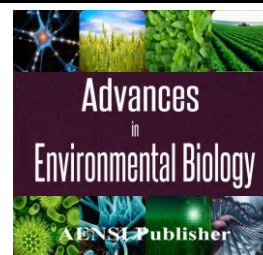




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### Study of effects of Internal Marketing on Customer Orientation (case study: National Petrochemical Industries Company)

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#### ABSTRACT

Today organizations are active in the changing, dynamic and ambiguous environments. One of the most striking features of the contemporary is changes and developments of dramatic and ongoing that occurs in cultural, social, political, technological and economic conditions (Such as changes in the attitudes, social values, ideology). The aim of the article is to examine the effect of six dimension of internal marketing comprise Healthy Work Environment, Effective Development, Reward System, Information Sharing, employees Empowerment and the reducing gap among employees and customer orientation among National Petrochemical Industries Company. The statistical population consists of employees of National Petrochemical Industries Company. The sample included 180 employees, which were selected randomly. Data have been collected by a researcher-developed questionnaire and sampling has been done through census and analyzed using SPSS soft ware. The validity of the instrument was achieved through content validity and the reliability through Cronbach Alpha. study's results show that There is a positive relationship between six dimensions of internal marketing comprise Healthy Work Environment, Effective Development, Reward System, Information Sharing, employees Empowerment and the reducing gap among employees and customer orientation.

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#### INTRODUCTION

The universe is continuously changing and competitive and most organisations are looking for manners to increase their competitive advantage. one of these is moving toward improved services to consumers. thus organisations are trying to present more facilities to their customers.

Internal marketing was first introduced as solution to present products to customers by Berry *et al* (1976). As well as, the relationship of internal marketing is investigated with different variables and precedents which further lead to forecast the relationship between Internal Marketing and customer orientation to determine that satisfied employees will show high commitment with their organization which will increase the customer orientation of the organisation [25].

Internal marketing orientation is an important issue where organizations apply marketing ways to attract and retain the best staffs, which will affect corporation performance in business. The internal marketing is defined as viewing staffs as internal customers, viewing jobs as internal products that satisfy the needs and wants of these internal customers while addressing the purposes of the organizations (Berry, 1981). Internal marketing began as a instrument to motivate and satisfy staffs, developed through a customer orientation phase. Regarding the internal marketing concept, the organizations will be able to manage their performances in today's competitive environment.

Staffs in service organizations such as Petrochemical companies to attract customers and maintain contact with their main role is to serve. In fact, internal marketing efforts and rewards of teaching and the totally management of human resources to present preferable services. [10]

Also, Pappasolomou and Vrontis, (2006) argue that internal marketing through its emphasis on internal customers present a people oriented culture that sets the base for building a powerful corporate service brand. scholars have also identified some issues related to internal marketing include: the link between employee

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satisfaction and organizational performance; the need for research on how inter-functional co-ordination can be achieved for the effective implementation of marketing strategies; the need for relationship marketing perspective in internal marketing; the need for search in internal communication strategies; and the effect of internal marketing for developing organizational competences, [2]. Budhwar, Varma, Malhotra and Mukherjee, (2009) suggested that well-structured and rationalized internal marketing strategy can significantly correct employee relations with management and totally organizational competitiveness and performance.

Internal marketing has continued to draw focus from both the academic and professional. This explains why most scholars have been focused on both anecdotal and case based aspects of the issue. Several other articles have been focused on the relationship among internal marketing and customer orientation with respect to various research. Examples of such are extent in the research and comprise the articles of Gounaris, (2008); Awwad and Agti, (2012); Shahsavani, Dolatabadi and Ranjbarian, (2012) and Oyeniyi, (2013) [27]. Be that as it may, internal marketing is very considerable. This is because it remains one of the instruments by which customer orientation of staffs within an organization is assessed. Therefore, the need for internal marketing in organizations cannot be overemphasized.

#### Literature Review:

##### Internal Marketing:

Internal marketing is an important and serious function to create a customer-focused organizational culture with an propose to institute internal and external knowledge of customers by removing barriers which are obstacles of organizational effectiveness [9]. Berry and Parasuraman [4] define internal marketing. It is discussed that internal marketing and managerial influence strategies must be aligned, if internal marketing is to become an effective section of the action of management. Similarly, internal marketing is also viewed as a main issue faced by marketing experts, human resource managers, and executives in general, [28].

That best illustrate the managerial domain of internal marketing. Also, for the sake of the current research, some definitions would be searched. Taylor and Cosenza [30] had defined internal marketing as a instrument adopted by high management to cut down staffs turnover and other costs that are related to turnover. The researchers maintained that the internal marketing remained a strategy through which marketing philosophy and principles are applied to people whose task is to serve the external customers. The aim for which internal marketing is actually embarked upon is to employ and retain the best possible personnel while they perform the best feasible work.

The definitions of internal marketing vary to a large extent. The literature analysis revealed that it is possible to categorize them according to their domain and prevailing perspective into four groups, as presented in Table 1.

**Table 1:** Four groups of internal marketing definitions.

Dominant perspective	author	define
Internal marketing as a synonym of human resource management	[22]	Internal marketing is a work of hiring, training, and motivating able staffs who want to serve customers well (p. 23).
	Tsai [31]	Internal marketing is one action of human resource management to keep excellent staffs.
Internal marketing as a usage of marketing techniques in internal marketplace	Joshi [20]	Internal marketing focuses on marketing issues and theories that can be adopted, applicable to the internal customer (employee) (p. 29).
Internal marketing as a precondition for satisfied external customers	Varey [32]	Internal marketing can be seen as a instruments of promoting marketing orientation (p. 218).
	Joshi [20]	Internal marketing is the application of marketing tools, techniques and tactics inside an organization to instill customer-focused values (p. 30).
Internal marketing as a source of competitive advantage	Ballantyne, [3]	Internal marketing is any form of marketing within an organization which focuses employees attention on the internal activities that need to be changed in order to enhance external market place performance.

Dimensions and variables of internal marketing comprise healthy work environment, effective development, reward system, information sharing, employees empowerment and the reducing gap among employees is described:

##### Healthy Work Environment:

It is not simple to create a healthy working environment, organizations should assess the current position of the healthy environment and try to change the required aspects to have a healthy environment include: stop smoking in the internal employees and departments, keep the hazardous materials away from the staffs, create awareness regarding the safety requirements and programs and keep the places clean [11].

Effective Development: as well as empowerment is an effective section of staff development, empowerment means authorizing and enabling staffs to act, behaviour, think and make their decision to get the work faster and simple to make [21].

Reward System: Pay plan are typically used to energize, direct, or control staff behavior. Most staffs compare their own pay with that of others, especially those in the same work [26].

Information Sharing: In order to establish communications and information sharing, organizations with use the various ways, should to facilitate the information course. The main of information course in decision-making facilities, creating a feedback mechanism and improve their capabilities [2].

Employees Empowerment: Instead of taking each and every decision making situation to the supervisor concerned, if the staffs themselves are empowered to decision making based on the circumstances the customer is in, the staff will be able to provide superior customer satisfaction.

The reduceing gap among employees: causes that staff to be able to declare their ideas easily and thus creativity, honesty, trust and job satisfaction increases.

#### Customer Orientation:

Gronroos [15] identified that buyer-seller interactions, termed interactive marketing, provide a business opportunity for the organization. therefore, he emphasized that the contact employee's customer-oriented behavior is a important influence on buyers' repeat purchasing. rather than concentrating on how to enhance employee satisfaction, as did earlier scolars such as Berry [6] and George [12], Gronroos [15] suggested viewing internal marketing as a vehicle for enhancing customer-oriented behavior and thus stated "an organization's internal market of staffs can be influenced most effectively and hence motivated to customer consciousness, market orientation and sales-mindedness by a marketing-like internal strategy and by applying marketing-like activities internally. Similarly, George and Gronroos [16] contended that staffs would be best motivated for service mindedness and customer oriented behavior by an active marketing-like strategy, where marketing-like activities are used internally.

#### Internal Marketing and Consumer Orientation:

According to ruizalba, *et al.*, [29] customer orientation is the rule that addresses the significance of considering customer demands and wishes complete the organization. Based on the research of awwad and agti, (2011), customer orientation is said to be the element of readiness to meet and respond instantly to the needs and requesits of customers. meantime, auhandmagie (2007) Summarised the concept of customer orientation as being complete packages of external customers comfort within an organization. it is presumed that a complete strategy to customers orientation is presumably to simplify superior performance and quality delivery services by staffs. This think was held by brady, cronin and joseph (2001) in their research [27].

Also, the beliefs of the staffs make differences In terms of quality services delivery, the moment they result in actual staff behaviour. Still, certain barriers or challenges confronting the organization such as lack of empowerment may interdict an staff with customer oriented attitudes from behaving in a customer oriented method [24].

Cahill [8] defined internal marketing as relatively larger service organizations, staffs should treat each other as customers, so they can then present higher services to external customers through persistent instillation of customer orientation." furthermore, Kotler and Armstrong [23] view internal marketing as the building of customer orientation among staffs by educating and motivating both front-line and support employee to work as a team. In result, the aim of internal marketing is to get motivated and customer-conscious staffs by creating a supportive internal environment [13,16,14].



Fig. 1: Conceptual model

Internal marketing is focused on suitable internal relationship between people from all organizational levels, also it creates a service centered and a customer-centered strategy between employees having contacts with customer [18]. Narver and Slater discussed that development of an internal marketing approach result in a

culture which present some behaviors most efficiently and effectively that lead to providing higher services to customers [19].

#### *Hypotheses:*

- 1- There is a meaningful relationship between Healthy Work Environment and customer orientation National Petrochemical Industries Company.
- 2- There is a meaningful relationship between Effective Development and customer orientation National Petrochemical Industries Company.
- 3- There is a meaningful relationship between Reward System and customer orientation National Petrochemical Industries Company.
- 4- There is a meaningful relationship between Information Sharing and customer orientation National Petrochemical Industries Company.
- 5- There is a meaningful relationship between employees Empowerment and customer orientation National Petrochemical Industries Company.
- 6- There is a meaningful relationship between reducing gap among employees and customer orientation National Petrochemical Industries Company.

#### *Methodology:*

The aim of the article is to examine the effect of internal marketing and dimension comprise Healthy Work Environment, Effective Development, Reward System, Information Sharing, employees Empowerment and the reducing gap among employees in customer orientation in National Petrochemical Industries Company. The current research is a descriptive-correlative design. The variables are chosen among employees of National Petrochemical Industries Company. Data collection is done through random sampling. First, a group of 30 persons were selected from the subjects and the questionnaire distributed among them. After extracting the data from the responses of the intended group and the variance estimate, the volume of the sample of the study was drawn by using cookran formula 180 employees were selected randomly as the subjects of the study. Questionnaire in this study is the main tool for data collection and answers were analyzed using SPSS Software. The validity of its content was ensured by using the readers, advisors, and experts consensus and viewpoints. The validity of its structure was measured through Cronbach's alpha. a minimum alpha of 0.7 sufficed for stage of search. The Cronbach alpha estimated for total research was 0.87 and was much higher 0.7, the constructs were therefore deemed to have adequate reliability. In table 2 our research the reliability of the items is checked through Cronbach's alpha.

**Table 2:** Reliability coefficient of research variables related to given hypotheses.

variables	Number of Questions	Cronbach's Alpha	Total factor
Healthy Work Environment	5	0/89	
Effective Development	5	0/80	
Reward System	5	0/88	0/87
Information Sharing	5	0/78	
employees Empowerment	5	0/75	
reducing gap	5	0/76	

#### *Findings:*

##### *Descriptive data:*

Table 3 Descriptive statistical data shows the relation to the employees participated to the research (180). The social demographic qualification of the participants are as follows: 108 male (60) and 72 female (40) participated to the research:

**Table 3:** Demographic qualifications of participants: Gender

Gender	Frequency	(%)
Male	108	60
Female	72	40

The age classification of participants are; 5 people (% 02.7) are between 15 - 20; 28 people (% 15.5) are between 21-30; 79 people (% 43.8) are between 31-40, ; 60 people (% 33.3) are between 41-50 and 8 people (% 4.44) are more than the age of 50:

**Table 4:** Demographic qualifications of participants: Age.

Age	Frequency	(%)
<20	5	02.7
21 – 30	28	15.5
31 – 40	79	43.8
41 – 50	60	33.3
50 <	8	4.44

The educational background of the participants are; 5 people (%2.7) diploma, 110 people (% 61.1) have University, 62 people have Master (%34.4), and 3 people (% 1.6) phd degree.

**Table 4:** Educational background of the participants.

Education	Frequency	(%)
diploma	5	02.7
University	110	61.1
Master	62	34.4
PHD	3	1.6

### Findings analysis:

*Hypotheses 1:* There is a meaningful relationship between Healthy Work Environment and customer orientation National Petrochemical Industries Company.

**Table 5:** T-test for the first hypothesis.

Hypothesis	Test value = 3				
	T-statistics	sig	mean difference	95% confidence	
				lower	upper
first hypothesis	51/37	000	1/21	1/17	1/26

As it is obvious from the results of table 5, since observed sig is equal to d 0.000 is less than Sig level ( $\alpha=0.5$ ), so there is a relationship between Healthy Work Environment and customer orientation in National Petrochemical Industries Company with 95% confidence.

*hypothesis 2:* There is a meaningful relationship between Effective Development and customer orientation in National Petrochemical Industries Company.

**Table 6:** The second hypothesis test.

Hypothesis	mean	Standard deviation	mean of standard error
second hypothesis	4/21	0/57	0/035

**Table 7:** T-test for the second hypothesis.

Hypothesis	Test value = 3				
	T-statistics	sig	mean difference	95% confidence	
				lower	upper
second hypothesis	33/02	000	1/21	1/14	1/28

As it is obvious from the results of table 7, since observed sig is equal to d 0.000 is less than Sig level ( $\alpha=0.5$ ), so there is a relationship between Effective Development and customer orientation in National Petrochemical Industries Company with 95% confidence.

*Hypothesis 3:* There is a meaningful relationship between Reward System and customer orientation National Petrochemical Industries Company.

**Table 8:** The third hypothesis test

Hypothesis	mean	Standard deviation	mean of standard error
third hypothesis	4/21	0/54	0/033

**Table 9:** T-test for the third hypothesis.

Hypothesis	Test value = 3				
	T-statistics	sig	mean difference	95% confidence	
				lower	upper
third hypothesis	34/95	000	1/21	1/14	1/28

As it is obvious from the results of table 9, since observed sig is equal to d 0.000 is less than Sig level ( $\alpha=0.5$ ), so there is a relationship between Reward System and customer orientation National Petrochemical Industries Company with 95% confidence.

*Hypothesis 4:* There is a meaningful relationship between Information Sharing and customer orientation National Petrochemical Industries Company.

**Table 10:** The fourth hypothesis test.

Hypothesis	mean	Standard deviation	mean of standard error
fourth hypothesis	4/36	0/52	0/033

**Table 11:** T-test for the fourth hypothesis.

Hypothesis	Test value = 3				
	T-statistics	sig	mean difference	95% confidence	
				lower	upper
fourth hypothesis	41/44	000	1/34	1/27	1/40

As it is obvious from the results of table 11, since observed sig is equal to d 0.000 is less than Sig level ( $\alpha=0.5$ ), so there is a relationship between Information Sharing and customer orientation in National Petrochemical Industries Company with 95% confidence.

Hypothesis 5: There is a meaningful relationship between employees Empowerment and customer orientation in National Petrochemical Industries Company.

**Table 12:** The fifth hypothesis test.

Hypothesis	mean	Standard deviation	mean of standard error
fifth hypothesis	4/52	0/47	0/030

**Table 13:** t-test for the fifth hypothesis.

Hypothesis	Test value = 3				
	T-statistics	sig	mean difference	95% confidence	
				lower	upper
fifth hypothesis	49/62	000	1/52	1/46	1/58

As it is obvious from the results of table 13, since observed sig is equal to d 0.000 is less than Sig level ( $\alpha=0.5$ ), so there is a relationship between employees Empowerment and customer orientation in National Petrochemical Industries Company with 95% confidence.

Hypothesis 6: There is a meaningful relationship between reducing gap among employees and customer orientation in National Petrochemical Industries Company.

**Table 14:** The sixth hypothesis test

Hypothesis	mean	Standard deviation	mean of standard error
sixth hypothesis	4/39	0/50	0/031

**Table 15:** T-test for the sixth hypothesis.

Hypothesis	Test value = 3				
	T-statistics	sig	mean difference	95% confidence	
				lower	upper
sixth hypothesis	42/50	000	1/39	1/32	1/46

As it is obvious from the results of table 15, since observed sig is equal to d 0.000 is less than Sig level ( $\alpha=0.5$ ), so there is a relationship between reducing gap among employees and customer orientation in National Petrochemical Industries Company with 95% confidence.

### Conclusions:

Perceptions of internal marketing by employees has led to employees' customer orientation. the aim of this article is to examine the effect of six dimension of internal marketing on customer orientation in National Petrochemical Industries Company. study's results show that There is a positive relationship between six dimensions of internal marketing comprise Healthy Work Environment, Effective Development, Reward System, Information Sharing, employees Empowerment and the reducing gap among employees and customer orientation. statistical data in this study show that create conditions in which increased customer orientation which is most important of these conditions Included Healthy Work Environment, Effective Development, Reward System, Information Sharing, employees Empowerment and the reducing gap among employees. Customer Orientation at the organizational level is considered as a form of organizational culture. Customer orientation is concentrating on customers' inclinations and make profitability by create satisfaction in the customer. Perceptions of internal marketing by staffs has led to staffs satisfaction which in turn is affects in tendency of staffs to customer. Kotler and Armstrong are considered as create a Customer Orientation in employees. With regard to this fact that only five factors (Healthy Work Environment, Effective Development, Reward System, Information Sharing, employees Empowerment and the reducing gap among employees) have been investigated in this research, it is suggested that the future studies examine other factors such as job security, information sharing, decrease in social gap and also study the effects of them on the socially learned behaviors. Also it is suggested that other effective variables on the socially learned behaviors are examined in the future researches.

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