they should not own internal marketing. Internal marketing needs to be viewed as marketing activities that all employees need to embrace and participate in.

4. RECOMMENDATIONS

4.1. WHY AND HOW INTERNAL MARKETING THEORY MIGHT BE USEFUL IN AN ORGANISATION

The literature reviewed in this report looks at the four components of internal marketing. This section discusses and critiques the literature on whether the information is practical for implementing in an organisation, from a Marketing Manager's perspective.

Hiring, training and motivating employees

HIRING: It was an interesting finding that a manager's behaviour has a more significant influence on an employees' behaviour in a marketing oriented organisation, than an employee's natural tendencies to be marketing oriented themselves (Wieseke, et al., 2009). Also, that this influence increases as managers and their employees work together (Kilburn, 2009; Lam, et al., 2010; Wieseke, et al., 2009).

People often talk about whether someone 'walks the talk' or not, but this finding gives reasoning to why an organisation should put measures in place for managers to behave in a way that is consistent with internal marketing and being marketing oriented. This finding holds managers accountable for their own actions. It also means an organisation should think about whether they can implement specific initiatives for new employees who have not worked alongside their managers long, to put a focus on developing their marketing oriented behaviours early.

TRAINING: I think it is commonly understood by managers and employees that there is merit in communicating the organisation's brand values and strategy (Kotler, 2008, p.11; Little & Little, 2009). The literature reviewed provides a good explanation on 'why' it should be done. Perhaps less understood in business is that customers have 'functional demands' in addition to the 'technical demands' that are focused on with the features of the product or service (Kotler, 2008, p.358; Little & Little, 2009).

More information is needed to understand what 'functional demands' are and how to identify and respond to them. More information on what constitutes 'marketing intelligence' and defined systems for communicating and sharing information would also empower organisations

to be proactive in identifying ways to improve product and service delivery to customers (Kotler, 2008, p.11, 24).

MOTIVATING: I think it is also commonly understood that employee performance criteria should be developed to drive desired behaviours (Kilburn, 2009; Lam, et al., 2010), but more information is needed on what these behaviours and criteria should be for internal marketing and in a marketing oriented organisation.

It makes sense that an organisation should be structured in a way that supports marketing orientation behaviours, although practical advice on this was limited to a suggestion to develop a single cross-functional team across marketing, human resources and operations function (Little & Little, 2009). This has a risk associated of isolating the employees in this team. It also conflicts with internal marketing theory, which says that all employees in an organisation should embrace internal marketing activities (Kotler, 2008, p.24), not just a few in a cross-functional team.

There should be more research into how all employees can embrace internal marketing, particularly those in management positions, given their substantial influence on employee behaviour (Schlosser & McNaughton, 2007; Wieseke, et al., 2009). Perhaps the 'Home Team' approach (Little & Little, 2009) should be applied to all levels of employees.

All marketing functions must work together and be coordinated from the customer's point of view

A lot more research needs to be completed on this subject, as recent literature focuses on marketing (as a team) and sales (as a team) and does not look at other individual marketing functions (market research, advertising and brand development) and their potential barriers to collaboration.

The literature does provide an explanation on what are common barriers between sales and marketing, why they should strive for collaboration instead of integration and what needs to be in place for this to happen (Le Meunier-FitzHugh & Piercy, 2009; Smith, et al., 2006). Case studies would be useful to see how (or if) collaboration between sales and marketing activities and what actually works.

There does seem to be some conflict between Kotler's definition of marketing activities and the other literature reviewed. Kotler includes sales as a marketing function, whereas other

literature treats them separately, saying they rightly have different objectives, training and activities and that they should remain separate functions (Le Meunier-FitzHugh & Piercy, 2009). More research on this would be useful.

There must be vertical alignment with senior management

The standout finding for how to align all levels of employees was the amount of influence that a manager's own behaviour has on employees' behaviour. Also, that the level of influence increases as the time managers and their employees work together increases. This should have real implications for managers who do not display internal marketing and marketing oriented behaviours. A requirement for congruent behaviour should be clearly articulated to senior managers by the Chief Executive and by senior managers to their next level managers.

It would be valuable to have more information on the internal marketing behaviours that managers need to demonstrate in a marketing oriented organisation. If desirable behaviours were identified, they could assist educators and trainers to develop skills in their courses and programmes. It would also assist companies to develop performance criteria, rewards and recognition to motivate managers to behave in a congruent way.

It was also valuable to know that, for a senior manager to influence employees that do not report directly to them, they must align their middle managers to marketing orientation, so that their behaviour influences desired employee behaviour. Again, desired behaviours should be clearly articulated to middle managers and performance criteria aligned to drive that behaviour. Incongruent behaviour need to be addressed.

Horizontal alignment with other departments

It was interesting that Kotler does not mention human resources when he discusses departments that must embrace internal marketing (Kotler, 2008, p.24). Other literature says that the human resource function is responsible for internal marketing, as they are responsible for employees (Little & Little, 2009).

It seemed a natural concept to me that marketing has the skills for developing and implementing internal marketing strategy and that internal marketing initiatives need to cross traditional departmental boundaries. Also, it is understandable that there could be barriers and resistance to this happening. More information on what the similarities and differences are likely to be between departments and how to overcome barriers would be useful and provide practical ways

to implement horizontal alignment. Discussing what should happen at a strategic, tactical and operational level between departments would also be very useful and provide guidance to the respective level managers.

Again, the finding that managers' behaviour is one of the most significant influences of marketing oriented behaviour within an organisation is valuable and Chief Executives should clarify the behaviour that is acceptable between department managers and facilitate this behaviour in strategy development sessions, team meetings and performance discussions. Senior managers should also have a performance criterion that drives the desired behaviour. More information on how to drive internal marketing behaviour in senior management would be valuable to support this.

Finally, these findings provide the Marketing Manager with valuable information on how they should behave as a senior manager and also the basis for discussing why other senior managers and employees should view marketing activities as an internal process that everyone is responsible for, not just activities that the marketing team implements for external customers.

4.2. WHETHER OR HOW INTERNAL MARKETING THEORY COULD BE IMPLEMENTED IN AN ORGANISATION.

The benefits of internal marketing include:

- decreased waste of time and money
- increased alignment to an organisation's strategy and goals
- decreased competition and confusion between departments
- increased internal customer-supplier relationships
- increased employee satisfaction
- continuous improvement of products and services
- a whole company alignment to the company strategy

The pitfalls of internal marketing include:

- misconception that internal marketing is a marketing team responsibility
- even companies dedicated to internal marketing find implementation difficult
- implementing internal marketing initiatives without understanding the theory behind them
- creating a disjointed management team if senior managers influence employees directly
- not having full senior management team commitment to internal marketing

The barriers to internal marketing include:

- protection of traditional departmental boundaries
- interdepartmental competition for owning internal marketing activities
- misconception of the internal marketing concept
- very little evidence of how to implement internal marketing effectively

Personal experience

Reviewing internal marketing theory has been very useful for me, as I can look back at my own experiences and identify what worked and what didn't work in organisations that I worked for who voiced a desire to be marketing oriented.

I have worked in a large organisation that had separate sales, marketing and human resources teams, was very marketing oriented and had a mostly marketing oriented staff. However, there were still conflicts and ongoing difficulties between the marketing, human resources and

operations teams. In the beginning, senior management worked cross-functionally with other departments and shared a common company vision. Over time, as senior managers changed, individual departments began to recruit people into their own departments instead of collaborating with other departments to utilise their skills. Also, internal communication to frontline employees about the customer and what was happening within the organisation decreased. This increasingly generated a silo effect across the company and employees went from feeling inspired by senior management, informed, engaged and empowered to 'work like they own the company', to feeling hurt, detached, unimportant and unable to effect change. They also become uninterested in the company strategy.

This is a good example that shows that, even though a company can be marketing oriented and implement internal marketing successfully, it is difficult to sustain it. In this example, frontline employee contact time with managers and senior managers decreased as the organisation grew in size, important internal marketing practices changed as senior managers changed and less cross-functional teams were created as departments grew more protective of their responsibilities.

I have also worked for an organisation where the Chief Executive and frontline employees were marketing oriented, but where senior management was not. There were significant and ongoing conflicts between the Chief Executive and senior managers, and also the senior managers and frontline employees. Senior managers were also very protective of information and would develop initiatives in secret, launching them to frontline employees without any input or engagement. Senior managers were driven to increase revenue through initiatives that caused ever-decreasing value for customers, while frontline employees were measured by the level of their customer service; these two performance criteria were in complete conflict. The Chief Executive would also regularly by-pass senior managers to speak with frontline employees, which would frustrate senior managers, cause a disjoint in the senior management's unified front and put frontline employees in an impossible position when instructed to do something.

These two experiences demonstrate to me how exciting and motivating it is to work for a marketing oriented organisation and how uninspiring it is to work for one that isn't. I now understand that, despite an individual's internal marketing disposition, senior management must be aligned in their own commitment to internal marketing before an organisation can be truly marketing oriented. Also, all employees need performance criteria that is aligned to serving the customer.

Considerations for a Chief Executive

As a Chief Executive, I would actively seek information and case studies about internal marketing, its benefits and downsides. I would also seek information and tools for measuring marketing orientation and the effectiveness of internal marketing, so I could develop a baseline for ongoing internal benchmarking that charts progress toward the goal of being marketing oriented.

I would bring my senior management team together to share this information with them and discuss the advantages, disadvantages and potential barriers (Little & Little, 2009) openly. The goal would be to develop buy-in and ownership for the concepts, across the senior management team and to demonstrate my commitment to internal marketing (Kotler, 2008, p.24; Lam, et al., 2010; Little & Little, 2009; Wieseke, et al., 2009).

I would involve the senior management in developing ways to implement internal marketing across the organisation. This would include reviewing the company vision, values, strategy and departmental plans with an internal marketing perspective.

We would also review key systems and processes in the company to make sure they supported internal marketing. This would include employee recruitment, training and motivation (Kotler, 2008). I would make sure that all employees are retrained in what the brand means and that this training is included in induction training for new employees. Training would also define the 'functional demands' that customers have and ensure that there is performance criteria in place to motivate the desired employee behaviour, like collecting and sharing marketing intelligence, working cross-functionally and demonstrating commitment to internal marketing through behaviour (Kilburn, 2009; Kotler, 2008; Little & Little, 2009; Wieseke, et al., 2009).

As management and 'expert peer' behaviour is influential on general staff behaviour, I would address and correct any behaviour that was not consistent with internal marketing (Wieseke, et al., 2009).

I would facilitate my senior management team to develop initiatives that clearly demonstrate the senior management's commitment to internal marketing and ensure these are implemented in the organisation. This would show employees that senior managers are walking the talk, which influences employee behaviour (Wieseke, et al., 2009).

I would provide ongoing support to my senior managers to be marketing oriented and implement internal marketing through training, coaching, mentoring and facilitation of activities (ie of meetings).

Considerations as a Marketing Manager

As a Marketing Manager, I would proactively work with the Chief Executive and other senior managers to understand what I could do to support internal marketing and develop ways that my team could cross traditional department barriers to support other departments to achieve their individual goals and the company goals. I would work with other senior managers to identify opportunities for us to demonstrate our senior management commitment to being marketing oriented and implementing internal marketing.

I would implement all of the actions and initiatives, as described above for the Chief Executive, with my team in relation to our department's area of influence. I would also coach and support my team members to apply internal marketing to their next level teams and to their own roles. I would work with them to identify ways that they can demonstrate their commitment to internal marketing in a way that is visible to other employees. Any behaviour that is not consistent with internal marketing and being marketing oriented would be addressed and corrected.

As a Marketing Manager, I would also work with my team to develop our marketing tools and practices so that they can be used inside the business and with the internal customer, our employees (Little & Little, 2009). For example, I would work with human resources to develop training presentations for employees at all levels on what the company needed employees to do for internal marketing and why. We would also develop employee surveys that identified employee drivers, their understanding of the company vision and brand values, and monitored and measured employee satisfaction and internal marketing behaviour. An internal brand and values that are aligned to the company/product/service brand values could be developed to give internal marketing a recognisable identify. The internal brand can be used for training, performance systems and internal communication activities.

Senior managers would be presented with marketing principles and information at a high level and across each of the Marketing Management tasks (Kotler, 2008, p.28) so that they had a strategic understanding and perspective on the training that would be rolled-out to their

employees. This would also educate and enable them to lead internal marketing with their employees and provide coaching when required.

The Marketing Manager can prepare and disseminate reports on marketing intelligence to employees at all levels so that (1) all employees are kept informed and (2) it encourages reciprocal sharing of information across the organisation.

Additionally, I would work with the human resources department to articulate *what* needed to be delivered by employees to the customer and work with the operations department to discuss and agree *how* the delivery would take place and what 'soft skills' employees needed (Little & Little, 2009) to meet customers' functional demands (Kotler, 2008; Little & Little, 2009).

Overall, the literature reviewed in this report does provide useful information for Chief Executives and Marketing Managers. More information with practical evidence of successful implementation would be valuable, however it is enough for senior managers to educate themselves and fully engage in developing strategy and ways to apply this knowledge to their own organisation.

4.3. RECOMMENDATION 1: DEVELOPING INTERNAL MARKETING STRATEGY AND PLANS

There is sufficient theory on internal marketing and evidence of the positive impact that it has on an organisation, but more research and practical instruction on how to apply the theory in a business environment is required.

Senior managers will need to review the literature available to them and educate themselves on internal marketing. They need to discuss and debate internal marketing theory and findings as a team and work together to develop strategy and plans to apply the theory in their own organisation. In particular, they need to address employee recruitment, training and motivation as well as aligning employees in all departments and across the organisation.

Senior managers need to understand the potential conflicts and barriers that internal marketing may raise and develop ways to overcome them.

4.4. RECOMMENDATION 2: MARKETING MANAGER LEADERSHIP

All senior managers (including the Marketing Manager) need to embrace internal marketing with a high level of commitment and demonstrate that commitment through their own behaviour consistently. They also need to address any employee behaviour that is inconsistent with internal marketing.

The Marketing Manager needs to educate and align all the marketing functions in the marketing team and provide coaching so they are supported in internal marketing.

The Marketing Manager needs to be proactive in sharing information with other senior managers and employees to encourage reciprocal information sharing activities.

4.5. RECOMMENDATION 3: MARKETING MANAGEMENT

The Marketing Manager needs to work with the Chief Executive and other senior managers to understand what they can do to develop ways that cross-functional activities can support internal marketing. They need to become familiar with other departments and identify where opportunities and risks may lie for internal marketing.

The Marketing Manager also needs to work with their team to develop marketing tools and practices for use inside the business and with the internal customer (employees).

This might include developing:

- Employee surveys to identify employee needs, insights, internal marketing, satisfaction and the extent of their internal marketing practice
- Training presentations on marketing to educate all levels of employees on what the company needs them to do and why
- Clarity on what the customer expects from employees
- An internal brand and values that are aligned to the company/product/service brand values and can be used for training and internal communication activities
- Reports on marketing intelligence that can be disseminated to employees at all levels

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