The Impact of Internal Marketing Activities on Customer Service Performance in Healthcare Industry

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ABSTRACT

A look at the situation of competition in healthcare industry indicates that it is very important to provide high quality services in this industry, something which can be regarded as a success factor. Therefore, hospitals are more successful if they pay more attention to internal marketing in order to maintain their customers. Thus, this study is an investigation about the relationship between internal marketing plans and measures based on human resources, employee perception of the internal marketing strategy and employee job performance in healthcare industry. For this purpose, 249 subjects were selected from the personnel and administration department as a sample. To answer the research questions, a questionnaire was then used for data collection. All of the 11 research hypotheses were confirmed. In addition, research variables and their relationships were analyzed and investigated in SPSS 22 and PLS. According to the research findings, internal marketing and internal market orientation plans had both direct and indirect impacts on the customer-oriented behavior.

KEYWORDS

Customer Oriented Behavior, Internal Market Orientation, Internal Marketing Plan, Structural Equation Modeling

1. INTRODUCTION

Organizational commitment is a prerequisite for market orientation, whether it is taken as a culture or as a behavior, and both top-level managers and employee should be committed accordingly. Therefore, the success of organizations in market orientation practices demands employee commitment. One way to achieve this commitment is to execute internal marketing programs. Internal marketing is a topic of marketing, which is raised as of two decades ago as a method to solve the issues related to organization’s employee. Employing, training as well as motivating apt employee seems a prerequisite for providing worthy service for clients in organization. Due to the increasing market competition, a hospital requires adopting strategies that enhance its market share in addition to maintaining their competitive market advantage. Accordingly, the clients of these organizations play a significant role in their profitability. Unless a hospital is not able to retain its customers or to create loyal ones, a significant number of them are won by the competitors; therefore, organizational investment in terms of internal customers (employees) brings about their commitment, as such, which creates an appropriate...
communication between employee and customers and ultimately ensures customers’ satisfaction and loyalty. A hospital, in alignment with fulfilling organizational goals through internal marketing, requires upgrading the quality attributes of employee as well as increasing their communicating and managing capabilities to establish itself in a very competitive market. This study investigates Mousavi Hospital of Zanjan.

2. LITERATURE REVIEW

2.1. Internal Marketing (IM)

Barry stated that internal marketing was introduced 30 years ago to achieve the quality of service for a significant problem that existed in the area of services (Barry, 1981). Grönroos maintained that, to have satisfied customers, the company should first have satisfied its employees, those who motivate and represent the quality of the services they provide. This motivation comes from the employees who are considered as customers, which is a method to job designing and service branding for supplying the market (Grönroos, 1993). Since long ago, Day and Wensley argued that marketing performance should focus on the initiating, negotiating and managing exchanges between internal and external areas of the company. Barry expressed that the concept of internal marketing in which companies and employee are regarded as market and internal customers respectively was introduced in 1980s. As noted by Ambler, in many businesses, especially service sector businesses, employees are the first customers. Consumers are likely to be the final customers, but the brand of employee comes at the beginning. Culter defines internal marketing in terms of success in the employing, training and motivating the employees capable of providing services for customers. George and Gronroos have also stated that, therefore, in some cases, internal marketing reflects the desirable performance of human resource management. Heskett et al. said that, the loyalty of external customers stems from external customers’ satisfaction, which in itself depends on the loyalty of internal customers (Nigel, Michael and Leyland, 2003).

2.2. Internal Market Orientation (IMO)

Customer orientation, whether it is internal or external, includes the prior knowledge of customers’ needs and preferences. Elsewhere, Boukis and Gounaris investigated the positive role of simplifying internal marketing for the employee in order to be adapted to supervisors and the environment in which it was executed. In this model, three proposed aspects were analyzed by Ruizalba et al.: the first aspect, generating internal marketing intelligence consists of two different factors of value exchanges between the company and employees as well as inner segmentation, the second one is the response to internal market intelligence which consists of three aspects: training, managers’ concern and the reconciliation of personal and professional life. The result was positive and based on the fact that, it will not be possible to assert that the employees’ needs were fully considered if the reconciliation of personal and professional life is ignored (Ruizalba Robelado, Vallespin Aran & Gonzales Porras, 2015). Slater pointed to two types of market orientation behaviour in an article entitled “Market orientation at the beginning of the millennium” including:

1. The traditional market-oriented behaviours - the first generation of market orientation: market-oriented companies have focused on understanding the needs of the customers in the market and developing products and services that satisfy those needs;
The Role of Environmental Innovation Strategy in Reinforcing the Impact of Green Managerial Practices on Competitive Advantages of Fertilizer Companies in Egypt
www.igi-global.com/article/role-environmental-innovation-strategy-reinforcing/52044?camid=4v1a

Innovative Technological Paradigms for Corporate Offshoring
www.igi-global.com/chapter/innovative-technological-paradigms-corporate-offshoring/6988?camid=4v1a