

A SUSTAINABLE INTERNAL MARKETING STRATEGY FOR THE NATIONAL PARKS IN BOTSWANA

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SUMMARY

Internal marketing is the key to the success of external marketing and therefore to the success and profitability of the organisation, especially the service organisation. Most organisations emphasise only external marketing, forgetting that a moment of truth contact with the internal market (employees) can destroy the most expensive and creative external marketing campaign. If expectations raised in external marketing are not met when the customer interacts with the employee, everything is lost.

The way that an organisation is perceived, is a direct result of how its employees behave and perform. Organisations need to take cognisance of internal marketing being a road map for organisational behaviour.

This study attempts to explore and evaluate the elements that need to be included in an internal marketing strategy specifically for the national parks of Botswana. It offers a discussion of the marketing mix elements applied to an internal marketing context. In chapters 3 – 8 attention is paid to the internal marketing mix elements of product, price, process, place (internal distribution), promotion (marketing communication) and customer service (people/physical evidence) elements.

The empirical research evaluates the opinions and perceptions of employees of the national parks of Botswana and customers (tourists) visiting the parks on the different elements of the marketing mix. Chapter 9 explains the research methodology used while Chapter 10 offers a reflection on the results and analysis and interpretation of these results. The recommendations in Chapter 11 consist of an internal marketing strategy, which is also the ultimate objective of this study.

The most important outcome of the study is that the internal product (the job) and the process and distribution used in the execution of the internal product, causes frustration and influence the motivation levels of the employees. The physical evidence manifested in the maintenance and cleanliness of the physical facilities of national parks has an influence on the image of national parks and therefore Botswana, because national parks are the face of Botswana and its people.

OPSOMMING

Interne bemarking is die sleutel tot die sukses van eksterne bemarking en dus die sukses en winsgewendheid van die organisasie, en spesifiek die dienste-organisasie. Meeste organisasies beklemtoon slegs eksterne bemarking en vergeet dat die oomblik-van-waarheid-kontak met die interne mark (werknemers) die duurste en mees kreatiewe eksterne bemarkingsveldtog kan vernietig. Indien die verwagtinge van eksterne bemarking nie bevredig word wanneer die kliënt met die werknemer in wisselwerking tree nie, is alles verlore.

Die manier waarop 'n organisasie beleef word, is die direkte gevolg van hoe sy werknemers optree en presteer. Organisasies moet in aanmerking neem dat interne bemarking die padkaart is vir organisatoriese optrede.

Hierdie studie stel hom ten doel om die elemente wat ingesluit moet word in 'n interne bemarkingstrategie, spesifiek vir die nasionale parke van Botswana, te ondersoek en te evalueer. Dit bied 'n bespreking van die bemarkingsmengsel wat toegepas word in die konteks van interne bemarking. In hoofstukke 3 – 8 word aandag gegee aan die interne bemarkingsmengselelemente van produk, prys, proses, plek (interne verspreiding), promosie (bemarkingskommunikasie) en kliëntediens (mense/fisiese getuienis).

Die empiriese navorsing evalueer die menings en persepsies van werknemers van die nasionale parke van Botswana en kliënte (toeriste) wat die parke besoek oor die onderskeie elemente van die bemarkingsmengsel. Hoofstuk 9 verduidelik die navorsingsmetodologie wat gebruik is, terwyl Hoofstuk 10 'n besinning van die gevolgtrekkings en ontleding en interpretasie van hierdie gevolgtrekkings bied. Die aanbevelings in Hoofstuk 11 bestaan uit 'n interne bemarkingstrategie, wat ook die uiteindelijke doelwit van hierdie studie is.

Die belangrikste uitkoms van die studie is dat die interne produk (die werk) en die proses en verspreiding wat gebruik word in die uitvoering van die interne produk, frustrasie veroorsaak en die motiveringsvlakke van die werknemers beïnvloed. Die fisiese getuigenis wat manifesteer in die onderhoud en sindelikheid van die fisiese geriewe van nasionale parke het 'n invloed op die beeld van nasionale parke en dus Botswana en sy mense.

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CHAPTER 1

INTRODUCTION, PROBLEM STATEMENT, OBJECTIVES AND METHOD OF RESEARCH

1.1 INTRODUCTION

All organisations operate within the marketing environment. The marketing environment consists of the micro-environment, which relates to the organisation itself – its own internal environment, the market environment that is found outside the business organisation and the external or macro-environment that will affect all organisations to a lesser or greater degree (Cant, Strydom, Jooste & Du Plessis, 2006:39).

Good marketing in the marketing environment has become an increasingly vital ingredient for the success of an organisation and is the result of careful planning and execution, concentrating on the effective application of the marketing concept (Kotler & Keller, 2006:4).

The marketing concept can be seen as part of the micro-environment and emerged in the mid-1950s, after competing concepts such as the production concept, product concept and selling concept were used as the business philosophies under which organisations had conducted marketing activities. Kotler and Keller (2006:16) add the holistic marketing concept because a whole set of forces has appeared in the last decade that called for new marketing and business practices. Internal marketing is viewed as a marketing concept and a holistic marketing concept aimed at employees – the internal market within the tourism organisation.

The participation and role of the internal market is essential to achieve high levels of quality service and effective execution of the marketing concept (George, 2005:322). Kotler and Keller (2006:16) argue that the marketing concept holds that the key to achieving organisational goals consists of the company being more effective than its competitors in creating, delivering and communicating superior customer value to its chosen target markets. It can therefore be argued that effective internal marketing contributes to the competitiveness and profitability of the organisation.

Varey and Lewis (2000:27) argue that internal marketing has emerged from services marketing. Its concern was to get everyone who was involved in service encounters - the front-line or contact staff – to perform better in their interaction with customers. The use of this concept has broadened beyond services and become accepted terminology in all types of organisations and marketing literature.

Internal marketing was first suggested in the late 1970s. Since then it has been adopted widely in management and marketing. According to Ahmed and Rafiq (2002:4), the term internal marketing appears to have been used first by Berry, Hensel and Burke (1976:4) and later by George (1977:4), Thompson, Berry and Davidson (1978:7) and Murray (1979:5). He argues that although the term internal marketing was not directly used in an article by Sasser and Albeit (1976:61), the idea of internal marketing was implied. This term only became a popular part of management conversations when Berry (1981:25) defined internal marketing as viewing employees as internal customers, and viewing jobs as internal products that satisfy the needs and wants of these internal customers while addressing the objectives of the organisation. An important assumption of internal marketing is based on the notion that to have satisfied customers, the firm must also have satisfied employees (Ahmed & Rafiq, 2002:4). Sasser and

Albeit (1976:61) emphasise this argument with their view that employees are the most important market of a service organisation.

The concept of internal marketing has its origins in conventional marketing theory and the marketing concept itself. According to Kotler, Bowen and Makens (1999:320), the internal marketing concept evolved as marketers formalised procedures for marketing to employees. Internal marketing ensures that employees at all levels of the organisation experience the business and understand its various activities and campaigns in an environment that supports customer consciousness. The objective of internal marketing is to enable employees to deliver satisfying products to the customer. According to Woodruffe (1995:85), the concept of internal marketing has been developed largely within the context of services marketing, where it has long been recognised that high levels of customer service depend heavily on the personnel who interact with customers.

According to Varey and Lewis (2000:224), an overview of the literature on internal marketing shows that there are basically two models of how internal marketing works. The one model is based on Grönroos' idea (1981:236) of "customer mindedness" and interactive marketing, while the other is based on Berry's concept (1981:26), which sees "employees as customers". An additional model, the meta-model of internal marketing (Varey & Lewis, 2000:230), was developed from a combination of the models of Berry and Grönroos (Ahmed & Rafiq, 2002:15) to overcome the weaknesses depicted in the models of Berry and Grönroos. Ahmed and Rafiq (1995:35), however, also suggest another model, the multi-level model on internal marketing, which focuses on the implementation of an internal marketing strategy.

Ahmed and Rafiq (2002:14) agree with Grönroos' original model that is based on the premise that employees need to be customer-conscious and sales- minded so that they can take advantage of interactive marketing opportunities, leading to

better service quality and higher sales and consequently higher profits. Berry's model's main premise is that the treatment of employees as customers will lead to changes in attitudes that will contribute to better service quality. According to Varey and Lewis (2000:224), both Berry and Grönroos are concerned with improving service quality, but they differ in their methods to achieve service quality.

The meta-model emphasises the different aspects of internal marketing to build a more comprehensive conceptualisation and shows the mechanisms involved in the implementation of internal marketing. It provides a more complete view of internal marketing. The multi-level model of internal marketing encompasses a multi-level schema of how marketing tools and techniques can be used internally to enhance commitment and effective implementation (Ahmed & Rafiq, 1995:35).

These models were used as the basis of the discussion of internal marketing in this thesis and the development of an internal marketing strategy for the national parks of Botswana. An in-depth discussion of these models follows in Chapter 2.

With reference to the mentioned models, employees' attitudes and opinions about their colleagues and the work environment can be seen as making all the difference between employees merely doing a good job and employees delivering exceptional customer service (Arnett, Laverie & McLane, 2002:87). Marketers must have an understanding of the employees and develop a strategy that will keep them loyal with a clear vision of their role in the marketing process and their contribution to the success of an organisation.

The tourism industry is unique in that employees are part of the offering. According to Chaston (1990:140), the production and consumption of a service are inseparable because of the consumption and production of the product at the same time. In an industry where there are high levels of consumer service, an

organisation depends heavily on the employees who interact with consumers. Internal marketing can be seen as a crucial factor in the success of the tourism industry (George, 2005:322). Crick (2003:161) argues that internal marketing is the promoting of the organisation and its products or product lines to the organisation's employees. It uses marketing analysis and techniques aimed at the internal market of the organisation to make the changes necessary for external strategy to be effective. When successfully done, internal marketing aligns, educates and motivates staff towards the achievement of organisational objectives and helps them to understand their role in the achievement of those objectives (Rafiq & Ahmed, 2000:452).

"The internal marketing concept states that the internal market of employees is best motivated for service-mindedness and a customer-oriented performance by an active, marketing-like approach, where a variety of activities are used internally in an active, marketing-like and co-ordinated way. Internal marketing uses a marketing perspective to manage the employees of the organisation" (Grönroos, 1990:223).

Kotler *et al.* (1999:320) and George (2005:323) see internal marketing as a process that involves four steps, namely the:

- Establishment of a service culture – to enable service excellence;
- development of a marketing approach to human resource management – to enhance loyalty among employees;
- dissemination of marketing information to employees; and
- implementation of a reward and recognition system.

The establishment of a service culture is the first step in the internal marketing process and also the most difficult to achieve. Much has been written about service excellence, but not so much attention has been paid to laying the right foundation for enabling service excellence. Employees represent the fifth "P" of

the extended marketing mix, which can be seen as one of the most crucial elements in enabling service excellence that contribute to the success of a tourism organisation.

According to Durkin (2005:1), employee loyalty drives customer loyalty, which drives brand/company loyalty and service excellence. Webster in Durkin (2005:7) defines loyalty as being faithful to a cause, ideal or custom. Based on discussions from the literature it can be argued that when an employee is loyal to the cause of being customer-oriented, service excellence will follow, which is a prerequisite for relationship marketing. The term "human equation " as seen by Pfeffer (1998:3) as building profits by putting people first, is a term applicable to marketing-driven organisations. In the tourism industry it is the employees that have to put the customers first. The emphasis is not only on transaction marketing, but on investing in a long-term relationship with the customer, i.e. relationship marketing.

Tourist-oriented personnel, well-trained employees and empowered employees can be a competitive advantage in the tourism industry – each one emphasises the four steps in the internal marketing process. For national parks to be focused on tourists, the attitudes and all actions of employees must be tourist-oriented. An employee may be the only contact that a tourist has with national parks. In that tourist's eyes, the employee *is* national parks and the tourist will form a perception of Botswana based on that experience. A tourist that is treated discourteously may assume that the employee's attitude represents that of national parks and of Botswana. Lamb, Hair, McDaniel, Boshoff and Terblanche (2005:21) feel strongly that a company that allows this negative behaviour is violating the integration principle of the marketing concept.

One of the characteristics of service marketing is inseparability, which means the service provider and customer must be present for the transaction to occur (Kotler *et al.*, 1999:43). The tourism industry is unique in that employees are part

of the offering. In an industry where there are very high levels of consumer service, the organisation depends heavily on the personnel who interact with consumers. Although the hospitality and tourism industry is volatile and tourists tend to change the destinations they visit, word of mouth messages that they communicate to friends, family and colleagues can ensure a constant flow of tourists (George, 2005:322 and Kotler *et al.*, 1999:320). If the business has the right kind of employee and the tourist has a positive experience, it can enhance the marketing ability of the business and contribute to the success of the business.

According to Jordaan and Prinsloo (2004:129), the customer's first impression of the service organisation is based on his/her first interaction with the people or employees of that organisation. People contribute to the marketing of tourism in Botswana. The country is known for the hospitality and warmth of its inhabitants. Expectations raised in external marketing can be useless if the service provided by the employees does not contribute to a positive experience. It is therefore of importance to the marketer not only to emphasise external marketing, but to develop an effective internal marketing strategy. Internal marketing means turning the focus of selling from your customers to your staff. If the staff are not aware and in support of your marketing campaign, they may be unable or unwilling to provide support that will ensure your external marketing campaign. Successful service organisations focus their attention on both their employees and customers. They understand the service-profit chain that links service organisations with employee and customer satisfaction. The service-profit chain consists of five links (Kotler *et al.*, 1999:44):

- Healthy service profits and growth – superior service organisations performance, which results from
- satisfied and loyal customers – satisfied customers who remain loyal, repeat purchase and refer other customer, which results from

- greater service value – more effective and efficient customer value creation and service delivery, which results from
- satisfied and productive service employees – more satisfied, loyal and hard-working employees, which results from
- internal service quality – superior employee selection and training, a high-quality work environment and strong support for those dealing with customers.

It can therefore be concluded that reaching service profits and growth goals begins with taking care of those who take care of customers. The previous discussion suggested that service marketing requires more than just traditional external marketing - using the four Ps. It requires the application of the extended marketing mix and the successful execution of internal, interactive and relationship marketing (Kotler *et al.*, 1999:45).

As mentioned previously, it is important to pay attention to relationship marketing to be able to understand and implement internal marketing. The development and sustaining of a customer-oriented culture within the organisation is a critical determinant of long-term success in relationship marketing. It is an organisation's culture – its deep-seated unwritten system of shared values and norms - which has the greatest impact on employees' behaviour and attitudes (Buttle, 1996:193). The culture of an organisation in turn dictates its climate – the policies and practices that characterise the organisation and reflect its cultural beliefs (Payne *et al.*, 1999:11). A satisfied employee is likely to be a retained employee. Employee retention becomes an important part of the equation when we consider that relationships are built and maintained by individuals and customers are often more loyal to the employee who deals with them than to the wider organisation.

According to Payne, Christopher, Clark and Peck (1999:12), an integrated approach to marketing and human resource management is therefore needed;

one that recognises employees as a valuable and finite resource and a potential source of competitive advantage.

Despite the best technology and the most carefully planned procedure, in the final analysis relationship marketing stands or falls by the quality and willingness of the people who implement it. A discussion of the employee and related concepts is of the utmost importance and therefore a separate chapter will be devoted to that.

1.2 DEFINING THE CONCEPTS

For the purpose of this thesis, it is important to explain relevant concepts that will be used throughout this study. The main field of study in this thesis is marketing, specifically internal marketing as applied to the tourism field. This study examines an approach to internal marketing as the essence of a sustainable internal marketing strategy of the national parks in Botswana. It is of importance to understand the term internal marketing and other related concepts to be able to formulate an internal marketing strategy. Therefore, concepts and background information regarding marketing, the marketing concept, internal marketing, internal marketing strategy and sustainability, need clarification.

1.2.1 Marketing

There are many definitions of marketing of which only a few will be mentioned. According to Kolb (2006:2) and Strydom, Jooste and Cant (2000:5), the definition of the American Marketing Association is used in most academic literature as the best way to define marketing.

Lamb *et al.* (2005:5) agree with the definition of the American Marketing Association: "Marketing is the process of planning and executing the conception,

pricing, marketing communication and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational goals.”

Marketing is thus:

- About anticipating and satisfying consumer needs;
- by means of mutually beneficial exchange processes; and
- doing so profitably and more effectively than competitors
- by means of efficient managerial processes.

Lamb *et al.* (2005:5) and Strydom *et al.* (2000:4) see marketing as comprising of two facets: it is a philosophy, an attitude, a perspective and a management orientation that stresses customer satisfaction and is also a set of activities used to implement this philosophy.

Kotler *et al.* (1999:23) and Kotler and Armstrong (1999:3) agree that marketing is a process. They define marketing as a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others. The core of these definitions consists of the concepts of needs, wants, value, products, exchange, transactions, relationships and markets.

These definitions describe marketing as an exchange that satisfies both the customer (tourist) and the organisation (in this case, the national parks of Botswana and its employees). Kolb (2006:2) argues that marketing is sometimes misunderstood as only selling and not to create long-term recurrent value for the organisation: when an organisation is trying to convince the customer to visit even if the customer does not have a need to visit. While selling is an important part of marketing, there would be no long-term gain for an organisation to focus only on convincing customers to visit without making sure that their expectations are met. Even if the organisation uses high-pressure sales techniques to

convince customers to visit, this would be a short-sighted strategy because tourism success relies on repeat customers. If a sales promotion has painted an unrealistic picture of what the organisation has to offer, the customer would most likely be unhappy with the experience and not visit again.

Theoreticians have begun to develop alternative definitions to capture the nature of the new marketing. Grönroos (1994:355) offers the following definition: "Marketing is to establish, maintain and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfilment of promises." The American Marketing Association formulates the latest formal definition according to Kotler and Keller (2006:6) as: "Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders." It can therefore be concluded that these definitions attempt to incorporate both the transactional and the relational qualities of marketing.

For this thesis, marketing can be summarised as the managerial activities used to strategise and plan, as well as the actions taken to create, grow and maintain relationships with tourists with the main aim of satisfying the market/tourist and to ensure the long-term profitability of the organisation.

1.2.2 The marketing concept

In order to understand internal marketing, it is of importance to review the marketing concept. Woodruffe (1995:85) defines the marketing concept as a human activity directed at satisfying needs and wants through exchange processes. The marketing concept suggests that the social and economic justification of a firm's existence is the satisfaction of customers' needs and wants while meeting the firm's objectives.

According to Strydom *et al.* (2000:12), Lamb *et al.* (2005:10) and Cant *et al.* (2006:11), marketing is based on a specific philosophy, the marketing concept. Lancaster and Reynolds (2005:15) see marketing as a business philosophy and take a holistic view of the discipline. The marketing concept can be regarded as an ethical code or philosophy according to which the marketing task is performed. This concept is based on three pillars:

- Customer satisfaction by focusing on customer needs and wants;
- integration of all business activities directed at profitability and the satisfaction of consumer needs, demands and preferences; and
- achieving long-term goals, such as sustained profitability, by satisfying customer needs and wants, legally and responsibly.

Strydom *et al.* (2000:12) also list these principles when they see the essence of the marketing concept as:

- Long-term maximisation of profitability;
- total marketing orientation; and
- integration of all business activities directed at profitability and satisfaction of the needs, demands and preferences of customers.

In the past these principles have been criticised because the social responsibility of the organisation was not taken into account. The pure marketing concept disregarded environmental changes and problems and focused more on short-term consumer satisfaction rather than on the long-term well-being of society (Strydom *et al.*, 2000:12).

Two additional requirements have been added to this concept, namely a societal marketing orientation and a relationship marketing orientation. In a societal marketing orientation the firm realises that marketing must be executed in such a manner that the society in which the firm operates benefits from the firm's

activities. Marketing should not be a once-off activity. It should lead to a long-term relationship or loyalty between the firm and the customer, i.e. relationship marketing (Lamb *et al.*, 2005:10).

Customer need satisfaction is the key in successful marketing and this forms the essence of the marketing concept. The internal market (the employees) needs to execute the marketing concept; therefore it is very important for the organisation to have a sustainable internal marketing strategy. This will ensure that employees know the importance of their actions with regard to the long-term success of the organisation.

Kotler and Keller (2006:16) offer a further extension of the marketing concept with their view regarding the holistic marketing concept. The holistic marketing concept is based on the development, design and implementation of marketing programmes, processes and activities that recognise their breadth and interdependencies. Holistic marketing recognises that “everything matters” in marketing and that a broad, integrated perspective is often necessary. Four components of holistic marketing are relationship marketing, integrated marketing, internal marketing and social responsibility marketing (Kotler & Keller, 2006:17). This thesis will concentrate on internal marketing, but will also pay attention to the other three components.

Management must enthusiastically embrace and endorse the marketing and the holistic marketing concept and encourage the filtering of these concepts throughout the organisation when it is implemented. The marketing and holistic marketing concepts again emphasise the importance of the internal market and a sustainable internal marketing strategy, which is the essence of this thesis.

1.2.3 Internal marketing

Internal marketing functions in the micro-environment of the marketing environment and is the application of all disciplines of marketing to the employees of the organisation in the same way as to external customers. Holistic marketing incorporates internal marketing, ensuring that everyone in the organisation embraces appropriate marketing principles (Kotler & Keller, 2006:20). According to Stone, Woodcock and Machtynger (2000:147), internal marketing follows the usual marketing process of:

- Understanding the market – in this case what kind of employees there are, what their needs are, right through to segmentation by factors such as need and attitude;
- setting objectives – for example in relation to delivering customer relationship marketing;
- creating policies – such as those to help employees deliver customer relationship marketing;
- marketing them to employees – using all the required media and communication disciplines;
- measuring results of marketing in terms of attitudes and delivered performance; and
- improving plans and implementation.

Ballantyne in Varey and Lewis (2000:46) defines internal marketing as any form of marketing within the organisation that focuses staff attention on the internal activities that need to be changed in order to enhance external market-place performance.

George (2005:322) defines internal marketing as: “Treating with equal importance the needs of the internal market – the employees – and the external market through pro-active programs and planning to bring about desired

organizational objectives by delivering both employee and customer satisfactions.” Jordaan and Prinsloo (2004:141) underline all these views with the following definition: “Internal marketing can be defined as the process of planning and executing marketing activities aimed at the creation and improvement of exchange processes *within* the organization, with the objective of accomplishing organizational and personal objectives and processes in a more efficient and effective way.”

Ahmed and Rafiq (2002:10) extended the definitions of Grönroos (1985:42) and Berry and Parasuraman (1991:151): “Internal marketing is a planned effort using a marketing-like approach directed at motivating employees, for implementing and integrating organizational strategies towards customer orientation.”

Internal marketing uses marketing analysis and techniques aimed at the internal market of the company to make the changes necessary for the external strategy to be effective. When successfully done, internal marketing aligns, educates and motivates staff towards the achievement of organisational objectives and helps them to understand their role in the achievement of those objectives (Rafiq & Ahmed, 2000: 450). Successful implementation of a tourism programme depends on a sustainable internal marketing strategy. Appiah-Adu, Fyall and Singh (2000:95) emphasise a moderately strong relationship between a marketing culture (internal marketing) and customer retention (relationship marketing).

Internal marketing will be explored in depth in Chapter 2.

1.2.4 Marketing and internal marketing strategy

Jain (2000:9) defines the strategy of an organisation as the pattern of major objectives, purposes or goals and essential policies and plans for achieving those goals, stated in such a way as to define what business the organisation is in or is to be in and the kind of organisation it is or is to be. Walker, Boyd and

Larrèchè (2003:9) agree that a strategy is a fundamental pattern of objectives but add to the definition that a strategy is also the deployment of resources and interactions of an organisation with markets, competitors and other environmental factors. The phrase “deployment of resources” in this definition is important for this thesis. This definition suggests which resources and activities to allocate to each product market to meet environmental opportunities and threats and to gain a competitive advantage. An explicit statement of strategy is the key to success in a dynamic business environment.

In most organisations the emphasis is frequently on the external marketing strategy, while little attention is being paid to the internal marketing strategy. It is impossible to execute an external marketing strategy when the tourism organisation does not have an internal marketing strategy and does not know how to deploy the tourism organisation’s internal people resources. According to Lancaster and Reynolds (2005:257), good internal marketing strategies can be viewed as a prerequisite for good, effective external marketing policies/strategies.

Walker *et al.* (2003:12) say that the primary focus of a marketing strategy is to effectively allocate and co-ordinate marketing resources and activities to accomplish the organisation’s objectives within a specific product market. Jain (2000:21) says that marketing strategy deals with the interplay of three forces, known as the strategic three Cs - the customer, the competition and the corporation (organisation).

Marketing strategies focus on ways in which the organisation can differentiate itself effectively from its competitors, capitalising on its distinctive strengths to deliver better value to its customers. Marketing strategy in terms of these three key constituents must be defined as an endeavour by an organisation to differentiate itself positively from its competitors, using its relative corporate

strengths to better satisfy customer needs in a given environmental setting (Jain, 2000:22).

The definition of a marketing strategy by Walker *et al.* (2003:12) can be used to define an internal marketing strategy. For the purpose of this thesis an internal marketing strategy can be defined as to effectively allocate and co-ordinate internal marketing resources and internal activities [7 Ps] to accomplish the organisation's objectives within a specific market. The implementation of the internal marketing strategy is a prerequisite for effective external marketing strategies.

1.2.5 Sustainability

The concept of sustainability can be used to describe various situations and it is important to understand sustainability in the context that it is used. Sustainability can be seen as an attempt to provide for the human and natural environments both now and in the indefinite future. It is the ability to provide for the needs of the world's current population without damaging the ability of future generations to provide for themselves. It can be summarised as the idea of optimising results while protecting the resource base (Page & Connell, 2006:389). When a process is sustainable, it can be carried over and over without negative environmental effects or impossibly high costs to anyone involved. It is the ability to maintain standards and procedures over a very long term (Cooper, Fletcher, Gilbert & Wanhill, 1998:161).

According to Bramwell and Lane (2003:12), sustainable tourism refers to a level of tourism activity that can be maintained over the long term because it results in a net benefit for the social, economic, natural and cultural environments of the area in which it takes place. For this thesis, sustainability is used in the tourism and internal marketing context.

The World Tourism Organisation in Uys (2003:11) describes sustainability as follows: "Sustainable tourism development meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems."

Sustainability will be used in the context of this thesis to describe the internal marketing strategy. For the national parks to maintain a steady flow of customers that will return to the area every year it is of importance to ensure that customers experience high levels of consistent excellent service and that their expectations are met. Consistency and high levels of service excellence can only be maintained with an effective internal marketing strategy.

1.3 PROBLEM STATEMENT

According to George (2005:62), tourism has become one of the best sources of earning foreign exchange. The number of tourists travelling internationally in 2003, totalled 694 million. However, this figure is expected to reach over one billion international arrivals annually by 2010, at an average sustained growth rate of 4, 4% annually. Tourist arrivals in Botswana have also grown considerably over the past five years, from 843 314 in 1999 to an estimated 1 116 373 in 2003. This represents an average growth rate of 7, 7% over the period (George, 2005:58).

According to Mowforth and Munt (1998:19), billions of dollars are spent each year on the tourism industry globally. These expenditures necessitate researchers to look at their internal marketing strategy to ensure that expectations promoted in external marketing align with what is delivered. It seems that most countries are not able to utilise these opportunities because

they have persistent problems in adequate tourist employee training (Geldenhuys, 2000:2).

The objective is not to only attract tourists to Botswana and their national parks recurrently, but to ensure that they experience such high levels of service and customer satisfaction that they will return every year. It is not enough to make adjustments to the product itself to promote sustainable tourism. According to Simpson and Dore (2004:253), before a consistent and clear message can be communicated to the customer, the entire corporate culture needs to change, which sometimes involves personnel reshuffling. The entire staff needs to take ownership of a customer service-oriented culture.

According to Arnett *et al.* (2002:87), increased competition in the tourism industry has caused many companies to consider new strategies for gaining a competitive advantage. To implement new marketing approaches successfully, it is often necessary to first alter the culture of an organisation to help align employees' attitudes with the new strategy.

Managers can alter the culture of their organisation by:

- Hiring employees who embrace the new vision of the organisation;
- training employees in skills that match the new vision;
- motivating employees to adopt actions and attitudes that are consistent with the new vision; and
- reshuffling employees to the right positions by using their personalities as a guide.

The above-mentioned process is often referred to as internal marketing. Kotler (2000:22) suggests that internal marketing must precede external marketing. It makes no sense to promote excellent service before the company's staff is ready to provide it. Successful internal marketing programmes can lead to important

payoffs for an organisation. From the analysis of the key conceptual and empirical literature, Ahmed and Rafiq (2002:9) have identified five elements of internal marketing:

- Employee motivation and satisfaction;
- customer orientation and customer satisfaction;
- inter-functional co-ordination and integration;
- marketing-like approach to the above; and
- implementation of specific corporate or functional strategies.

Berry and Parasuraman (1995:30) list seven essentials of internal marketing that will also be explored in Chapter 2:

- Compete for talent - hiring the best people to perform the service is a key factor in marketing services. One of the principal causes of poor service quality is hiring the wrong people to perform the service.
- Offer a vision – the attraction, development, motivation and retention of quality employees require a clear vision worth pursuing. People delivering service need to know how their work fits into the broader scheme of business operations. They need to understand and believe in the goal to which they contribute: they need to have a cause because serving others is just too demanding and frustrating to be done well each day without a vision.
- Prepare people to perform – preparing people to perform and market the service enhances every sub-goal of internal marketing: attracting, developing, motivating and retaining superior employees.
- Stress team play – service work is demanding, frequently frustrating and sometimes demoralising.
- Leverage the freedom factor – human beings were not meant to be robots. Managers use thick policy and procedure manuals to severely limit employees' freedom of action with customers: they robotise the service role.

- Measure and reward – the goals of internal marketing are useless if employee performance were not measured and rewarded. People need to know that they will be measured by how well they do - that it is worthwhile to do well.
- Know the customer - marketing's oldest axiom is to know the customer. Designing job-products that attract, develop, motivate and retain employee-customers demands sensitivity to their aspirations, attitudes and concerns. Marketing research is as important in internal marketing as is external marketing.

The benefits of internal marketing are related to the essentials of internal marketing. Low employee-turnover rates, an increase in service quality, high levels of employee satisfaction, an improved ability to implement change in the organisation and successful internal marketing can contribute to the ability to motivate employees to practise behaviour that will assist in the implementation of marketing strategies.

Ahmed and Rafiq (2002:1) summarise the core of internal marketing requirements as follows:

- Acceptance of marketing techniques and philosophy;
- customer orientation/market orientation;
- a participative approach to management;
- a strategic approach to management;
- a strategic approach to human resource management to ensure the alignment of human resource management strategy with organisational strategy; and
- the co-ordination of all management activities to achieve customer or market orientation or customer/market-focused management.

Against the background of the previous information, the reason for the study is the need of the national parks of Botswana to implement a sustainable internal marketing strategy to ensure the constant and recurring flow of tourists to the parks.

1.4 GOAL OF STUDY

The following goal and objectives will guide the study:

1.4.1 Goal

The goal of the study is to develop a sustainable internal marketing strategy for the national parks of Botswana

1.4.2 Objectives

- Objective 1: to analyse the literature on internal marketing.
- Objective 2: to determine which elements in an internal marketing strategy will ensure the commitment from the employee to a total customer-oriented approach.
- Objective 3: to determine the qualities needed for a customer-oriented employee of national parks.
- Objective 4: to determine the differences between the customers' and the employees' perceptions in relation to the six marketing mix elements as specified above with the exclusion of communication that was not comparable.

- Objective 5: to recommend the development of a sustainable internal marketing strategy to the national parks of Botswana.

1.5 RESEARCH METHODOLOGY

The research follows a two-pronged approach, namely a literature study of the most recent and relevant publications and an empirical study that will focus on obtaining information by means of a questionnaire among visitors to the national parks and focus group discussions among employees at the parks.

1.5.1 Literature study

The literature study is based on a qualitative literature study, which include theses, dissertations, the Internet, articles, interviews with people and personal experiences in this specific field of study while visiting Botswana and sources on marketing, internal marketing, human resource management and other tourism-marketing-related literature. The literature search utilised the following search engines: General library database, South African Database (NEXUS), South African Indices (NISC SA), RSAT (SA Magazines), SABINET, Databases on the Internet, Botswana Tourism and WTO (World Tourism Organisation).

1.5.2 Empirical study

1.5.2.1 Research design and method of collecting data

The empirical study will use a descriptive research design to be conducted among all the employees of the six national parks of Botswana as well as an exploratory research. According to Strydom *et al.* (2000:153), descriptive research is research that is designed to give answers to questions of the “who”, “when”, “what”, “where” and “how” of a topic. The main focus is to attempt to get a complete and accurate description of the research situation. Descriptive

designs involve the use of statistical methodology with the collection on data in the form of personal or telephone interviews, postal questionnaires and observation.

Exploratory research will provide insights and ideas about unclear and broad research problems. Through exploration the researcher can develop the vague concept into clearer, established priorities, which will improve the final research design. The purpose of exploratory research is to determine whether or not a phenomenon exists, and to gain familiarity with such a phenomenon; not to compare it with other phenomena (Welman & Kruger, 1999:19). Exploratory research designs include focus groups and literature reviews.

1.5.2.2 Development of the sampling test plan

A quantitative approach has been followed. All the employees (a population of 113 employees) at the parks were surveyed in the quantitative study. The inclusion of all employees is an important approach for the development of an internal marketing strategy. All employees need to be part of the process to ensure the successful implementation of such a strategy.

The visitors to the parks were selected by means of an incidental non-probability sample. Although the specific figure of visitors to the National Parks was not available, the available visitors (101) received questionnaires. The reason for the use of the incidental non-probability sample is that the researcher spend a few days in each park. Visitors to the parks during those days were interviewed on their experiences and perceptions of the parks. An incidental sample is the most convenient collection of members of the populations that are near and readily available for research purposes (Welman & Kruger, 1999:62).

1.5.2.3 Development of questionnaire

Structured questionnaires for the employees and tourists were used with closed-ended questions. In a structured questionnaire with structured responses the respondent is given various possible answers and has to choose one (Martins *et al.*, 2005:221). The Likert attitudinal scale was used in the quantitative survey questionnaires. According to Welman and Kruger (1999:155), the Likert attitudinal scale consists of a collection of statements about the attitudinal object. In respect to each statement subjects have to indicate the degree to which they agree or disagree with its content. The questionnaires were pre-tested (pilot study) at one of the parks in conjunction with the Director: Parks and Wildlife

1.5.2.4 Data analysis

The Statistical Consultation Service at the North-West University assisted in the data processing for descriptive purposes. The Statistica and SPSS programmes were used for the statistical analysis of the data. This information was used to analyse the current level of employee commitment to a customer orientation and which elements need to be included in an internal marketing strategy to enhance and ensure a consistent delivering of exceptional service to the tourist. The expectations of tourists to the parks were analysed to identify gaps or similarities between expectations of the tourists and the actual perception of the employee of the quality of his/her service delivery. This information was used to develop a sustainable internal marketing strategy.

1.6 PRELIMINARY CHAPTER CLASSIFICATION

The study consists of eleven chapters. **Chapter 1** deals with the problem statement, aims and method of research and defining of concepts. **Chapter 2** focuses on the theoretical essence of marketing and the place of internal marketing in the total marketing context. An in-depth discussion of internal

marketing is also part of Chapter 2. The rest of the thesis deals with the internal marketing mix elements.

Chapter 3 consists of the internal product and in **Chapter 4** the internal price element is explored. In **Chapter 5** the internal process is discussed and **Chapter 6** pays attention to internal distribution. In **Chapter 7** a discussion on internal marketing communication follows, while internal customer service is explored in **Chapter 8**. The research methodology that was used is discussed in **Chapter 9**. **Chapter 10** consists of the findings and analysis of the empirical research. The thesis concludes with **Chapter 11**, which contains recommendations on the development of a sustainable internal marketing strategy for the national parks of Botswana.

CHAPTER 2

THEORETICAL ESSENCE OF MARKETING, INTERNAL MARKETING AND RELATED CONCEPTS

2.1 INTRODUCTION

Marketing is essential to an organisation. It aids awareness in the market and drives usage (Paul, 2007:110). According to Drake, Gulman and Roberts (2005:252), organisations spend millions of dollars devising ingenious marketing campaigns to sell their products and services to their customers, but ignore their most important customers – their employees. An engaging and carefully planned internal marketing plan can convert employees into company fanatics who will generate financial rewards, producing substantial bottom-line results.

According to Dorrian (1998:8) marketing in the new millennium is about exceeding expectations, with the marketing process starting with visible commitment from the organisation. Moerdyk (2000:71) argues that an important influence on marketing theory is the continuous and rapid change in consumer interests and desires. Consumers today are more sophisticated than ever before. They are in education for much longer, they are exposed to the Internet, newspapers, magazines, films, radio, television and travel and they have much greater interaction with other people.

The most important asset that a company can have is its people. By motivating and rewarding its employees and genuinely servicing customers, it will achieve a lot more in terms of commitment from their employees in dealing with customers

and on their profits. Companies that invest in their employees and customers happen to be the most profitable (Moerdyk, 2000:72). The success or failure of any business directly relates to the quality of the people it employs. Pfeffer (1998:13) sees success as the delivering of value to customers, and this value stems from a good perception of what customers value and want and how to organise and manage employees to produce that value.

The first section of this chapter will focus on the marketing environment and other related concepts. The discussion of the marketing environment is important for a better understanding of the place of internal marketing in the organisation. The rest of the chapter gives an in-depth discussion of internal marketing.

2.2 THE MARKETING ENVIRONMENT

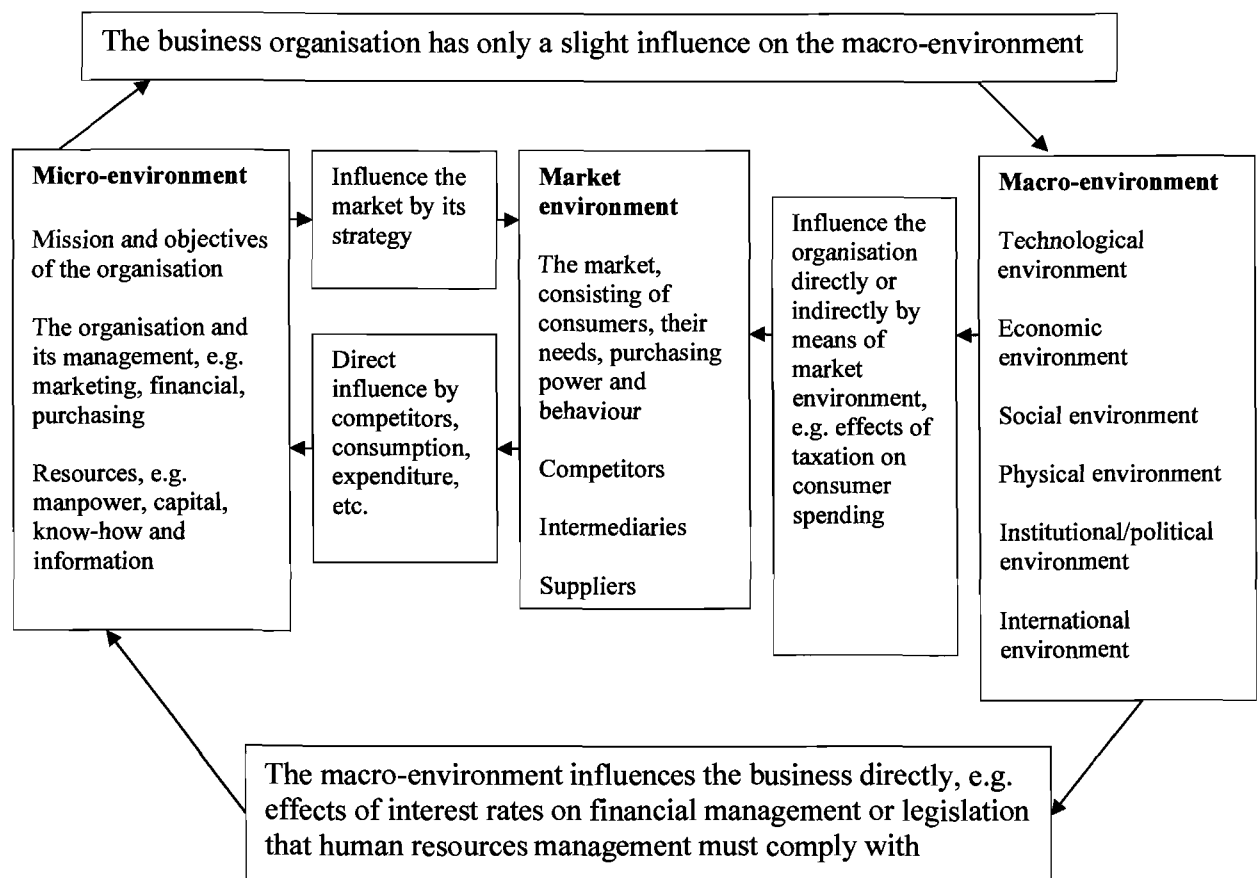
According to Strydom, Cant and Jooste (2004:39), the marketing environment consists of three environments - the micro-environment, which is the organisation itself; the market environment, which consists of those variables that have the largest direct influence on the organisation and the macro-environment, which consists of variables that can have a direct or indirect influence on the organisation.

George (2005:40) explains that all tourism organisations operate within this business environment consisting of all these factors that the marketer should consider when making decisions. An analysis of the current business environment is crucial for success, as marketers must be able to understand and even predict those factors that might play a key role in strategic marketing planning (George, 2005:40).

For the purpose of this study, the main focus will be on the micro-environment (the internal marketing environment), but a brief discussion of the market and macro-environment is important to put the micro-environment into the context of

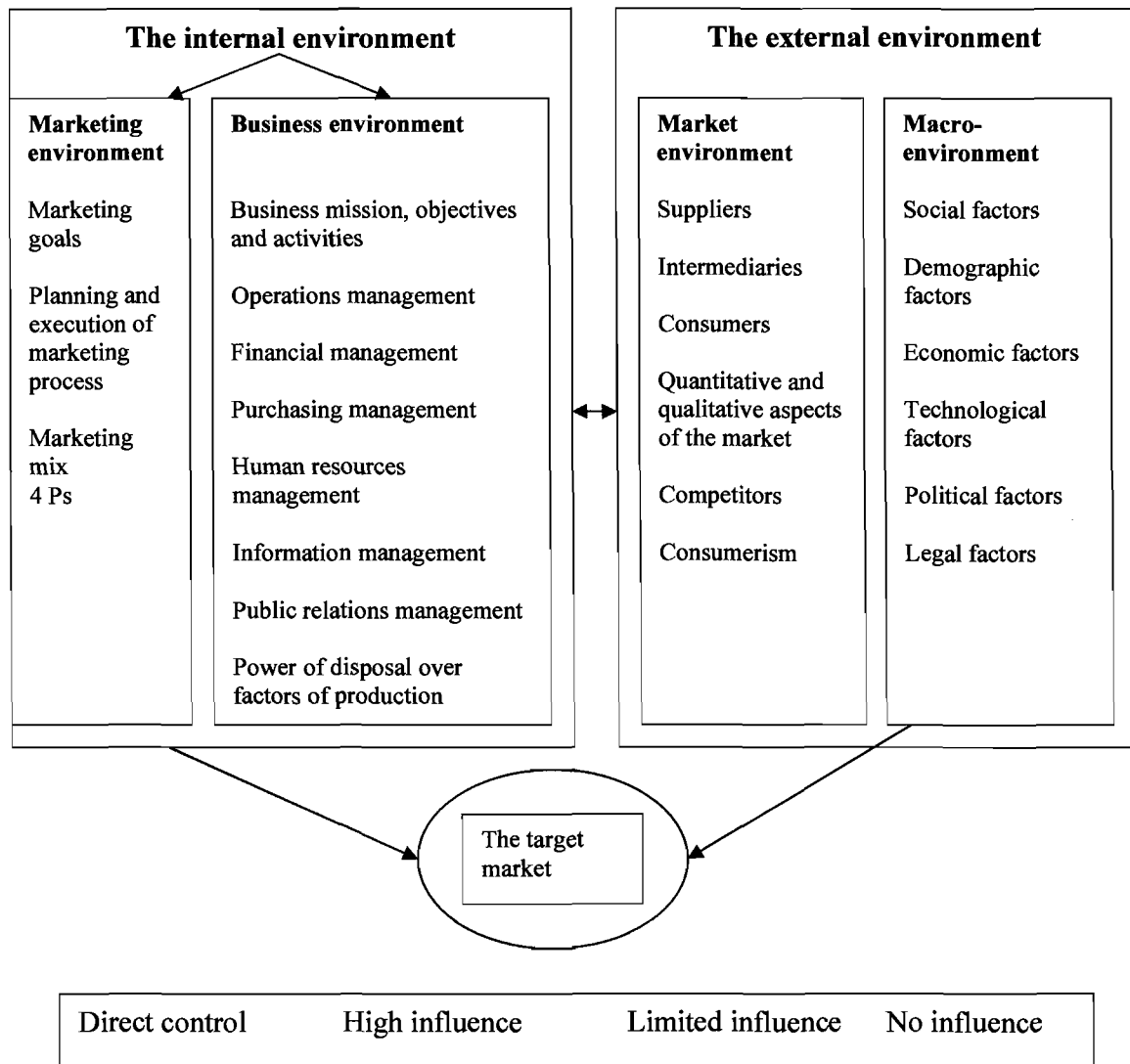
the business environment. Figures 2.1 and 2.2 illustrate the composition of the marketing environment.

Figure 2.1: Composition of the marketing environment



Source: Adapted from Strydom *et al.* (2000:40).

Figure 2.2: Components of the marketing environment



Source: Adapted from Lamb, Hair, McDaniel, Boshoff and Terblanche (2005:38).

2.2.1 The micro-/internal environment

The micro-environment is the organisation itself, the environment where internal marketing is applied and where marketing managers can control and are responsible for decisions related to the internal marketing function (Lamb *et al.*, 2005:37). It refers to those variables that are largely controlled by the business itself, such as the mission and objectives, its management structure, its resources and culture. Although marketing management has a significant influence on these variables, these variables are not solely under the control of marketing management. In order to manage these variables effectively, marketing management must be well-informed about the organisation's mission and top management's decisions regarding the overall goals and strategies. Marketing management must constantly scan the micro-environment and their activities should support top management decisions for the organisation to function as a unit (Strydom *et al.*, 2000:42).

The internal marketing efforts of the organisation depend on the influence of the internal environment. Internal relationships are based on the internal culture of the organisation, which forms the internal marketing environment. Bearden *et al.* (1995:136) explains that the internal organisational situation have an influence on the ability of the organisation to serve its market effectively. The internal environment of the organisation needs to be managed and scanned effectively to ensure the sustainable execution of internal marketing.

2.2.2 The market environment

Strydom *et al.* (2000:43) sees the variables in the market environment as relevant to every business because they determine the nature and strength of the competition in any industry. The market environment consists of those variables over which the business has only limited control. Bennet and Strydom (2001:40) include the following variables:

- Suppliers – suppliers of raw material, labour, equipment and capital required by the travel and tourism business. In the internal market employees are also seen as suppliers (Varey & Lewis, 2000:95) because different divisions act as suppliers to enable the employee to deliver an excellent customer service. Payne (1993:36) sees every employee and every department in an organisation as both an internal customer and an internal supplier. He argues that the optimal operation of the organisation is ensured when every employee and department both provides and receives excellent service.
- The market – the employees that have the need for internal products or services and the means to satisfy these needs.
- Competitors – businesses, regions of countries competing for the disposable money and free time of the tourist. According to Varey and Lewis (2000:69), internal competition can instil a climate of rivalry between employees, specifically among employees who cannot perform at the same level because of internal personal characteristics. It is important to manage internal competitiveness with the objective to enhance customer service.

Changes in the market environment lead to opportunities and threats. It is therefore important that managers are aware of the nature of these changes and that they ensure that they are informed of developments in the internal market environment. The way in which employees are treated and equipped with the necessary skills, can create opportunities for the organisation. Internal competition among employees can be a threat to the execution of internal marketing practices that will influence productive and effective customer service.

According to Varey and Lewis (2000:7), there are three principles of internal markets:

- Transform the hierarchy into “internal enterprise” units – Internal enterprises form the building blocks of an internal market system. All line and staff units are transformed into enterprises by becoming accountable for performance but gaining control over their operations, as an external enterprise does.
- Create an economic infrastructure to guide decisions – Executives design and regulate the infrastructure of this “organisational economy” – just as governments manage national economies: establishing common systems for accounting, communications, incentives, governing policies and an entrepreneurial culture.
- Provide leadership to foster collaborative synergy – An internal economy is more than a *laissez-faire* market, but a community of entrepreneurs that fosters collaborative synergy: joint ventures, sharing of technology, solving common problems among internal and external partners. Management provides the leadership to encourage the development of various strategies.

2.2.3 The macro-environment

The macro-environment contains variables that directly or indirectly exert an influence on the organisation and its market environment. These factors not only affect the individual organisation, but also impact on the micro-/internal environment. According to Walker *et al.* (2003:89) and Strydom *et al.* (2000:52), the macro-environment consists of the demographic, social-cultural, economic, political/legal, physical, technological and international environments. Bennet and

Strydom (2001:40) offer an in-depth discussion on these environments and add a security environment, which is important in the tourism and travel industry:

Reference to the macro-environment in the discussion of internal marketing is important because the internal environment is part of the organisation and the organisation is influenced by the macro-environment, which will influence its ability to earn profits in the market place. The organisation cannot exist in a vacuum; it functions as part of a bigger system (Kotler *et al.*, 1999:86). The macro-environment consists of the following (Cant, Strydom, Jooste & Du Plessis, 2006:47):

- Demographic environment – Demography is defined as the study of human populations in terms of size, density, distribution, age, gender, race, occupation and other statistics. Because markets are made up of people, it is evident that the marketer needs to be familiar with this to compete effectively (Walker *et al.*, 2003:89).
- Cultural and social environment – This environment affects the way people live and behave and some of the variables associated with it are the languages people speak, the type of education they have had, their religious beliefs, the type of food they eat, the style of housing they have, their views about marriage, family and many other aspects (Strydom *et al.*, 2000:52).
- Economic environment – It is important to offer the customer a product that he or she can afford and would be willing to purchase. The customer's buying ability will be a function of his/her economic position, which in turn is influenced by the situation in the economic environment (George, 2005:50).

- Natural environment – A country or region's natural environment consists of its geographical features and tourism infrastructure. Many tourist attractions, especially those in Botswana, have their origin in the natural environment, therefore this environment is particularly important to the travel and tourism industry of that country (Kotler, 2000:147).
- Political-legal environment – Management decisions are affected by a country's politics, specifically the political pressures exerted by its government and its institutions in the business environment. The government intervenes in the local market on a large scale by means of the annual budget, taxation, tourism legislation and regulations. Tourism is dependent on the freedom of people to travel both internationally and domestically (Walker *et al.*, 2003:94).
- International environment – The world can be seen as one big market. Organisations that operate internationally function in a more complex business environment and this is especially of importance for the tourism and travel industry (Strydom *et al.*, 2000:66).
- Technological environment – Technology can have a substantial impact on an industry's performance. The travel and tourism industry has reaped the benefits from technological innovations over the past years. Database marketing, where a travel and tourism business uses a computer and address list (database) of its current customers, is also becoming an increasingly important marketing tool (Kotler *et al.*, 1999:122).
- Security environment – This environment of a country or region is probably the most unpredictable factor in the travel and tourism industry. It has the potential to cause major damage to the industry. Wars, crime, political violence and hijackings have a devastatingly negative impact on this industry (Bennet & Strydom, 2001:40).

2.3 RELATIONSHIP MARKETING

2.3.1 Background and definition

According to George (2005:354), relationship marketing is one of the oldest approaches to marketing, yet one of the least understood. "In the last few years it has become one of the 'born again' marketing techniques as marketers recognize the importance of focusing on a relationship with customers in today's competitive business environment" (Kotler *et al.*, 1999:19). In relationship marketing, the sale is viewed not as the end of the marketing process, but the beginning of a relationship between the organisation and the consumer (George, 2005:354). Relationship marketing is about re-focusing the traditional marketing concept with an important focus on the creation of customer value (Page & Connell, 2006:222).

Buttle (1996:193) views internal marketing as an aid that guides relationship marketing. Otto (2004:64) argues that it is difficult for organisations to meet the expectations of external customers when the expectations of the internal market are not taken into consideration.

It is important to have knowledge of relationship marketing to be able to understand and implement internal marketing. Buttle (1996:193) argues that internal marketing is widely viewed as a prerequisite for effective relationship marketing. Evidence from the hospitality and tourism industry suggests that organisations are likely to be less effective externally if the expectations of internal relational partners were not met (Buttle 1996:193).

Relationship marketing can be explained by also looking at the different dimensions of relationship marketing. According to Fyall *et al.* (2003:644), relationship marketing is considered to be a tactical "currency" promotional

activity (Bickert, 1992:16) often linked to database technology; a strategic tool whereby suppliers seek to “tie-in” customers and achieve customer retention (Gummenson, 1999:45) and as a fundamental business philosophy (Peppers & Rogers, 1995:48).

Relationship marketing is another marketing term that may be defined in several ways, depending on the marketer using it. In tourism marketing, one of the most effective ways of defining any concept is in the context of how an organisation’s consumers perceive it (George, 2005:354).

There are many definitions of relationship marketing, most of them stressing the need to develop long-term relationships with customers and sometimes other stakeholders. Varey *et al.* (2000:28), Lamb *et al.* (2005:10) and Strydom *et al.* (2000:16) agree with many authors and define relationship marketing as a philosophy, emphasising the forging of long-term partnerships with customers. Organisations build relationships with customers by offering value and providing satisfaction on a consistent basis. George (2005:354) emphasises the importance of forming relationships with his definition of relationship marketing as attracting, maintaining and enhancing solid relationships with consumers.

Varey and Lewis (2000:28) define relationship marketing in its most generic form as marketing seen as relationships, networks and interaction or marketing that is based on interaction within a network of relationships.

Based on the discussion of the different definitions of relationship marketing, the definition of Gummesson (1999:74) seems the most applicable: “In the broadest sense of total relationship marketing, all management, the whole society, and even life itself, form networks of relationships within which we interact in our roles of business executives, employees, consumers, citizens and human beings.”

The principles, benefits and markets of relationship marketing, as well as the methods of relationship marketing will be discussed in the next section.

2.3.2 Principles of relationship marketing

George (2005:356) and Payne (1993:39) identify the following principles of relationship marketing:

- Identifying consumer markets – The concept of relationship marketing is not only concerned with customers but with all the individuals who help the organisation serve its customers, from employees to marketing intermediaries.
- Devising a relationship marketing planning strategy – These strategies are similar to marketing strategies, except that there is more focus on relationship building throughout the formulations of strategic plans.
- Focus on quality – Relationships with customer markets cannot be sustained if there were any problems with the quality of the offering delivery.
- Maintaining customer retention and loyalty – Loyal customers who re-buy are very valuable. There is a high correlation between customer retention and organisation profitability.
- Using relationship marketing strategies – The objective of relationship marketing programmes is to build long-term, mutually beneficial relationships between an organisation and its regular customers;

2.3.3 Benefits of relationship marketing

According to George (2005:354), the purpose of relationship marketing is not to secure a sale but to maintain long-term relationships between the organisation, current and potential consumers, employees and marketing intermediaries. The benefits of relationship marketing can be summarised in the following main reasons (George, 2005:356) and Kotler *et al.* (1999:364):

- Revenue from repeat business – The reservations customers make during their “life” with the organisation send a definite message of the importance of keeping up a good relationship with them.
- The cost of acquiring new consumers – It costs less to retain a customer than to recruit a new one. The key, however, is to ensure that the customer has a quality experience and to turn prospective customers into advocates of the organisation. Relationship marketing therefore makes economic sense.
- Retention of good employees – A satisfied employee will deliver high levels of service quality and will contribute to a lower employee turnover.
- Regular consumers spend more money than non-regulars – The 80/20 principle can be applied to this benefit. Regular customers spend more than non-regular customers.
- Avoidance of price competition – Positive word-of-mouth from loyal customers who have experienced high levels of quality can contribute to the fact that you can ask more for your offering.

Payne (1995:20) emphasises that for the organisation to enjoy the benefits of customers’ loyalty, the organisation has to realise the seriousness of the issue.

Relationship marketing has as its central strategic focus the role of quality. By improving and developing relationships with the key markets through the design and implementation of formal organisational plans and systems, quality becomes an integral part of the organisation's activities (Woodruffe, 1995:101).

Developing relationships through people helps help build quality into the service that is a prerequisite for loyalty from members of the different relationship markets. Customers who stay loyal become more profitable for the organisation as time goes by. This relationship, build on trust and commitment, is the secret to the success of the organisation. Therefore, the following prerequisites are important for loyalty and relationship marketing to be effective (Buttle, 1996:8):

- **Service** - The perception that the organisation's central focus is quality in products and services. Relationship marketing requires an organisation-wide commitment to providing high-quality service that is reliable, empathic and responsive.
- **Trust and commitment** – When commitment and trust are present they produce outcomes that promote efficiency, productivity and effectiveness. The challenge for relationship marketing is to demonstrate commitment to the relationship and to inculcate trust in the customer.
- **Understanding customer expectations** – Relationship marketers are concerned about the welfare of their customers. They want to meet and exceed customer expectations, producing satisfaction or delight. The key is to intimately understand the expectations of customers. There must be a continuous flow of information into the organisation, because expectations change over time.
- **Supportive culture** – Relationship marketing is characterised by mutual co-operation and interdependence between customer and supplier.

- Internal marketing – The goal of internal marketing is to convert employees to the new vision of relationship marketing; to promote the development of the new culture; and to motivate them to develop and implement relationship strategies. The internal market's expectations and needs must be satisfied.
- Sophisticated customer database, which provides information in actionable format for development and monitoring of relationship marketing strategy and tactics.
- New organisational structures and reward schemes may be required. Relationship marketing suggests that employees allocated to customer acquisition should differ from those dedicated to customer retention. Different knowledge, skills and attitudes are deployed. Employees are more likely to be rewarded by customer profitability, account penetration and customer retention.

2.3.4 Markets of relationship marketing

According to Payne *et al.* (1999:10) and George (2005:357), the success of a relationship marketing strategy will depend on the way in which the internal and external marketing plans are aligned. In the past, marketing plans have emphasised customer's needs and have not recognised the role of supplier markets, recruitment markets, referral sources, "influencers" and internal marketing. Relationship marketing consists of the following markets:

- Supplier markets –Suppliers are those organisations that interact directly with a tourism organisation and that are partners in an organisation's business activity. An organisation can gain a competitive advantage

through benefits such as improved service when maintaining good relationships with them.

- Recruitment markets – The aim of an organisation should be to attract the type and calibre of employee who matches the profile that the organisation seeks to sustain in the eyes of the customer.
- Referral markets – Satisfied customers can be powerful advocates of an organisation's products and services through word-of-mouth.
- Influencer markets – Influencers can be government agencies, the media, consultants and advisers, the stock markets. The list of potential sources of influence is endless.
- Internal markets - The creation and maintenance of a customer-oriented culture within the organisation is a critical variable for the long-term success of relationship marketing. An integrated approach to marketing and human resource management is needed that will recognise employees as a valuable and important resource and a potential source of competitive advantage. Relationship marketing stands or falls by the quality and willingness of the people who implement it. Based on the previous discussion it can be said that it is of importance to internal marketing. Building good relationships among employees by means of an internal marketing strategy will enhance the willingness and commitment of employees to deliver exceptional service. The objective of this study is to develop an internal marketing strategy – the essence to marketing effectiveness and a profitable organisation.
- Customer markets – Internal and external customers are the most important market that organisations need to retain. The organisation must select the most valuable customers and employees to the organisation

and attempt to satisfy their needs more effectively than their competitors do (Woodruffe, 1995:96).

2.3.5 Four methods of relationship marketing

Relationship marketing covers a variety of marketing methods, such as direct mail, direct marketing, database marketing and customer relationship management (McColl-Kennedy, 2003:215).

Table 2.1: Four methods of relationship marketing

Salient issues	Method 1 Direct mail	Method 2 Direct marketing	Method 3 Database marketing	Method 4 Customer relationship management
Focus	Promotion	Transactions	Relationship over multiple transactions with a marketing focus	Holistic relationship with the whole organisation
Users	Sales	Sales/Marketing/Accounting	Multiple individual departments, possibly co-ordinated by relationship manager (marketing)	Organisation-wide
Issues	Lack of real customer focus;	No integration between departments/	More co-ordinated effort in terms of	Entire organisation develops

	organisational bottom-line main issue	products; duplication of effort; lack of consistency from customer perspective; lack of information sharing within the organisation	marketing communication and transactions with customer, some information sharing but accessibility is limited	customer focus; sharing and linking of data; accessibility of customer information at various and appropriate points within the organisation for all staff
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Source: McColl-Kennedy (2003:215)

Method 1: direct mail - The organisation uses a customer databases as an address source for one-way communication with a customer. These direct mail or telemarketing campaigns were oriented towards particular customers and were a promotion toll that was internally focused on short-term, bottom-line objectives.

Method 2: direct marketing – Techniques of direct marketing are a marketing communication technique and involve cross-selling, offering an existing customer some other products from the organisation that the customer has not yet bought.

Method 3: database marketing – It is a method that:

- Uses information technology in an organisation-wide process of gathering and storing relational data about individual past, current and/or potential customers;

- maintains the integrity of such data by continually monitoring customer behaviour and needs;
- accesses this information in real-time situations;
- uses the information to formulate marketing strategy and fosters personalised contact and relationships with customers.

Database marketing has the ability to personalise contact, rely on information, is responsive and accountable.

Method 4: customer relationship management – It is a business strategy that selects and manages the most valuable customer relationships and requires a customer-centric business strategy and philosophy to support effective marketing, sales and service processes, which is supported and not driven by customer-relationship technology (Thompson, 2001:1). This method will be used as the basis for the development of an internal marketing strategy, because employees are seen as internal customers (Berry & Parasuraman, 1995:32). Relationship marketing is of crucial importance to a tourism organisation because acquiring consumers is more expensive and time-consuming than keeping them.

Relationship marketing is characterised by a genuine concern to meet or exceed the expectations of customers and to provide excellent service in an environment of trust and commitment to the relationship.

According to Buttle (1996:13), organisations that want to achieve the objective of relationship marketing and customer retention must:

- Develop a supportive organisational culture;
- market the relationship marketing idea internally;
- intimately understand customers expectations;
- create and maintain a detailed customer database; and
- organise and reward employees.

This thesis focuses on an internal marketing strategy for the national parks of Botswana. Internal marketing will be used in the context of the tourism industry, as part of services marketing (McColl-Kennedy, 2003:392). Services marketing will be discussed in the following section.

2.4 SERVICES MARKETING

Services are intangible goods that can be sold despite not being actual objects. Consumers pay for a service as they would for manufactured goods. Already more people are employed in the developed economies in the provision of services than in the manufacture of products and the service sector shows every indication of expanding further. Services, like products, require marketing.

Those members of staff that are responsible for delivering the service are extremely important in marketing services, as they will to a large degree shape the customer's experience of that service. Likewise, service quality, the delivery of consistently good service is also important if a company wants customers to use its services again (Payne, 1993:7).

The importance of services is well acknowledged, with the majority of employed persons being in the services sector. Manufacturing marketing and services marketing share similarities, but there are also definite differences. The tourism industry forms part of the service sector and needs different marketing approaches. According to McColl-Kennedy (2003:392), the tourism industry offers a broad range of services, including accommodation, food, transport, tours and attractions. The services provided within the tourism industry have unique characteristics that differentiate them from products offered by manufacturing and other commercial sectors. McColl-Kennedy (2003:3) defines services as acts, performances and experiences - that is production and delivery of a service.

A definition of a service cannot be complete without reference to the characteristics of services.

The following characteristics are associated with services that have an impact on their marketing: intangibility, inseparability, heterogeneity, perishability (Jordaan & Prinsloo (2004:13), Payne (1993:9), George (2005:22). Bennett and Strydom (2001:5) add the characteristic of ownership that is not transferred. McColl-Kennedy (2003:6) adds to these characteristics the role of the customer in the production and delivery, and valuation difficulty. According to George (2005:26), there are features that are unique to the tourism industry, namely fixed location, seasonality, ownership, loyalty, high costs, distribution channels, interdependence of tourism offerings, and external shocks. These unique features provide a challenge to the organisation to develop an internal marketing strategy that will equip employees to use several approaches to increase the effectiveness of the marketing of a tourism product.

Successful services marketing needs a marketing orientation throughout the organisation that fosters the marketing concept and demonstrates a marketing approach to all internal and external activities. A marketing orientation is a philosophy that places the customer first and it recognises that every action taken by the organisation or its employees impacts on the customer relationship. In the context of internal marketing the employee is seen as the internal customer. An internal marketing orientation will ensure an effective service delivering to internal and external customers.

This thesis will also discuss the role of employees in the tourism organisation and their crucial contribution to the survival and success of the organisation.

2.5 SERVICES MARKETING MIX

The marketing mix is a term used to describe all the actions that an organisation takes to cater for the needs of the consumer. Traditionally, the product-based marketing mix was divided into four elements: product, price, place (distribution) and promotion (marketing communication). In the services marketing mix, the product is the service and three additional elements relevant to services can be added: people, process and physical evidence (George, 2005:306).

According to McColl-Kennedy (2003:11), people are all those who play a part in the production and delivery of a service. These people may be management, service providers, support personnel and even other customers. The people who deliver a service to the customer are critical to the success of the service because it is difficult to separate the service from the service provider. The service provider is not the only one responsible for the successful delivering of the service, other people indirectly involved in the service production and delivery also play essential roles.

An important aspect of viewing people as an element of the service marketing mix is to recognise the variety of roles in which people influence the marketer's task and consumer contact. George (2005:308) identifies four types of roles that staff can play, namely contactors, modifiers, influencers and isolates. It is of importance to implement a service quality programme to ensure quality service. Maister (2003:3) makes an interesting point when he says that quality work does not mean quality service. The people's element is most important in the tourism industry and will be discussed as part of the chapter on the tourism employee. Attention will also be paid to service quality management as part of an internal marketing strategy.

The next element in the service marketing mix is processes. These are all the activities involved in producing and delivering the service. Activities that can be

seen directly by the customer are called front-stage activities. There are, however, also backstage activities involved that are unseen by the customer but impact on the service efficiency. Processes are all the procedures, mechanisms and routines by which a tourism offering is created and delivered to a consumer. Tourism marketers should therefore pay attention to processes and the manner in which consumer-contact (front-line) employees interact with consumers during this process (Payne, 1993:168).

The physical environment in which an offering in the tourism industry is delivered is often more important than the environment in which manufacturing products are sold. According to George (2005:312), it is where the consumer and the organisation interact. Tourism products are intangible because they are produced and consumed at the same time. Consumers therefore need tangible evidence to evaluate the offering before they purchase an offering. The role of the tourism marketer is to set the stage for physical evidence or tangible cues of the standard of the service. Physical evidence is also a way that an organisation communicates with its customers.

Tourism marketing is discussed in the next section, because of the focus of the thesis on an internal marketing strategy for the national parks of Botswana, which forms part of the tourism industry.

2.6 TOURISM MARKETING

It is the responsibility of employees of the tourism organisation to make tourists feel welcome through high service standards, world class infrastructure and friendliness (Butcher & Van Niekerk, 2000:57). Marketing has aimed to develop ongoing, longer-term relationships with customers, where their communications are welcomed rather than resented. Employees need to deliver these standards and must therefore be equipped to meet the expectations of customers (George, 2005:323).

According to George (2005:23), tourism marketing is the process through which a tourism organisation first anticipates consumer needs, and then manages and satisfies those needs to achieve sales. It is also the way in which the organisation identifies what consumers want and ensures that those requirements can be met in a profitable and efficient manner and in a way that satisfies consumers on a long-term basis.

The marketing of tourism is simply applying the appropriate marketing concepts of planning a strategy to attract visitors to a destination, whether a resort, a national park, a city, a region or a country.

Woodruffe (1995:227), Bennett and Strydom (2001:3) and Kolb (2006:1) base the concept of tourism marketing on the marketing concept and apply it to the tourism offering. The marketing concept first has to be applied to employees to ensure that the objectives of the tourism organisation are achieved.

According to Kolb (2006:1), tourism marketing can be seen as the process of:

- Identifying and anticipating consumer demand (and desire) for tourism products and services;
- developing a means of providing products and services to fulfil these needs; and
- communicating this to the consumer, thereby motivating sales, consequently satisfying both the consumer and the organisation's objective.

A marketing orientation is especially important in the tourism industry. Every employee is responsible for carrying out the marketing philosophy - from the maintenance staff and housekeeping through to chief executives.

A brief overview of Botswana tourism will be given in the next section. The thesis focuses on an internal marketing strategy for the national parks of that country. It is therefore important to pay attention to Botswana tourism, because national parks form part of the Ministry of Environment, Tourism and Wildlife.

2.7 BOTSWANA TOURISM

Tourism is defined by the World Tourism Organisation (George, 2005:20) as the activities of persons travelling to and staying in places outside their usual environment for more than one consecutive year for leisure, business and other purposes. A more extensive definition that acknowledges the importance of the pre- and post-holiday experience and the experience that takes place at the destination is the definition of Mill and Morrison in George (2005:20): "Tourism is the term given to the activity that occurs when tourists travel. This encompasses everything from the planning of the trip, the travel to the place, the stay itself, the return, and the reminiscences about it afterwards. It includes the activities the traveller undertakes as part of the trip, the purchases made, and the interactions that occur between host and guest. In sum, it is all the activities and impacts that occur when a visitor travels."

Tourism and wildlife are inextricably linked within Botswana. With 17% of the territory proclaimed protected area and an additional 20% wildlife management area, the country offers a wide variety of striking landscapes (e.g. the Okavango Delta, Chobe River and the Makgadikgadi pans) as well as some of the largest populations of wildlife species found in Africa. The latest nation-wide elephant count in 1999 estimates 120 000 elephants. Botswana is a unique tourist destination because its tourist ecology is very diverse with 38% of its land area reserved for wildlife conservation and management (Rake, 2004:5). Botswana is unspoiled, untouched, pristine and virtually unexplored.

Tourism in Botswana has shown a steady increase over the past few years and is one of the best sources of earning foreign exchange. As a result, tourism is recognised to be a significant contributor to the country's gross domestic product (GDP) (4, 5%). Tourism is also the second largest export sector. Employees of the national parks therefore play an important role in contributing to recurring attendance of tourists to the national parks.

2.8 INTERNAL MARKETING

The history of internal marketing, different definitions, and models of internal marketing, an internal marketing programme and the internal marketing mix are discussed in this section. It is also important to pay attention to the system orientation as the way in which organisations are managed. This is especially important in the context of internal marketing.

2.8.1 A system orientation

The management of organisations can best be described by explaining the systems orientation. Management of an organisation can be seen as important to internal marketing, because the management of employees directly influence their attitudes, behaviour and productivity.

The systems orientation means that the organisation has to function as an integrated whole. According to Bennett and Strydom (2001:16), a system is an integrated whole, a group of units that work together to achieve a joint objective. A system orientation is also known as organisational integration, which is one of the principles on which the marketing concept is based.

All departments in an organisation should work together to achieve successful marketing of the business's marketing offering. The efforts of the personnel in the different functional areas, such as financial resources, human resources,

physical resources and informational resources should be co-ordinated and integrated.

Donnelly *et al.* (1998:63) explain that these resources of the marketing environment can be changed by the organisation. The inputs are changed by different physical and management processes to be enhance its marketing ability. Human resources are developed and trained to contribute the outputs of the organisation. The financial resources are used to pay for labour, raw materials, equipment and marketing. The process in which inputs are transferred into outputs are seen from the system orientation as business management.

The system orientation means that the business's activities must be co-ordinated towards the satisfaction of customer needs and wants and to achieve a satisfactory rate of return on investment. Jain (2000:2) defines system orientation as an instruction to the marketer to view the market offering not as an individual entity but as just one aspect of the customer's total need-satisfaction system.

Internal marketing can only be effective when an integrated approach is used. Therefore, all the different internal systems have to contribute to the whole system. The holistic application of internal marketing depends of the openness and flexibility of the organisation' system. Internal marketing will not be effective when it is hindered by irrelevant structures and a negative organisational culture (Peck *et al.*, 1999:320).

Otto (2004:20) concludes that internal marketing and the system orientation are based on the same principles with reference to the integration and interdependence of the marketing efforts of the organisation. Internal marketing and the elements of internal marketing are therefore approached from the system-orientation perspective.

2.8.2 Introduction to internal marketing

According to George (2005:322), the hospitality and tourism industry is unique in that employees are part of the product. When people think of marketing, they usually think of efforts directed externally towards the marketplace. However, a tourism organisation's first marketing efforts should be directed internally to its employees. There are high levels of customer service in the tourism industry and an organisation depends on the employees who interact with customers. George (2005:322) further argues that organisations must have an understanding of all employees and develop a programme that brings out their best performance.

Bowen (1997:340) emphasises the fact that managers must make sure that employees know their products/services and believe that they are good value. Employees must be excited about the organisation they work for and the products/services they sell; otherwise it will be impossible for customers to become excited. External marketing brings customers to the tourism organisation, but if employees do not perform to the customer's expectations, external marketing is of no value.

According to Stone *et al.* (2000:146), internal marketing is the application of all the disciplines of marketing as applied to external customers, applied to employees. Internal marketing focuses on the normal aspects of marketing to external markets:

- Understanding the market – In this case, what kinds of employees there are, what their needs are, right through to segmentation by factors such as need and attitude.
- Setting objectives, for example, in relation to delivery of relationship marketing.
- Creating policies, such as those to help employees deliver relationship marketing effectively.

- Marketing them to employees – using all the required media and communication disciplines.
- Measuring results of marketing in terms of attitude and delivered performance.
- Improving plans and implementation for the next term.

The previous discussion highlighted the importance of the employee and internal marketing in the success of a service organisation. Many researchers have also investigated the main reasons for customer satisfaction, especially in the service industry. These researchers suggest various prerequisites for customer satisfaction, such as quality and the value offered by the organisation (Cronin *et al.*, 2000:195), the perceived quality (Parasuraman *et al.*, 1988: 20) or complaints about handling (Homburg & Rudolph, 2001:23). Other research on services investigates the impact of the encounter with service personnel, demonstrating that customers' experience with the service-providing employees heavily influences customer satisfaction (Foster & Cadogan, 2000:192; Donovan & Hocutt, 2001:296). According to Gounaris (2006:432), these findings explain the importance that marketers attach to service personnel as part of the organisation's marketing mix and their interest in internal marketing.

2.8.3 History of internal marketing

It is useful to look at all the previous work and research done on internal marketing. Gounaris (2006:433) provides a summary of all this information. The following table provides a summary of the work, including normative work, empirical studies and a case study. Most of the information was obtained through normative work, as the proportion of empirical studies remains rather slim (Gounaris, 2006:433).

Table 2.2: Previous work on internal marketing and key points

<u>Author(s), date</u>	<u>Key points</u>	<u>Type</u>
Berry et al., 1976	<ul style="list-style-type: none"> • Internal marketing (IM) results in jobs (internal products) that satisfy the needs of employees (internal market) while satisfying the objectives of the organisation. • Targeted at front-line personnel. • A behavioural-instrumental approach. • IM is a strategy. A marketing programme based on communication with employees. The development of their potential and motivating and remunerating those who offer excellent service. 	Norma- tive
Sasser & Albeit, 1976	<ul style="list-style-type: none"> • IM results in job satisfaction. • Targeted at front-line personnel. • A behavioural-instrumental approach. • IM is implemented through internal market research and job re-engineering aimed at developing jobs that attract and retain excellent service providers. 	Norma- tive
William, 1977	<ul style="list-style-type: none"> • IM results in greater job satisfaction. • Targeted at front-line personnel. • A behavioural-instrumental approach. • IM is a strategy to deal with status and pay concerns of front-line personnel in order to improve customer service. 	Norma- tive
Berry, 1981; 1987	<ul style="list-style-type: none"> • IM results in job satisfaction. • Targeted at front-line personnel. 	Norma- tive

	<ul style="list-style-type: none"> • A behavioural-instrumental approach. • IM is a strategy for job re-engineering and internal communication aimed at deriving customer-minded front-line personnel. 	
Grönroos, 1983	<ul style="list-style-type: none"> • IM results in customer consciousness. • Targeted at the entire organisation and all employees. • A behavioural-instrumental approach. • IM is a strategy for developing the required "state of mind" that will allow customer service effectiveness under a broader relationship management paradigm. 	Normative
Tansuhaj et al., 1987	<ul style="list-style-type: none"> • IM results in increased levels of job satisfaction and commitment to the organisation. • Targeted at front-line employees. • A behavioural-instrumental approach. • Responsibility of the company's marketing specialists (marketing and sales departments). • IM is implemented through communication with employees. 	Empirical
Gummesson, 1987	<ul style="list-style-type: none"> • IM results in increased levels of productivity and efficiency. • Targeted at all employees involved in the service value-creation chain. • A mechanic approach. • IM is implemented through communication with employees and culture-change mechanisms. 	Case study

Tansuhaj et al., 1988	<ul style="list-style-type: none"> • IM results in increased levels of job satisfaction and commitment to the company. • Targeted at front-line employees. • A behavioural-instrumental approach. • Responsibility of the company's marketing specialists (marketing and sales departments). • IM is implemented through communication with employees. 	Normative
George, 1990	<ul style="list-style-type: none"> • IM is effective for internal exchanges. • Targeted at all employees. • A holistic approach. • IM is implemented through co-ordinating human resource and marketing departments to improve the company's service orientation. 	Normative
Ahmed en Rafiq, 1993	<ul style="list-style-type: none"> • IM results in increased marketing strategy effectiveness by aligning, motivating and integrating the employees towards the implementation of company strategies. • Targeted at all employees. • A holistic approach. • IM is implemented through the application of marketing techniques along with human resource management practices to facilitate the implementation of the company's market objectives. 	Normative
Foreman & Money, 1995	<ul style="list-style-type: none"> • IM may have various objectives, depending on who is being targeted (specific groups of employees or the entire organisation). 	Empirical

	<ul style="list-style-type: none"> • Can be targeted at specific departments or to the entire organisation. • A behavioural-instrumental approach. • IM is implemented through communication, development and participative management, motivation and rewards. 	
Varey, 1995	<ul style="list-style-type: none"> • IM results in satisfaction of employees' needs, both as individuals and service providers. • Targeted at front-line personnel. • A holistic approach. • IM is implemented through communication aiming to "sell" the importance of customer service. 	Norma- tive
Piercy, 1995	<ul style="list-style-type: none"> • IM results in strategic alignment. • Targeted at those who can influence the implementation of marketing strategy. • A behavioural-instrumental approach. • IM allows the removal of interdepartmental barriers for developing and implementing the company's market objectives. 	Norma- tive
Grönroos, 1997	<ul style="list-style-type: none"> • IM results in sales- and service-minded personnel • Targeted at all employees, regardless of job description and hierarchy • A behavioural-instrumental approach • IM should be integrated with the marketing function because marketing is the responsibility of every employee who influences customers' value 	Norma- tive

Wasmer & Brunner, 1999	<ul style="list-style-type: none"> • IM results in individual employees' objective alignment with company objectives • Targeted at all employees • A behavioural-instrumental approach • IM is implemented through formal and informal internal market research and communication to "sell" the company's objectives internally. 	Norma- tive
Varey & Lewis, 1999	<ul style="list-style-type: none"> • IM results in change management • Targeted at all employees • A holistic approach • IM is the philosophy and the behaviour that allow rapid organisational change in response to the company's macro- and micro- environment 	Norma- tive
Rafiq & Ahmed, 2000	<ul style="list-style-type: none"> • IM results in increased productivity and job improvements • Targeted at all employees • A holistic approach • IM is the planned effort to achieve employee satisfaction and inter-functional co-ordination through employee empowerment. 	Norma- tive
Rafiq & Ahmed, 2003	<ul style="list-style-type: none"> • IM results in increased productivity and job improvements • Targeted at all employees • A holistic approach • IM is a cultural framework and an instrument to achieve strategic alignment while building customer service competence by managing 	Norma- tive

	internal relations through internal communication.	
Naude, Desai & Murphy, 2003	<ul style="list-style-type: none"> • IM results in increased job satisfaction and market orientation adoption. • Targeted at all employees involved in the service value-creation chain • A mechanic approach • IM perceived implementation is influenced by individual and organisation characteristics. 	Empirical
Ballantyne, 2003	<ul style="list-style-type: none"> • IM results in knowledge renewal • Targeted at all employees • A mechanic approach • IM influences service procedures and operations, facilitating their re-engineering by using input from both the external and internal environment. 	Normative
Lings, 2004	<ul style="list-style-type: none"> • Internal -market orientation (IMO) represents a company philosophy • IM results in increased levels of job satisfaction • Targeted at front-line personnel • A cultural approach • Three major facets of IMO, namely internal market research, communication, response. 	Normative
Lings & Greenley, 2005	<ul style="list-style-type: none"> • Internal marketing interchangeably used with internal-market orientation to describe the effort to improve internal climate. • Results in increased levels of job satisfaction • Targeted at front-line personnel • A behaviour-instrumental approach. 	Empirical

Based on the above table, this study will concentrate on the following important aspects that will be combined to form the essence of revising an internal marketing strategy in Chapter 10:

- Internal marketing as a strategy - a marketing programme based on communication with employees (Berry *et al.*, 1976, 1981 & 1987; Tansuhaj *et al.*, 1987 & 1988; Ahmed & Rafiq, 1993 & 2002; Foreman & Money, 1995; Vary, 1995; Wasmer & Brunner, 1999; Lings, 2004);
- Internal marketing as a behavioural-instrumental approach, an internally directed marketing strategy with the emphasis on jobs (internal products) that satisfy the needs of employees (internal customers), increase employees' satisfaction with their job, so that eventually the organisation's service objectives can be met. The organisation builds its internal marketing programme on specific "pillars" that one could refer to as the "internal-marketing mix components" (Berry *et al.*, 1976, 1981, 1987; Sasser & Arbeit, 1976; William, 1977; Grönroos, 1983, 1985 Tansuhaj *et al.*, 1987, 1988; Foreman & Money, 1995; Piercy, 1995; Wasmer & Brunner, 1999; Lings & Greenley, 2005);
- Internal marketing as a mechanic approach – Internal marketing reflects on the effort to communicate interdependence towards all employees in order to achieve increased levels of productivity and customer satisfaction (Naude *et al.*, 2003 and Ballantyne, 2000);
- Internal marketing as a holistic approach – This combines the previous two approaches. This approach sees internal marketing strategies as impacting on both jobs and procedures in order to improve the organisation's effectiveness with its customers through interdepartmental

integration (Ahmed & Rafiq, 1993 & 2002; Rafiq & Ahmed, 2000; Varey, 1995; Varey & Lewis, 1999; George, 1990).

Gounaris (2006:435), however, argues that the fundamental conception of internal marketing remains behavioural, capturing the strategies and programmes that the company implements internally in order to attain its external market objectives. The total of these approaches can be combined in a holistic approach.

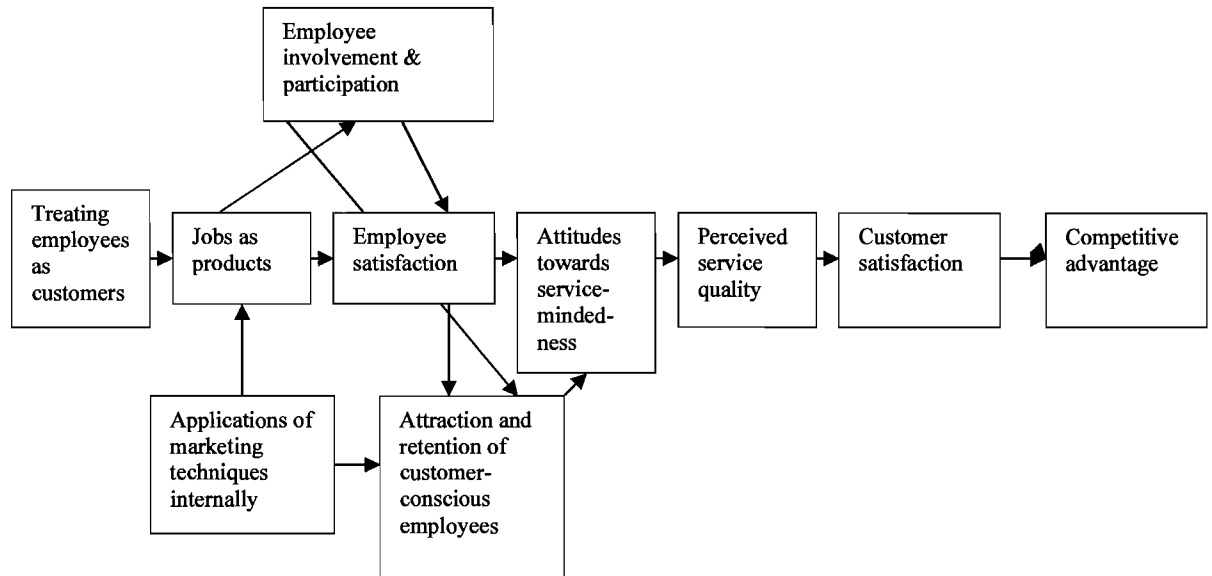
2.8.4 Models of internal marketing

2.8.4.1 The Berry and Grönroos models of internal marketing

According to Varey and Lewis (2000:224), both Berry and Grönroos are concerned with improving service quality, but they differ in their methods to achieve service quality. The characteristics of **Berry's model** are as follows:

- The fundamental assertion that treating employees as customers will lead to changes in the attitudes of employees. This means that employees become service-minded, which leads to better service quality and a competitive advantage in the marketplace.
- Treating employees as customers requires that jobs are treated as any other product of the company. This means that the needs and wants of the "customer" are taken into account and an effort is made to make the product attractive to the "customers".
- Treating jobs as products requires a new approach from human resource management. It basically involves the application of marketing techniques internally both to attract and to retain customer-oriented employees.

Figure 2.3: Berry's model of internal marketing



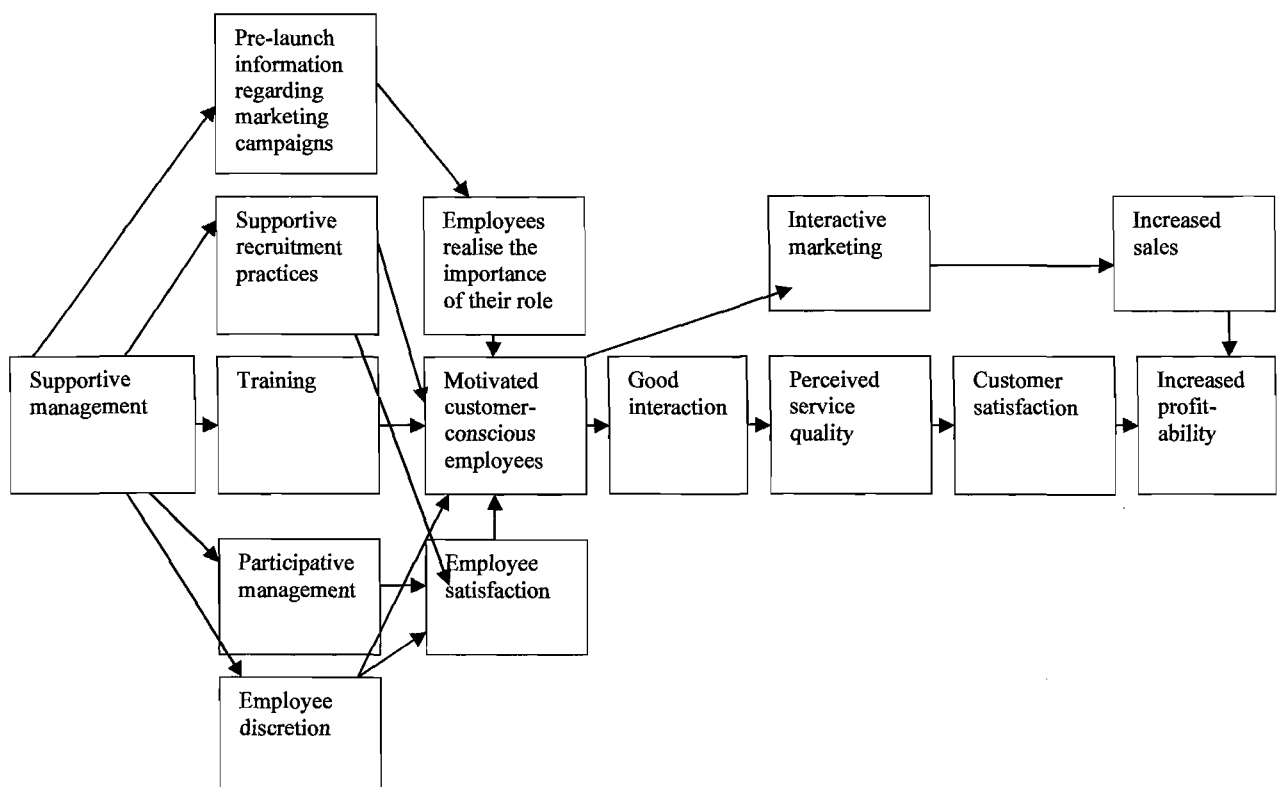
Source: Ahmed and Rafiq (2002:14)

According to Ahmed and Rafiq (2002:14), Grönroos' original model is based on the premise that employees need to be customer-conscious and sales-minded so that they can take advantage of interactive marketing opportunities, leading to better service quality and higher sales and consequently higher profits. The characteristics of **Grönroos'** model are:

- The precursors of customer-conscious employees are supportive recruitment practices, requisite training and participative management style, which give employees discretion in the service-delivery process so that they can take advantage of resulting interactions between contact employees and customers. By giving employees discretion, that is by giving employees more control over their word, it is hoped that employee job satisfaction will increase and hence lead to more motivated and customer-conscious employees.

- Employees need to be informed of any changes in marketing strategies and campaigns before they are launched in the external market. The idea behind this policy is that employees should thereby understand and realise the importance of their role in the service production and delivery process.
- All this requires a supportive senior management.

Figure 2.4: Grönroos' model of internal marketing

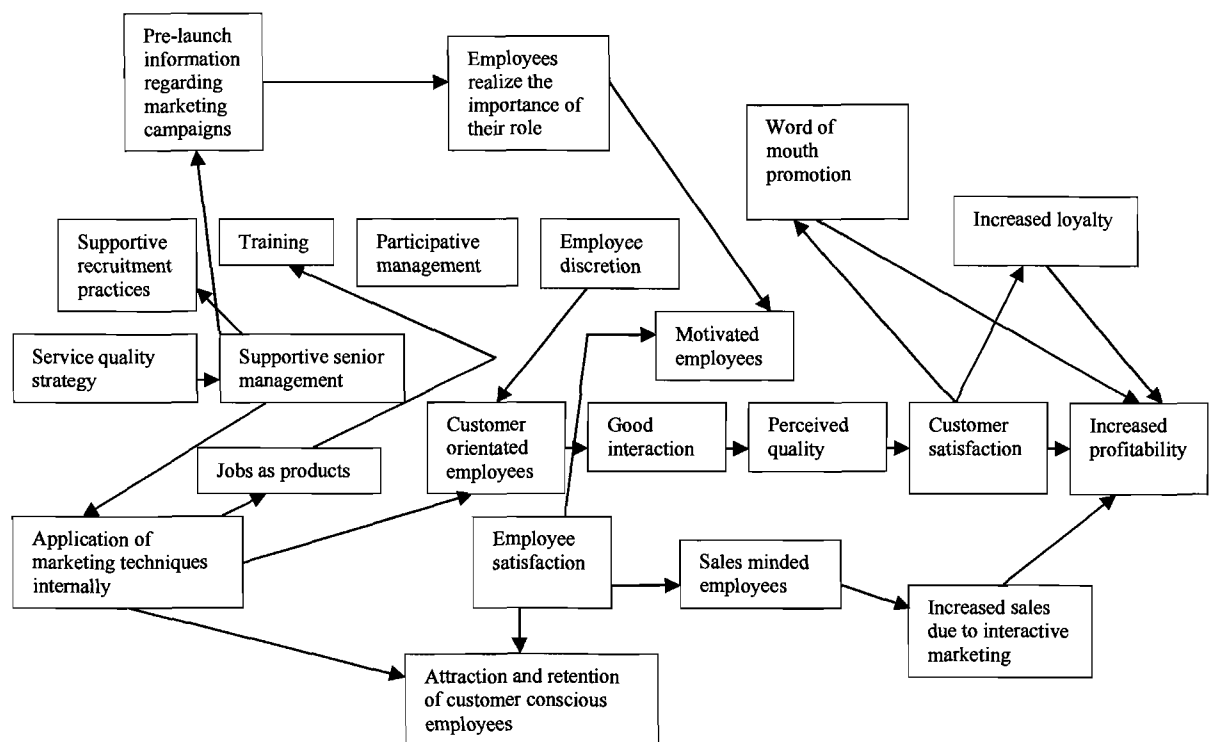


Source: Varey and Lewis (2000:226).

According to Ahmed and Rafiq (2002:15), these models have shortcomings: "Whilst the objectives of both these models are similar, it is clear that the mechanisms that they employ and their objectives are quite different. The models are incomplete in that the Berry model does not indicate the mechanisms that

can be used to motivate employees other than a marketing approach. The initial Grönroos model ignored a marketing-like approach to motivation of employees. To provide a more comprehensive model of internal marketing, both these approaches need to be combined in a **meta-model** of internal marketing “.

Figure 2.5: A meta-model of internal marketing



Source: Varey and Lewis (2000:226).

2.8.4.2 Meta-model of internal marketing in services

A new model of internal marketing is developed from a combination of the models of Berry and Grönroos (Rafiq & Ahmed, 2002:15). The meta-model of internal marketing has the following advantages:

- The model emphasises the fact that the Grönroos and Berry models are not competing models but highlight different aspects of internal marketing. The new model uses these differences to build a more comprehensive conceptualisation.
- The model highlights a large number of implicit assumptions and relationships that need to be tested empirically.
- The model shows the mechanisms involved in the implementation of internal marketing.
- Whilst the model is somewhat more complex than the original models, it provides a more complete view of internal marketing.
- The model links together other important aspects in the marketing field, namely customer orientation, customer satisfaction, customer loyalty and the linkages between the three.

The model shows that it links together a number of issues in the marketing field, namely customer orientation, customer satisfaction, customer loyalty and the linkages between the three (Varey & Lewis, 2000:229). The most important elements of the model are discussed in the following section.

2.8.4.2.1 Job satisfaction and its antecedents

Considerable empirical research has been done on the antecedents of job satisfaction in the marketing field, particularly with reference to sales people (Varey & Lewis 2000:228). The nature of a sales person's work is similar to that of contact employees in services in that they have to deal directly with customers and have to handle the conflicting demands of customers and the organisation.

Research that was done showed that role conflict, role ambiguity and role stress have a negative effect on job satisfaction. Jackson and Schuler (1985:53) find that the most frequent situations of role conflict and role ambiguity are autonomy, feedback from others, feedback from task, task identity, leader-initiating structure, leader consideration, participation, formalisation and organisational level. Role ambiguity can be attributed to a lack of necessary information for the employee to be able to do his/her job properly. Contact employees experience role conflict because of the boundary-spanning nature of their jobs. They have to reconcile the demands of the customers and the interests of the organisation. The frequency, quality and accuracy of downward communication moderates role ambiguity. Role ambiguity can be reduced by the appropriate training of employees (Zeithaml *et al.*, 1988: 37).

2.8.4.2.2 Service quality and customer satisfaction

Research indicates that the perceived quality of an organisation's offerings is the most important factor for success, relative to perceptions of competitors (George, 2005:310). Service quality leads to increased customer satisfaction. This is supported by a considerable amount of empirical evidence that service quality is a prerequisite for customer satisfaction in services (Varey & Lewis 2000:228). George (2005:310) argues that those organisations that are perceived as being quality service providers, show improved results in terms of profitability and market share. Quality can therefore be seen as one of the keys to success and has become a tool that can be used by tourism organisations to gain a competitive advantage in the market place. The SERVQUAL model developed by Parasuraman *et al.* (1988) is one of the most popular instruments in measuring service quality. Customers' expectations of a quality service consist of five important elements: reliability, responsiveness, assurance, empathy and tangibles (Zeithaml & Bitner, 1996:118).

- Reliability – It depends on consistency of the service and dependability. Employees should perform the desired service correctly

the first time and the organisation has to honour its promises: accuracy in charging and performing the service at designated times.

- **Responsiveness** – The service is delivered promptly and the staff is willing and ready to serve and help consumers.
- **Assurance** – It refers to employees' knowledge and courtesy; the assurance that employees have the ability to convey trust and confidence.
- **Empathy** – This relates to consumers being given caring and individual attention. Employees need to treat customers as individuals by using their names, and knowing their preference and interests.
- **Tangibles** – This refer to the physical aspects of the service, such as facilities, physical presentation of organisation in items such as staff uniforms, brochures and guest cards.

The SERVQUAL model of Parasuraman *et al.* (1988) identify five gaps that may lead to unsuccessful service delivery as discussed in George (2005:311):

- **Gap one, customer expectation vs management perception:** This gap is the difference between consumer expectations and management's perception of customer expectations. Lack of understanding of what customers expect from a service can be contributed to this gap. What might be considered important to consumers might not be seen so by management.
- **Gap two, management perceptions vs service quality specifications:** The second gap is where managers are unaware of both consumer expectations and service quality standards. Managers tend to set

standards for service quality based on what they believe customers require.

- **Gap three, service quality specifications vs service delivery:** This gap results even where guidelines exist for performing a quality service, yet staff involved deliver the service inadequately. It is important in the tourism industry where the service delivery system relies heavily on people. The difficulty for the tourism marketer is to ensure that quality specifications are met when a service relies on the performance of employees interacting with consumers.
- **Gap four, service delivery vs external communications:** A gap exists when there is a difference between intended service delivery and what is promised about the service to consumers. Promises may establish expectations for consumers, which may not be met.
- **Gap five, perceived service vs delivered service:** This gap represents the difference between actual performance and the consumers' perceptions of the service.

The link between customer satisfaction and profitability is proposed by Zeithaml *et al.* (1990:230). Customer satisfaction is based on a service quality experience that will contribute to customer loyalty. For Heskett *et al.* (1994), customer satisfaction operates via customer loyalty through to profitability. Good internal marketing programmes create employee satisfaction, which in turn creates customer satisfaction (Kotler *et al.*, 1999:319).

2.8.5 Benefits of service quality in the tourism industry

Based on the previous discussion of service quality, it can be argued that internal service quality creates loyal employees that will contribute to deliver quality service with the following advantages for the tourism organisation:

- **Keeping customers** - A quality product and service create loyal consumers and increase word-of-mouth advertising. It costs five times more to create a new customer than it does to keep one.
- **Keeping good employees** - Staff is more content to work for a tourism organisation that provides high-quality service. Employees have a sense of pride working in such an environment.
- **Avoidance of price competition** – A tourism organisation that provides a quality offering does not need to use price discounting and special offers to attract customers, as it relies on repeat visitors and word-of-mouth advertising.
- **Reducing costs** - Providing a quality offering not only brings in more revenue; it reduces costs for mistakes that cost money to rectify.

High-quality service can only be delivered successfully when an organisation practices a customer-oriented marketing culture that is characterised by an emphasis on service quality orientation and interpersonal relationship (Luk, 1997:17). According to Webster's (1990:348) marketing culture scale, this service quality consists of eight values:

- A succinct definition of excellent service;
- strong commitment to quality service of top management;

- systematic, regular measurement and monitoring of employees' performance;
- a clear focus on customer needs;
- a strong linkage between employees' behaviour and the image of the organisation;
- the desire to meet the expectations of the organisation on quality service;
- emphasis on communication skills; and
- employees' attention to detail in their work.

According to Luk (1997:18), these values have the following advantages, namely that it:

- Create a bias towards customers within the organisation;
- bring employees as close to customers as possible; and
- lead to behaviour that is deliberately performed to meet the desirable quality standards.

The interpersonal relationship dimension as explained by Luk (1997:18) includes the following:

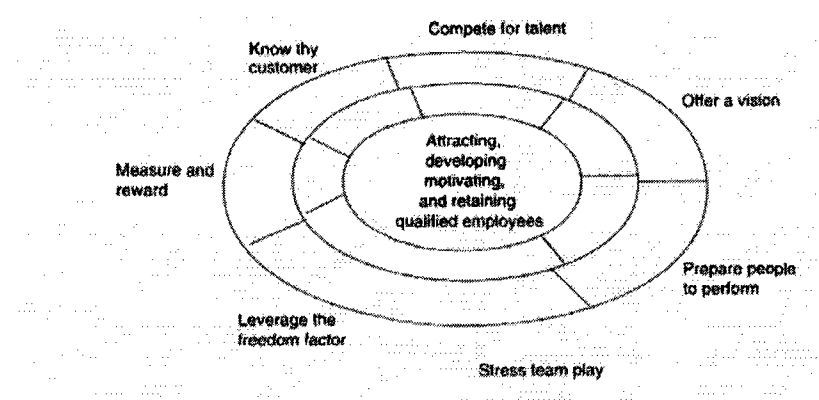
- Attention to employees' feelings;
- recognition of employees as invaluable assets to the organisation;
- adoption of an open-door policy within the organisation;
- frequent interactions between management and front-line employees;
- encouragement to express opinions to higher management.

The values that were discussed will create a favourable internal environment to enhance the practice of quality within the organisation, and nurture close relationships among employees, which will manifest in the relationships of the employees with customers (Horovitz & Panak, 1994:2).

The next section will pay attention to important elements of internal marketing.

2.8.6 Seven essentials of internal marketing

Figure 2 .6: The essentials of internal marketing



Source: Williams (2000:34).

According to Williams (2000:34), it is common knowledge that excellent customer service works from inside out. Before an organisation can properly interact with and enhance its relationships with customers, it has to get its internal ducks in a row.

Competent, empowered and willing employees that are working in the right motivational environment and that are supported by sound business processes and enabling technology are those who provide the best service to customers – externally and internally. When this service habit is well entrenched, internal service between departments and employees is of the same high standard and fosters external service (Arnett *et al.*, 2002:89).

According to Williams (2000:35), measuring and maintaining the right levels of responsive, reliable and empathetic external and internal service delivery and ongoing learning for continuous improvement is a key challenge for

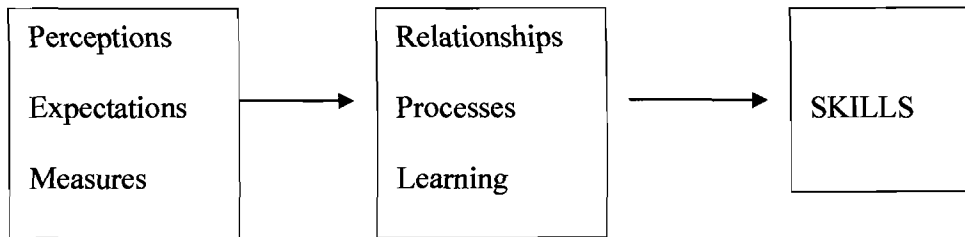
organisations. It can of course involve addressing one or more of many elements, such as:

- Creating the right “listening posts” to pick up early warning signs;
- installing appropriate recognition and reward mechanisms, linked by measurements to vision and values;
- monitoring and paying attention to the key drivers of the motivational climate;
- adopting an evolutionary approach to information systems and communication technologies and their linkages;
- quickly dissolving customer service stress points as they are detected;
- harnessing diversity for creativity;
- employing modern organisational structures;
- continually updating business processes;
- using appropriate strategy formulation techniques in a world of fast-paced change and fuzzy competitive boundaries;
- focusing human resources on its strategic role of facilitating the development of the competencies of the organisation and its members in order that the organisation achieves sustainable competitive edges through its people asset;
- adopting an employee relationship management process to complement the customer relationship management systems and processes in operation.

The issue of insufficient co-operation between departments within the organisation results in less-than-optimum external service delivery. Each of the above listed elements have a greater or lesser role to play in breaking down the “silo” mentality and getting buy-in to a world-class and consistent application of superior customer service.

A simple but powerful model that can dramatically improve the way in which departments and individuals form partnerships within organisations to achieve superior service, is the process model (Williams, 2000:35):

Figure 2.7: The process model



Source: Williams (2000:35).

Perceptions: Perceptions, feelings and beliefs that members of one department hold about members of another department, whether or not founded on fact and experience, are nevertheless reality to those members. A good way of learning is to bring members of these departments together, using competent external facilitation to explore their perceptions of each other and themselves, to build new understandings, to lay the groundwork for mutually beneficial future partnershiping towards a common aim.

Expectations: The next step is to identify those business processes and tasks where there is an interface between departments and that exist for direct or indirect delivery of satisfaction to external customers. Then jointly examine ways of reliving internal delays, errors and frictions, using this as the basis for drawing up service contracts between departments. These service contracts are in turn based on expectations that address both task performance and relationship behaviour. They need not be formal, but should be jointly reviewed from time to time.

Measures: It is important to encourage participants to design measures that capture both the task and the relationship elements of their contracts, provide the stimulus for ongoing improvement based on relevant learning and have everything to do with what equates to real value to customers (external and internal). Task measures revolve around hard things such as speed, accuracy, quality, consistence and reliability. Relationship measures address things such as perceived responsiveness, courtesy, empathy and confidentiality. Task and relationship measures can be quite easily combined into a simple, single metric.

Skills development: Possessing a measurable set of task (**relationship and learning**) components of the partnership between departments provides the means to identify and profile competency deficits based on customer-focused business **processes**, rather than on traditional job descriptions.

A continuous review to identify fruitful areas for learning of business process improvement needs and of competency development needs is required in order to “close the loop” and to ensure that the entire model becomes a process; a habit. This is an important part of establishing a service culture.

The purpose of the process is to enable employees to see positive value in difference and to accept that:

- It's “OK” to hold different perspectives about things such as concepts and people, things, connections, constraints, practicalities, possibilities, order, learning.
- It's “NOT OK” (when it comes down to posting results and improving inter-departmental and external service delivery), to fail to share purpose, commitment and accountability.

Payne (1995:36) argues that a formal marketing plan for an internal market is of little value if customer contact staff were not motivated and empowered to deliver the level of service quality that is required.

2.8.7 Meta-model of internal marketing - managerial implications

According to Rafiq and Ahmed (2000:232), the meta-model of internal marketing highlights the importance of employee attitudes in service quality via their impact on customer orientation, employee motivation and job satisfaction. Effective service quality requires high levels of inter-functional co-ordination and integration. A marketing-like approach by management to these tasks is needed. Employees need to be supported by requisite levels of empowerment to deliver the required levels of service quality. Empowerment is the key to service recovery, a key component in perceptions of service quality. Figure 2.5 shows how internal marketing can be put into practice with the following implications:

- Supportive senior management is fundamental to the success of internal marketing, as it indicates to all employees the importance of internal marketing initiatives and thereby facilitates **inter-functional co-ordination**.
- Communicating marketing strategies and objectives to employees so that they understand their role and importance in the implementation of the strategies and achievement of marketing and organisational objectives is important.
- Employee satisfaction can be increased by treating jobs as “products”, that is, designing jobs with features that prospective employees value.
- Ensuring that employees are highly **motivated**, customer-oriented and sales-minded requires recruitment practices that attract and select

employees with the requisite attitudes, providing employees with the right type and level of training to perform their jobs, a participative management style and a degree of discretion (contingent on the service strategy of the organisation) for front-line employees so that they can meet customer expectations and take advantage of interactive marketing opportunities.

- The importance of explicitly managing the interactions of employees and customers or “the moments of truth” by training employees for **customer orientation** and “sales mindedness”.
- Using a **marketing-like approach** to the motivation of employees and inter-functional co-ordination is important.

The idea of internal-market orientation (customer orientation) can be seen as the organisation's need to develop a strong internal-market orientation prior to successfully adopting an external market orientation (Conduit & Mavondo, 2001:20). According to Sirota *et al.* (2005:9), the Three-factor theory of human motivation in the workplace consists of three primary sets of goals, namely: equity, achievement and camaraderie. Numerous studies have been performed that link the satisfaction and purchasing behaviour of customers to the attitudes and performance of employees. Customer satisfaction with an organisation has consistently been found to relate to a company's profitability. Customer satisfaction is a function of the products or services purchased from an organisation, the business processes with which the organisation interacts with its customers and the way that customers are treated by the company's employees. The treatment that employees give to customers, in turn largely depends on how an organisation treats and manages its employees (Sirota *et al.*, 2005:51).

Durkin (2005:36) states that: “All that separates you from your competitors are the skills, knowledge, commitment and abilities of the people who work for you.

There is a very compelling business case for this idea: companies that manage people right will outperform companies that do not by 30 to 40%". Organisations are beginning to understand the role of internal marketing, the value of intellectual capital and that an organisation's employees are its real currency (Roux, 2007:24).

When planning an internal marketing programme, the following checklist will be useful:

- Set clear objectives about what to communicate and measure the effects of the communication in terms of these original objectives.
- Cost the communication as an important input into the management process, and set the cost against the measured benefits to staff and customers.
- Identify the differences between the languages of internal and external customers and match or merge them.
- Segment the internal audience according to the types of tasks they are required to do and the benefits they derive from doing them, so that the right messages can be sent to the right people (targeting).
- Carry out regular staff surveys to measure the effects of internal marketing - not just to hear the good or bad news about attitudes.
- Use a greater variety of media to get messages over – from print, video and multimedia to team briefing (the equivalent of face-to-face contact) and match the media to the complexity of the message, type of audience and volume of people to "inform".

- Use professional communications agencies, if the budget can stand it.
- Recognise the importance of creative concepts compared to pedestrian instructions.
- Control the frequency and reach of internal communications, so that the right communications are sent out to the right people at the right time, otherwise, there is a severe risk of drowning staff in information and exhortations.
- Recognise the importance of mobilising all staff – wherever they work, as they nearly all have an influence of relationship marketing.

The above-mentioned areas will form the basis for the development of the questionnaires as well as the development of the internal marketing strategy. Additional areas may be added as more information from the literature and the research is explored. Specific areas that will be covered in the questionnaires will be inter-functional co-ordination and integration; marketing-like approach; customer orientation; service quality; customer satisfaction; employee motivation, job satisfaction and empowerment; organisational culture and recruiting the right type of person for specific positions in the tourism industry.

2.8.8 Internal marketing programme

The core of internal marketing is the development of a marketing programme aimed at the internal market in the organisation. This programme will be in line with the marketing programme for the external market of customers and competitors as shown in Figure 2.8

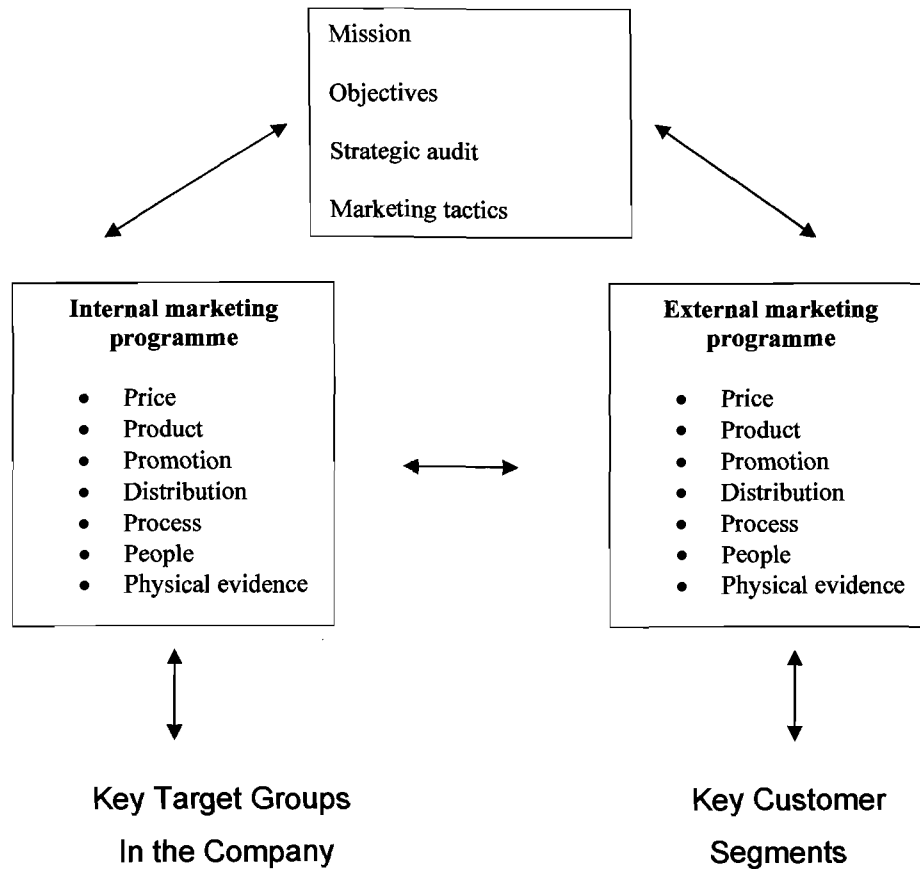
According to Piercy and Morgan (1991:82), the implementation of external marketing strategies implies change within the organisation – in the allocation of

resources, in the culture of “how we do things here” and even in the organisational structure needed to deliver marketing strategies to customer segments. The same techniques of analysis and communication that is used for external marketing should be adopted to get the support of the internal market.

Piercy and Morgan (1991:84) argue that the goals of the internal marketing plan are taken directly from the implementation requirements for the external marketing plan. It can include:

- Gaining support of key decision makers for the plans;
- gaining support for the consequences of these plans in terms of need to acquire personnel and financial resources;
- getting what is needed from other departments, such as operations and financial departments;
- changing the attitudes and behaviour of employees and managers who are working at the key interfaces with customers and distributors and have to make the marketing plans work profitably;
- gaining commitment to make the marketing plan work;
- getting units and employees to take ownership of the key problem-solving tasks.
- managing changes in the culture from “the way we always do things” to “the way we need to do things to be successful” ; and
- making the marketing plan work.

Figure 2.8: Marketing planning



Source: Adapted from Piercy and Morgan (1991:84).

The structure of an internal marketing programme will be explained by a discussion of the internal marketing mix.

2.8.9 Internal marketing mix

The internal marketing mix concept implies that a number of elements are under the control of management and are combined and integrated to get the required response from the target market. The application of the internal marketing mix is

structured around the extended marketing mix (Ahmed & Rafiq, 2002:28 and Piercy & Morgan, 1991:85).

- **The price** – This element is concerned with what the organisation is asking their internal customers to “pay” when they buy into the product and the marketing plan. It may include the sacrifice of other projects that compete with the internal marketing plan and the psychological cost of adopting different key values and changing the way jobs are done. If the marketing plan were to be implemented successfully, the price to be paid by different parts of the internal market place could not be ignored as a major source of barriers and obstacles.
- **The product** – Strategically, the product is the marketing strategies and the marketing plan in which they are contained. The product to be “sold” is those values, attitudes and behaviours that are needed to make the marketing plan work. At the tactical level, the product could include new performance measures and new ways of handling customers. The product can also be used to refer to services and training courses provided by the Human Resource Department. At a fundamental level, the product is the job. Managers should concentrate on explaining (Ahmed & Rafiq, 2002:28).
- **Promotion** – The most tangible element of the internal marketing mix is the communications media used to inform and to persuade, and to work on the attitudes of the key personnel in the internal market place. Motivating employees and influencing their attitudes is an important aspect of internal marketing. It is crucial to get the internal communications strategies right.
- **Distribution** - This element is concerned with the physical and social technical venues at which the organisation sells its product and manages

its communications: meetings, committees, training sessions, seminars, written reports, and informal communications. Piercy and Morgan (1991:85) feel that the real distribution channel lies in human resource management and the lining up of training, evaluating and reward systems and recruitment behind marketing strategies so that the culture of the company becomes the distribution channel for internal marketing strategies.

- **People** – The employees of the organisation represent people in the internal marketing mix. The emphasis is on developing the role that people play in service delivery (Woodruffe, 1995:23). Internally, employees are customers to whom the organisation must deliver value, while externally they are a value-adding component of the product offering. The employee represents both a potentially valuable resource of the organisation as well as a valuable component of the external value proposition (Varey & Lewis, 2000:202).
- **Process** – It involves the procedures, tasks schedules, mechanisms, activities and routines that are used in the organisation (Buttle, 1996:85). Stone *et al.* (2000:138) define a process as a structured way of handling a series of connected tasks.
- **Physical evidence** - It includes the physical facilities, surroundings and environment in which the service is performed.

The elements of the internal marketing mix will be discussed in depth in the rest of the study.

2.9 CONCLUSION

In this chapter the theoretical context of internal marketing, as well as the different models of internal marketing was discussed. Reference was made to the internal marketing mix elements that will be discussed in the rest of the thesis. These elements combined with the theoretical context and models form the basis of the thesis with the objective of devising an internal marketing strategy for the national parks of Botswana.

The next chapter will provide an in-depth discussion of the internal product.

CHAPTER THREE

INTERNAL PRODUCT

3.1 INTRODUCTION

Organisations spend millions of dollars devising ingenious marketing campaigns to sell their products to their customers, but ignore their most important customers – employees. Greene, Wallis and Schrest (1994:5) argue that internal marketing is the key to superior service. The latter is extremely important to the service industry and will result in external marketing success. An engaging and carefully planned internal marketing plan can convert employees into company fanatics who will generate financial rewards that will produce substantial bottom-line results. Internal marketing is important to all industries, but is extremely important to the service industry (Greene *et al.*, 1994:5).

The internal marketing concept applies the marketing mix to internal marketing (Sinclair & Beaton, 1987:164). A discussion of the different elements of the internal marketing mix will contribute to a better understanding of internal marketing and the development of the internal marketing strategy. The internal product element with the different dimensions of the internal product will be discussed in this chapter.

3.2 THE ROLE OF THE INTERNAL PRODUCT ELEMENT IN THE INTERNAL MARKETING MIX

The elements of the internal marketing mix, namely internal product, internal price, internal distribution, internal marketing communication, support processes, internal physical evidence and internal customer service will be discussed in

different chapters of this thesis. Based on the services marketing mix (McColl-Kennedy, 2003:11), which include physical evidence, internal physical evidence are added to the internal marketing mix model as devised by Otto (2004:84). This is important because of the strategic role of physical evidence (Hoffman & Bateson, 2006:225) in service marketing. It can be argued that the physical environment of the employee can have an influence on his service delivery and productivity. Hoffman, Kelly and Chang (2003:325) emphasise the importance of the management of physical evidence in the following sentence: "An organisation's exterior appearance, interior design and other tangibles create a package that surrounds the service. In a study of 1,540 hospitality-related service failures, 123 of the failures were contributed to problems associated with the hospitality firms' management of their physical evidence."

The internal product will be explored in depth in the rest of this chapter. Kotler (1997:9) sees a product as anything that can be offered to satisfy a need or want. Employees are viewed as internal customers and jobs as internal products. Job products must attract, develop and motivate employees, thereby satisfying the needs and wants of these internal customers while addressing the overall objectives of the organisation (Ewing & Caruana, 1999:18).

Piercy and Morgan (1991:84) also see the internal product at the simplest level as the internal marketing strategies and the internal marketing plan. According to Roberto and Roberto (2004:2), the marketing plan is the internal marketer's apparent marketing mix's base P, or product. They use "apparent" because it is not the marketing plan that the internal marketer really wants the internal consumer to buy. The internal marketer wants internal customers to change their behaviour as well as change this behaviour's underlying values and attitude. The internal consumers have to shift from non-support or indifference to, or partial support of this marketing plan to full and committed support. The marketer has to become a leader of true influence in the sense that he wants the "values" that the internal consumers find in not supporting the marketing plan to be replaced by

the “values” that the marketer is positioning to support the marketing plan. A “needs and priority” value analysis is important to correctly define this exchange of “values” between the internal marketer and his internal customers (Roberto & Roberto, 2004:3).

According to Faun and Nicholls (2000:449), each employee has two sets of consumers: internal and external. Co-workers of the organisation are the internal consumers. External consumers are the traditional consumers of the organisation. The needs of both these groups need to be satisfied to implement the marketing concept successfully. Internal need satisfaction is a prerequisite for external need satisfaction. It is therefore important that the structures, control mechanisms and policies of the organisation should contribute to a positive job experience that will satisfy the internal need of the employee so that the organisation’s external need can be satisfied.

Appiah-Adu, Fyall and Singh (2000:97) argue that the human component involved in developing and implementing marketing strategies or the organisation’s marketing culture can contribute to the poor performance of marketing activities by organisations in the tourism industry. Many tourism organisations have structures, procedures and systems to guide them in their marketing operation and practices. The human element, however, has a vital impact on the successful execution of marketing plans. The formulation and implementation of these plans still depend on employees of the organisation (Piercy & Morgan, 1994:167) and the way they conduct the jobs (internal product). The type of culture required for marketing effectiveness is one that is built on a customer orientation that influences the entire organisation.

The development of a suitable environment (internal physical evidence) is crucial for marketing success. Mull’s (1995:17) view is that employee interaction, trust and word-of-mouth communication are most important and consumers’ have a propensity to respond favourably, moving away from more traditional forms of

marketing. Taylor (1996:185), again, argues that the tourism industry fully accepts that the training, development and appearance of customer-contact employees are instrumental to the successful delivery of the service product. According to Appiah-Adu *et al.* (2000:97), service marketing suggests that jobs should be designed as internal products and that these products should be developed not solely based on operational considerations but from the viewpoint of the customer.

Employees are viewed as internal customers (Berry & Parasuraman, 1991:36). The importance of the employee in service marketing and therefore the jobs (internal products) of these employees are depicted in Figure 3.1

Figure 3.1: The service marketing triangle



Source: Adapted from Parasuraman (1996:34).

George (2005:31) offers a discussion of the service-marketing triangle:

- The important role of internal marketing – treating employees the same as external customers - is suggested on the left-hand side of the triangle.

This will enable the organisation to be successful in delivering its promises to consumers. Employees must be “enabled” – recruited, trained and rewarded for good service – so that promises are kept.

- External marketing activities that the organisation needs to execute – These activities raise consumer expectations and promise to meet them. The promotional elements and the organisation’s physical evidence and its employees are included.
- Interactive marketing – This is where the actual service delivery takes place. The employees of the organisation interact directly with consumers and deliver the promise. Service promises are most often kept or broken in this phase.

The three sides of the service marketing triangle are imperative to successful tourism marketing. A comprehensive marketing effort requires the support of all three sides of the service marketing triangle (George, 2005:31).

3.3 DESCRIPTION OF THE INTERNAL PRODUCT

The product element in the internal context sets the direction of the organisation. Ahmed en Rafiq (1995:36) view the product as the change which is required, which may be to effect change in attitudes and behaviour of employees, or involve more tangible activities such as changed production activities or some other goal. Essentially, the product is any change in employee behaviour or attitudes that is required for the effective implementation of a corporate or functional strategy. For successful internal marketing to be effective, the product must incorporate aspects such as the view of the manager/owner as well as the needs and requirements of employees (Ahmed & Rafiq, 1995:37).

According to Caruana and Calleya (1998:108), the marketing of service products has emphasised the importance of internal customers. The inseparability characteristic of services forces the organisation to acknowledge the crucial role of contact people in the formulation of the product the customer receives.

Service employees are so critical because the product provided is the performance of the employee (George, 2005:24). The importance of the interaction process between contact employees of the organisation and external customers was highlighted by various authors. Successful marketing can only be implemented if the organisation were also involved in internal marketing. The successful service organisation must first sell the job (the internal product) to the employees before it can sell its services to customers. The objective of internal marketing is to create an internal environment in which customer-consciousness exists (Payne, 1993:166).

Rosenblunth and Peters (1992:230) argue that the needs of employees must take priority over customers, as customer needs will only be successfully met after those of employees have been satisfactorily met. An increased organisational commitment from employees will result in increased job satisfaction, job performance and lower turnover of employees, which is some of the important outcomes of internal marketing.

George (1990:65) distinguishes between the implementation of internal marketing at the strategic and tactical level. The internal product in the internal marketing mix is implemented at the strategic level. At the strategic level, it should create an internal environment that enhances customer consciousness and marketing-mindedness among employees. The key elements can be seen to be supporting management methods, personnel policy, internal training and planning procedures. At the tactical level, the objective is to sell services, campaigns and other marketing efforts and initiatives to the employees.

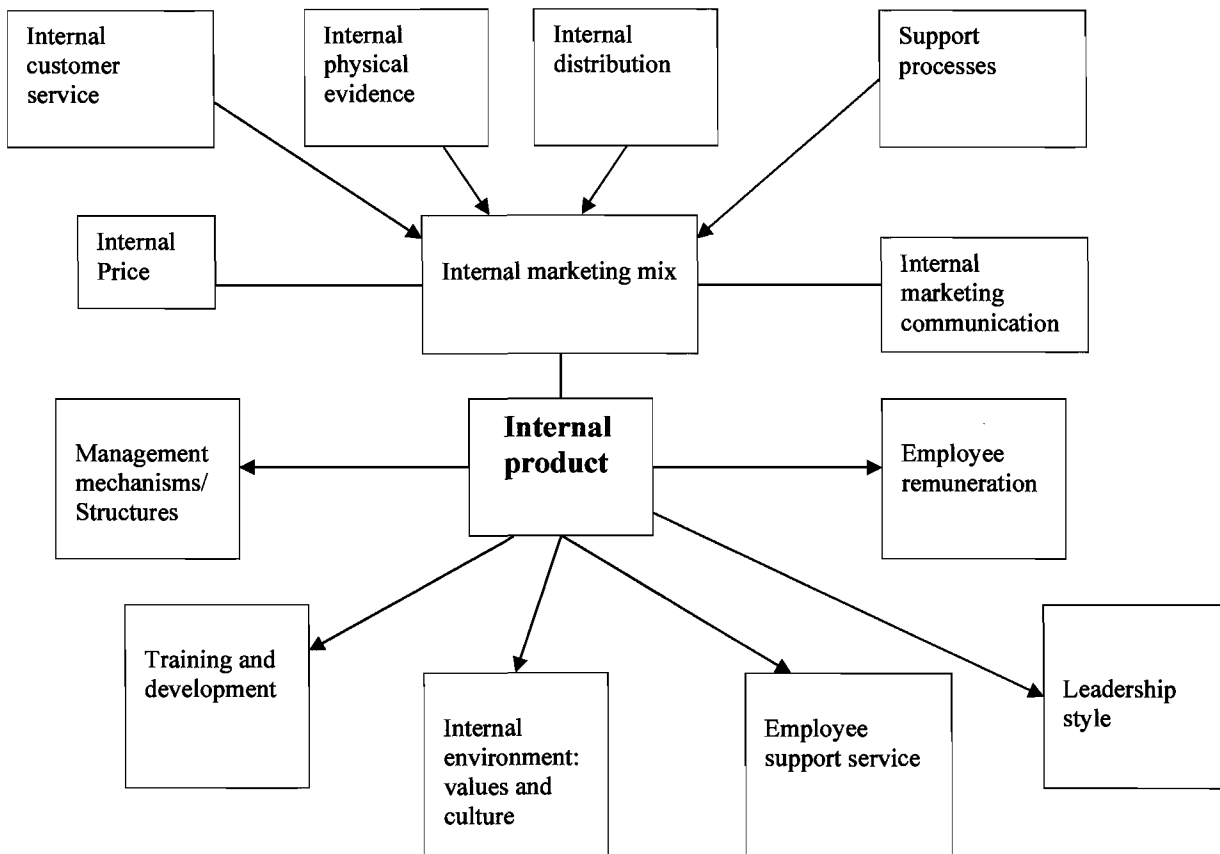
Belding (2005:8) states that before the organisation starts to examine its employee, it has to examine what is going on around the employee that could be contributing to his/her unproductive or counterproductive behaviour. It is therefore important to look at the internal product as a core element for effective service delivery by the employee to the consumer.

The internal product can also be described as the production system that supports the encounters with the customer and as internal organisational dynamics that are important for the service production and its delivery in service organisations (Buttle, 1996:55). According to Kotler (1997:246), the task of internal marketing is the successful hiring, training and motivating of employees to serve the customer well. Henning-Therau and Hansen (2000:17) feel that the internal product consists of the job and other related activities, as well as training and development.

According to Otto (2004:66), the internal product consists of management mechanisms like the vision, mission and goal of the organisation. The internal values, principles, leadership style, training and development, employee support services and employee remuneration are also part of the product that has to be marketed to the employees.

The organisation's internal product can therefore be described as the job itself and the internal environment in which this job must be executed, including the practices that will enable the employee to satisfy his/her needs and in doing so delivering exceptional service to customers. The internal product includes the elements mentioned in the previous paragraph and is depicted in Figure 3.2.

Figure 3.2: The internal marketing mix: the internal product.



Source: Adapted from Otto (2004:68); Peck *et al.* (1999:317) and Adcock (2000: 356)

3.4 ELEMENTS OF THE INTERNAL PRODUCT

3.4.1 Training and development

Training and development are important features of internal marketing. It has been suggested that training is the single most important activity (Varey, 1995:44). Jordaan and Prinsloo (2004:137) define training as: “The acquisition of specific knowledge and skills that enable employees to perform their jobs effectively” and development as: “Activities that are directed at the future needs

of the employee, which may themselves be derived from the future needs of the organization.”

According to Keightley (2001:15), employment equity and skills development are essential components of a sound human capital management strategy. A holistic approach to human capital management should be adopted with the aim of attracting, developing and retaining the most talented employees. Human performance materially shapes the service outcome and becomes part of the internal product (Green *et al.*, 1994:8). Special attention needs to be paid to employee quality and performance, especially in high-contact service industries. “Internal marketing means applying the philosophy and practices of marketing to the employees who serve the external customer so that the best possible people can be employed and retained and they will do the best possible work” (Green *et al.*, 1994:8).

Boella and Goss-Turner (2006:120) state that whatever training and education are obtained at the start will be outdated in the working life of an employee. The need to train and obtain new knowledge, skills and attitudes has become an everyday aspect of each employee’s working life. Training is therefore an element of the internal product – the need to equip the employee with the necessary skills and knowledge and the right attitude become an integral part of the internal marketing programme. The development of the potential of human resources is the primary goal of training and development according to Stewart (1999:140). This implies that it is to the advantage of both the organisation and employee. Well-trained employees contribute to the competitive advantage and illustrate characteristics of competence, politeness, credibility, helpfulness and good communication skills (Kotler, 1997:383).

Nieman and Bennet (2006:251) differentiate between training and development. Training is seen as the planned, systematic and organised process of providing employees with the specific knowledge and skills needed for them to perform

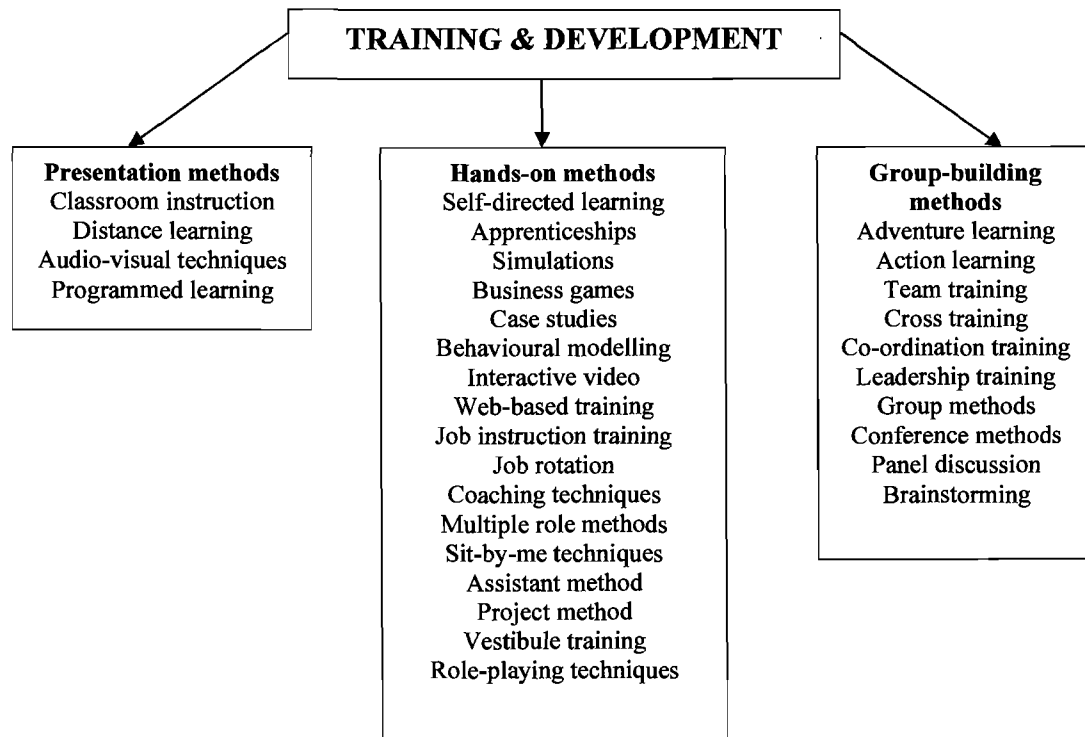
their present jobs effectively, not only to achieve the objectives of the organisation, but also their own. The goal of training is to master the skills and knowledge that employees apply in their day-to-day work activities. Development is a systematic, planned experience to provide employees with abilities, knowledge, skills, insights and attitudes to prepare them to perform jobs the organisation will need in the future.

Walters (1996:3) agrees with this view when he stresses that the performance of an organisation will be determined by how flexibly and effectively the organisation can use its human resources (employees). The effective management of the human resources of an organisation, its organisational structures, management style, recruitment, training, reward and all the other elements of employee activity is likely to be influenced strongly by how well the needs, motives and desires of the employees of the organisation are understood.

Boella and Goss-Turner (2006:122) explain that there are three main components that an employee requires in order to do a job effectively: knowledge, skills and attitudes. Each of these can be improved by effective training. In the internal marketing context it can be said that employees need effective training to enhance the quality of the internal product element.

Figure 3.3 illustrates training and development methods and techniques that will equip the employee to execute his/her job more effectively.

Figure 3.3: Training and development methods and techniques



Source: Adapted from Nieman and Bennett (2006:253).

Training and development are part of the internal product provided to employees. It is impossible for an organisation to be profitable if employees are not equipped with basic skills. Basic skills are decision-making, problem solutions and the management of the internal culture that are needed to change inputs to effective outputs (Otto, 2004:102).

George (2005:326) highlights the importance of training schemes that need to be an ongoing part of the internal marketing programme. It starts with the orientation phase and reaches its final stage with retirement.

Training is one of the tools of management that should be used to increase an organisation's efficiency and competitive advantage. Pfeffer (1998:88) states that

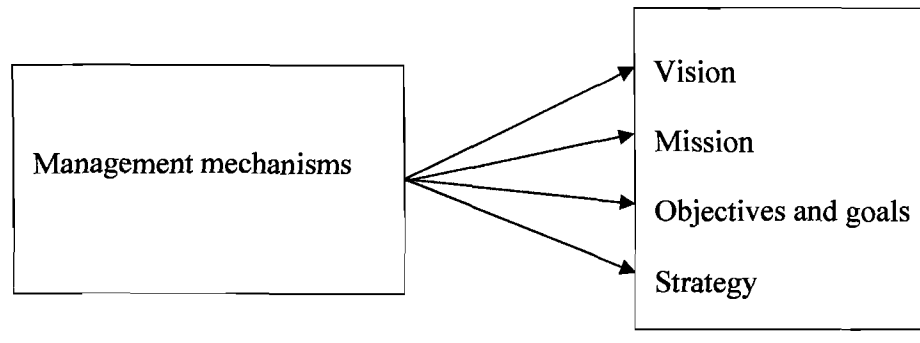
training can be a source of competitive advantage in various industries for organisations wise enough to use it. Training ensures that the goals of the organisation are achieved by properly equipping its employees with the competencies, knowledge, skills and attitudes necessary to achieve those goals. It must also enable employees through increased competence and confidence to achieve their own realistic work aspirations. That will all contribute to a good internal product. (Boella & Goss-Turner, 2006:129). Training can be seen as an investment in the organisation's employees (Pfeffer, 1998:88).

3.4.2 Management mechanisms and structures

Marx, Van Rooyen, Bosch and Reynders (1998:44) state that vision and mission statements and business goals are important to interpret the identity, aims, core values and reasons for the existence of the organisation. Strategy is then needed to explain how the organisation will meet their objectives and refer to an organisation's main lines of direction (George, 2005:71). According to Payne (1993:36), internal marketing involves two main concepts. Firstly, every employee and every department in an organisation is both an internal customer and a supplier. The optimal operation of the organisation is ensured when every employee and department both provides and receives excellent service. The second concept is making sure that all staff work together in a way that is aligned with the organisation's stated mission, strategy and goals. Payne (1993:37) emphasises the importance of these concepts, stating that it has become particularly transparent in service organisations where there is close contact between the employee and customer. Internal marketing aims at ensuring that all staff provides the best representation of the organisation to the customer. This can only be done if the employee identifies with the management mechanisms of the organisation.

The management mechanisms that will be discussed in this section consist of the vision, mission, objectives, goals, and strategy.

Figure 3.4 Management mechanisms



Source: Adapted from Scholes (1997:22) and Otto (2004:85).

3.4.2.1 Vision

A vision is usually linked to a specific person and his achievable dreams or expectations. The vision is interlinked with leadership, which provides employees with a feeling of what the desired final destination of the organisation will be (Marx, Van Rooyen, Bosch & Reynders, 1998:44).

The vision is not the same as an objective. It can be seen as a picture of what the future of the organisation looks like. Vision enables the organisation to set a broad strategic direction and leaves the details of its implementation to be worked out later (Fifield, 1999:18). A vision can therefore be seen as a broad expression of the desired final destination. A vision will give employees a sense of direction, purpose and worth.

It can therefore be said that the vision is the almost impossible dream that the organisation would like to achieve. The vision of the organisation can be seen as an internal product element, because the employees of the organisation have to support, practise and live the vision to ensure the future of the organisation. The vision is the key from which all management mechanisms have to flow and

contribute to the internal product. Heil, Parker and Stephens (1999:11) argue that without a vision it is almost impossible to motivate and have positive employees that are enthusiastic about the future of the organisation. A vision for employees will energise and excite them and improve their ability of offering a quality service (Sinclair & Beaton, 1987:164).

Fifield (1999:17) sees the vision as central to any form of strategy and centres around the key implementers. "The personal values of this central group, once combined, create the vision driving the organisation and hence what might be called the strategic intent behind the group. The vision is often central to the organisation's success. Only when we recognise our fantasies can we begin to appreciate the wonders of reality" (Fifield, 1998:17). According to Gronstedt (2000:95), the vision has to be based on the basic characteristics of the organisation. Employees have to be involved in devising the vision to ensure that they feel part of the organisation and the vision needs to be communicated to all employees.

Aaker (1992:22) goes further than this concept of vision, and explains that a strategic vision is a vision of a future strategy or sets of strategies that will provide purpose and direction for interim strategies and strategic activities. The primary purpose of a vision is to explain what future strategy should be. A strategic vision is based on a forward-looking, long-term perspective (Aaker, 1992:190). Senge (1990:206) explains that a shared vision is a force in people's hearts; a force of impressive power, which will be visible in the way employees serve the customers. A vision that is developed by management without input from its employees will remain a vision. When employees are involved it becomes a shared vision where employees are connected and bound together by a common aspiration. A shared vision is a vision that many people are truly committed to, because it reflects their own personal vision (Senge, 1990:206).

Many shared visions can be seen as extrinsic. It focuses on achieving something relative to another competitor - i.e. Pepsi's vision is explicitly directed at beating Coca-Cola. This type of vision lacks the focus of intrinsic standards of excellence. Senge (1990:207) explains that it does not mean that visions must be either intrinsic or extrinsic. Both types of visions can coexist, but reliance on a vision that is solely predicated on defeating a competitor can weaken the organisation over the long term. A shared vision that is intrinsic will be uplifting to people's aspirations and work becomes part of following a larger purpose embodied in the organisations' products or services. The organisation is no longer seen as "their company", it becomes "our company".

The long-term image of the organisation will be interpreted in the vision statement (Thompson, Strickland & Robertson, 1995:26). According to Otto (2004:70), the vision and mission are closely related to one another. Stewart (1999:69) agrees that the vision is connected to the image that the employees have of the future of the organisation. He adds that the mission can be seen as how that image will be realised. It is clear from the previous discussion that a vision is one of the core elements of the internal product and that the employees must "buy in" to the vision to perform their jobs effectively. According to Kotler and Keller (2006:44), mission statements will reflect the vision; an almost "impossible dream" that provides the direction for the organisation for the next ten to twenty years.

3.4.2.2 Mission

Marx *et al.* (1998:115) state that a mission statement describes the fundamental goal or reason for the existence of the enterprise. The mission statement is based on careful analysis of benefits sought by present and potential customers and an analysis of existing and anticipated environmental conditions (Lamb *et al.*, 2005:430).

The mission statement, according to George (2005:72), is a guide that helps employees to know the purpose of the organisation. An organisation that is committed to internal marketing will devise a mission statement that focuses on treating employees as people, rather than statistics. A well-devised mission statement provides employees with a shared sense of purpose and direction for achieving people-oriented goals (George, 2005:358). Employees' involvement in the development of the mission statement will ensure their commitment to the organisation and will be reflected in the way they treat the customers of the organisation.

When defining a mission, Kotler and Keller (2006:65) agree with Drucker's (1973:241) view that the organisation has to address the following questions:

- What is our business?
- Who is our customer?
- What is of value to the customer?
- What will our business be?
- What should our business be?

Kotler (1997:68) argues that these questions are some of the most difficult questions that the organisation would ever have to answer and states that the organisation's mission is shaped by five elements:

- History – Every organisation has a history of aims, policies and achievements. The organisation must not depart too drastically from its past history.
- Current preferences of the owners and management – It forms the basis of the mission statement.
- The market environment – The organisation has to keep up with changes in the business environment.

- Resources – The resources of the organisation determine which missions are possible.
- Distinctive competences – The organisation should develop its mission around what it does best.

Good mission statements have three major characteristics (Kotler & Keller, 2006:44): Firstly, they focus of a limited number of goals. Secondly, mission statements stress the organisation's major policies and values. They narrow the range of individual discretion so that employees act consistently on important issues. Thirdly, they define the major competitive spheres within which the organisation will operate.

A good mission statement guides an organisation's managers as to which market opportunities to pursue and which fall outside the organisation's strategic area. A clearly stated mission can contribute to a shared sense of direction, relevance and achievement among employees, as well as a positive image of the organisation among customers, investors and other stakeholders (Walker, Boyd, Mullins & Larreche, 2003:35). Kotler (2000:66) agrees with a view that a well-worked-out mission statement provides the employees of the organisation with a shared sense of purpose, direction and opportunity.

Goals and objectives are derived from the vision and mission of the organisation and will be discussed in the following section

3.4.2.3 Goals and objectives

Objectives are the specific goals and targets that a tourism and hospitality organisation hopes to achieve within a given period (George, 2001:59). Fifield (1998:17) defines an objective as the goal or the aim to which all activities of the organisation are directed. The objective can be used to define in quantifiable

terms the view of what the organisation is going to become. An organisation requires a sense of shared commitment and common vision for the future.

Nieman and Bennett (2006:92) explain that objectives are the starting point of the management process and the guidelines for developing plans. An objective is a particular state of things to be achieved by the organisation and its employees. The nature of objectives is more short-term, while goals are long-term. Based on the vision and mission of the organisation, goals (long-term) are established for the organisation, where after objectives (short-term) are set in each functional area (Nieman & Bennett, 2006:92). According to Hellriegel *et al.* (2005:78), goals provide a broad direction for decision-making and may not change from year to year.

Kotler *et al.* (1999:89) explain that after the organisation has defined its mission and examined its strengths/weaknesses/opportunities/threats (SWOT analysis); it can proceed to develop specific goals and objectives for the planning period. Pearce and Robinson (2003:251) state that objectives should be measurable and achievable. It can therefore be argued that a goal is a long-range purpose that is not quantified or limited to a time period and an objective is measurable and attainable at some specific date through planned actions. According to Jain (2000:185), the network of vision, mission, goals and objectives can be included in the all-inclusive term of strategic direction.

The difference between an objective and a goal is recognised, but these terms will be treated simultaneously. Stanton, Etzel, Walker, Abratt, Pitt and Staude (1992:13) and Lynch (2000:21) also treat these terms as synonymous. An objective is a desired outcome. Effective planning must begin with a series of objectives that are to be achieved by carrying out the plans.

Fifield (1998:92) explains that objectives should be specific, achievable, measurable, consistent and understandable:

- Specific - It should be very clear and no longer than one sentence (12 – 15 words).
- Achievable – For an objective to be effective, it has to be seen by all the employees as being achievable and realistic.
- Measurable – It should be quantifiable in some form. There has to be some time limit on the achievement of the objective and some form of quantifiable success criteria.
- Consistent – It has to be consistent with both the internal capabilities of the organisation and with the desires of the key implementers and their personal view of the organisation.
- Understandable – The objective must be understandable and capable of communication throughout the organisation.

Otto (2004:72) suggests that employees need to be cognitive, physically and emotionally involved in the formulation of objectives. Employee motivation, leadership and emotions are interdependent. The organisation needs to manage these three aspects to achieve its objectives and those of its employees (Maddock & Fulton 1998:35).

It is clear from the previous discussion that when employees are involved in setting the objectives and goals of the organisation, they will be enthusiastic about the implementation of the objectives by means of different strategies. An organisation with an internal marketing culture will create the right culture for employee participation at all levels.

3.4.2.4 Strategy

A strategy relates to how the organisation seeks to meet their objectives and usually refers to an organisation's main lines of direction. Stanton *et al.* (1992:13) defines a strategy as a broad plan of action through which an organisation intends to reach its objective.

The role of the internal strategy is to ensure the effective and organised operation of the organisation to enhance the successful implementation of the competitive external strategies. According to Gordon (1998:54), organisations need to monitor employees, processes, technology, training and innovative strategies. The internal marketing process can change the other strategies and internal marketing initiatives can change the leadership and management style of the organisation (Otto, 2004:73).

According to Ahmed and Rafiq (2002:116), internal marketing is a strategy because it triggers appropriate actions to occur, such that strategic words become translated into actions that deliver quality-led customer satisfaction. Based on marketing theory (Stanton *et al.*, 1992:15), it can be argued that strategy as part of the internal product element means that employees are the target market to whom the internal strategies concerning the composition of the job needs to be market. Foster and Brown (1996:110) argue that supportive organisational structures can assist internal strategies that are essential for an organisation to achieve the objectives of the organisation. They suggest that when organisations determine their internal strategy, they have to identify their strengths and weaknesses to decide on the focus of the internal strategy. It is also important to consider opportunities and threats in the external environment.

Ahmed and Rafiq (1995:34) explain that the domain of internal marketing extends beyond the implementation of marketing programmes alone and that the ideas of internal marketing are appropriate for the implementation of any type of strategy within the organisation.

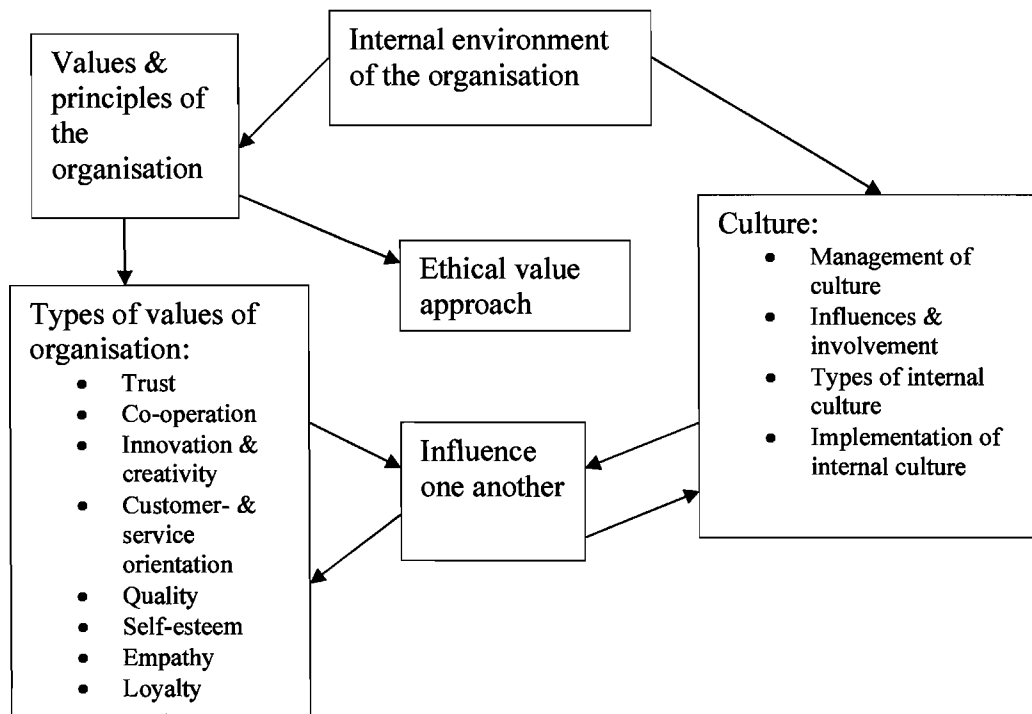
Cravens' (1994:590) view summarises the above discussion when he argues that it is important for the organisation's competitive and marketing strategy to be compatible with the internal structure of the organisation, its mission, vision, objectives and its policies, procedures and resources.

3.4.3 Internal environment: values and culture

Internal marketing or the use of marketing techniques within the organisation to create and communicate corporate values is an essential part of a marketing orientation (Varey & Lewis, 2000:108). The strength of an organisation's marketing orientation has a positive effect on the performance of the organisation and impacts on employee commitment and co-operation (Jaworski & Kohli, 1993:68). Fletcher (1999:111) sees an organisation's performance as the direct result of how effectively the value delivery system is structured and managed. Focus on internal issues will support external processes and equip the organisation with the ability to provide the customer with what was promised and that will lead to customer retention and loyalty.

Otto (2004:74) states that principles and values used to manage the organisation set the internal culture of the organisation. These aspects are part of the internal product. Organisations have to decide which values, principles, and culture will be the basis of the organisation.

Figure 3.5 Internal organisational environment



Source: Chaston (2000:23) and Otto (2004:75).

3.4.3.1 Values and principles of the organisation

Basic values are an important dimension of culture and provide guidelines on what is acceptable and unacceptable behaviour (McColl-Kennedy, 2002:39). According to Hartline and Bejou (2004:75), organisational culture consists of a set of values, norms and standards of behaviour and common expectations that control the manner of how employees interact with each other and work to achieve organisational goals. Organisational values and norms send messages to members about the goals that they should pursue and how they should behave to reach those goals (Jones & George, 2003:67).

According to Aaker (1992:318), organisations often embrace only a few basic values or beliefs:

- A belief in being the “best”;
- a belief in the importance of the details of execution;
- a belief in the importance of people as individuals (this will enhance honesty);
- a belief in superior quality and service;
- a realisation of the importance of informality to promote communication between employees at all levels of the organisation;
- explicit belief in the importance of economic growth and profitability – the main objective of survival and growth of an organisation. Employees need to know this and work together to achieve this goal.

According to Anon (2005:79), core skills are the skills that an employee needs to thrive in all areas of life – mentally, emotionally and even physically. The power of belief is first among these core skills. The values and principles of an organisation are the ethical codes by which organisations classify their conduct (Heil *et al.*, 1999:263). Otto (2004:76) states that values need to be profound but easy to understand; concrete to enable easy application in organisational structures and day-to-day activities. It also needs to be pragmatic to use as a guide for decision-making and must be communicated to employees. It also serves as a control mechanism.

The same value-creation process that an organisation uses to create external customer value must be adapted within in the organisation toward employees. A value exists in the perception of the employee. Dunne and Barnes (2000:203) explain that a value must be understood from the employee’s viewpoint and not forced down by management. Deeply rooted sources of value are those connected with interpersonal interactions between the customer and the organisation’s employees and with the affective dimensions of those interactions.

Varey and Lewis (2000:204) suggest that sources of value within the employment context include information sharing, facilitation of job performance,

autonomy, remuneration, internal service culture, association value of the organisation, enabling positive self-regard and esteem, empowerment and community ties or involvement.

It is acknowledged that customer satisfaction is critical to loyalty and value which is a precursor to satisfaction (Zeithaml, 1988:15).

3.4.3.2 Ethical and religious value approach

Hoffman and Bateson (2006:106) define ethics as “A branch of philosophy dealing with what is good and bad and with moral duty and obligation; and the principles of moral conduct governing an individual or group.” The difference between an ordinary decision and an ethical one is that values and judgements play a critical role in ethical decisions.

Marx *et al.* (1998:46) argue that business ethics are related to the vision, goals, culture and management of the organisation. The application of ethical principles is important in business relations and activities. Issues such as employment, dismissal, remuneration of employees, utilisation of resources, conflicting interests, profit objectives and social responsibility have to be looked at from an ethical perspective.

Boella and Goss-Turner (2006:315) support this view when stating that an organisation has to function ethically through recruitment of the right people, training them in the norms and values of the employer and motivating employees in such a way that the organisation’s ethical position is not compromised.

Hoffman and Bateson (2006:116) identify typical issues that managers and employees are faced in the organisation:

- Conflict of interest – This is a situation where a service provider feels torn between the organisation, the customer and/or the service provider's own personal interest.
- Organisational relationships – These are working relationships formed between service providers and various role partners such as customers, suppliers, colleagues, subordinates, supervisors and others.
- Honesty – This includes the characteristics of truthfulness, integrity and trustworthiness.
- Fairness – This include characteristics of just treatment, equity and impartiality.
- Communication – It means making promises through communication that are adhered to.

According to Kruger and De Klerk (2005:321), different models can be used to guide an organisation's behaviour. Each model provides a different, but related standards to judge the rightness or wrongness of managerial and employee decisions and behaviour (Hellriegel *et al.*, 2001:127):

- Utilitarian model – The moral value of personal action is determined entirely by its consequences. A decision is good and right if the largest possible number of people benefits and causes the minimum pain and suffering.
- Deontological model – Consistency is the basic principle. A decision or action is good when it can be determined with a fair degree of certainty that anybody in a similar situation would decide or act in the same manner.
- Moral rights model – Decisions should be consistent with a set of fundamental rights and privileges.
- The fairness model – It deals with norms rather than principles. Moral standards are measured in terms of fairness - the most important aspect.

- The personal freedom model – This model is based upon the single norm of freedom. If an institution or act limits the personal freedom of the individual, even if it improves the happiness of others in general, it must be rejected as unjust.
- The justice model – It evaluates decisions and behaviour with regard to the equitable distribution of benefits and costs among individuals and groups.

Kruger and De Klerk (2005:319) suggest that when faced with ethical situations, one has to determine the correct course of action and follow it through. The “golden rule” principle provides a general standard to live by, with the basic message to be: treat other people the way you want them to treat you. Jennings (1999:10) offers the following questions as guidelines on how to handle ethical situations:

- Is it legal?
- Is it balanced?
- How does it make you feel?

De Klerk and Kruger’s (1995:97) questions follow the same guideline:

- Are the facts correct?
- Is it legal?
- Is it fair and equal for all parties involved?
- Are the rights of the employees recognised?
- Is discrimination evident in the organisation?
- Are employees loyal to the organisation?
- Do the views and the opinions of employees matter?
- Are employees treated with respect?

Boella and Goss-Turner (2006:316) add the following questions:

- Am I being honest?
- Can I live with myself?
- Would I publicise my decision?
- What if everyone did it?
- Does it hurt anyone?
- Is it fair?

Kruger and De Klerk (2005:322) state that there is no shortcut to ethically justified decision-making: "To consistently sustain such decision-making at a high level, one must also have one's own code of behaviour, continually provide training in ethics, conduct internal and external audits on a regular basis and utilize ethical evaluation committees." They suggest that the following procedure can be followed to apply certain norms that will contribute to effective decision-making:

- Determine the aim of the decision and evaluate its fairness.
- Establish the motive of the decision.
- Undertake research on the background, history and details of the matter on which a decision is required.
- Determine the means which should be applied to achieve the goals and judge their ethical applicability.
- Draw up a list of the possible consequences of the decision.
- Determine the influence the decision will have on all those involved.
- Determine its influence on the physical environment.
- Explain the philosophical values embodied in the decision and determine the values which may possibly be affected by it.
- Decide the best solution, provide the details of the decision and explain why the decision is considered justified.

Factors that influence ethical decision-making include stage of cognitive moral development, personal values, corporate/internal culture, cultural differences,

organisational structure, opportunity, reward systems, significant others, competitive environment and changes in technology (Hoffman & Bateson, 2006:119).

Employees who perceive the organisation as conducting business in an ethical manner will feel more secure and optimistic in the organisational environment. Internal marketing can contribute to this by communicating different policies and practices of the organisation to employees. The next section gives more information on the different values that an organisation can use to manage the issues discussed in this section.

3.4.3.3 Types of organisational values

The following values can be marketed internally: trust, co-operation, innovation, creativity and customer service orientation, quality, empathy, loyalty, and self-esteem:

- **Trust**

Kreitner and Kinicki (2004:457) explain that trust is the reciprocal faith in others' intentions and behaviour. There may be risk, faith or some confidence involved in the other party as a result of past experience, or as a condition of the norms of that relationship. Ballantyne (2000:57) argues that the kinds of behaviour that is found in internal marketing are deeply enabled by trust – trusting oneself and containing one's anxiety and at the same time, trusting others through interactive experience.

Trust is important in the development of internal marketing relationships. Communication that is honest, consistent and clear will provide the employee with the ability to trust colleagues and management. Gronstedt (2000:40) explains the importance of mutual trust to be able to discuss problems and

achieve solutions. The mission and vision of the organisation will be useless without mutual trust and commitment (Otto, 2004:83).

Ahmed and Rafiq (2002:159) explain that in environments of trust, employees are prepared to do what is necessary, even if they have to break existing conventions, rules and routines. Gambetta (1988:204) suggests that the building of trust requires consistency, keeping promises, discretion, morality, fairness, openness and accessibility. Kreitner and Kinicki (2004:459) see trust as a key ingredient for the achievement of effectiveness in interpersonal and internal marketing exchanges and offer the following guidelines for building and maintaining trust:

- Communication – Keep employees informed by explaining policies and decisions and providing accurate feedback. Be honest about problems and limitations – tell the truth.
- Integrity – This involves sincerity, honesty and truthfulness and promise fulfilment.
- Competence – This refers to technical and interpersonal knowledge and skills required to do one's job, decision-making and role performance.
- Consistent, predictable behaviour – This entails behaviour that reflects consistency, fairness, predictability, discretion and good judgement.
- Loyalty or benevolent motives – These are associated with intentions, motives and shared values and goals, commitment to and willingness to protect and save face for a person.
- Openness or mental accessibility and availability – This includes a willingness to share ideas and information freely and accurately.
- Respect – It relates to an individual's perception of the respect shown to him/her or the subject of trust.
- Fairness – Give credit and recognition to those who deserve it. Make sure all performance appraisals and evaluations are objective and impartial.

- **Support** – be available and approachable. Provide help, advice, coaching and support for employees.

According to Pfeffer, (1998:124) trust can be built by sharing information, including business and strategic plans with all employees. The sharing of information on business plans, strategies and operating information show that all employees are trusted and treated as partners in the task of improving performance.

- **Co-operation**

Market and marketing strategies cannot be implemented if employees do not co-operate or do not understand their importance. Internal marketing is the process by which all employees of the organisation understand the value of the marketing task and their roles in the implementation of marketing strategies. Every employee must perform his or her job effectively and work together to achieve customer satisfaction.

- **Innovation, creativity and customer service orientation**

Phillips (2005:178) explains that innovation is a critical issue for most organisations. Innovation comes from employee creativity and is therefore a human capital issue. A marketing culture is a prerequisite for internal marketing.

Narver and Slater (1990:28) claims that the achievement of consistent superior performance of an organisation depends highly upon the ability of the firm to develop a sustainable competitive edge. Also, that marketing culture is the key organisational variable that most effectively and efficiently creates the essential behaviour for the development of superior value to customers. Taylor (1996: 187) supports this view that where jobs are designed and nurtured as internal products and are developed not just on the basis of operational considerations

but also from the customer's standpoint, retention dividends are an achievable and worthwhile target. Innovation and creativity are important variables in the development of employees.

In developing employees and enhancing the extent to which they are customer-focused, research highlights the fact that employees have to be treated as an important and integral part of the organisation. Employees need to be offered a working environment and atmosphere where the organisation is sensitive about their feelings and where there is an opportunity for employees to gain access to management time and thinking (Appiah-Adu *et al.*, 2000:106).

According to Ahmed and Rafiq (2002:159), internal marketing helps organisations to approach innovation as an "open" system, whereby innovation participants are given control over initiatives and employees are entrusted to organise themselves effectively. To get innovation and creativity, companies must re-engage in the hearts and minds of employees. Without that, a great deal of creative potential in organisations will remain untapped. Organisations need to link to the needs of employees. An organisation that wants creative and committed employees has to nurture the relationships that make business work through an understanding of the needs of employees (Ahmed & Rafiq, 2002:163).

The sharing of information with all employees, empowerment, innovation, creativity, a general understanding and acceptance of the company vision, mission, objectives, along with the effective training and motivation of employees play an important role in the sustainable development of internal marketing and a marketing culture of the organisation.

- **Quality**

Zeithaml and Bitner (1996:117) define service quality as the delivery of excellent or superior service relative to customers' expectations. In the internal marketing context, it can be said that the organisation will meet or exceed the expectations of the employee with reference to his job and work environment (internal products) and that service delivery among different departments must contribute to the employees' experience of the internal product.

Quality is the way in which the needs of customers are satisfied. Quality service delivery must form part of every aspect of the organisation and be delivered to internal and external customers (Nickels & Burk-Wood, 1997:259). Internal quality can be seen as employees conforming with specific requirements and external quality as the way customers experience quality (Payne, 1995:217).

Ahmed and Rafiq (2002:5) argue that the attraction, retention and motivation of high-quality employees is especially critical in situations where the quality of the service is the only real differentiating factor between competitors. It occurs frequently in service environments where customers are highly demanding of employees, together with employees who in turn hold high expectations from their jobs (internal products) as sources of self-actualisation and self-development.

Internal marketing is the way in which the objectives of the organisation are met by treating every employee as a customer and a supplier. The final output of an organisation is always the product of operations and processes performed by employees. A principal purpose of internal marketing is to ensure that the final outputs of the organisation are of suitably high, external customer-satisfying quality (Buttle, 1996:4). It is therefore important that each operation in the organisation must be performed to high standards to ensure excellent quality delivery.

Surviving in the new world of intense competition, organisations have to establish strategies to cope with changes in the environment. Organisations require capabilities and competencies built on sound foundations to survive. The total quality management approach (TQM) has become part of the fabric for organisational competence and can be seen as an organisational value (Ahmed & Rafiq, 2002:92). TQM comprises of a set of quality principles and values that serve to build an organisational structure that supports effective quality improvement initiatives.

Internal marketing generates involvement and commitment to quality, involvement with all employees, resources, systems, equipment and information. According to Ahmed and Rafiq (2002:113), one aim of internal marketing is to assess and help put in place processes to improve effort toward quality and meet customers' requirements and needs. Combining TQM with marketing through internal marketing can lead to optimal co-ordination and integration of operations, activities and efforts for aligned strategy implementation. Combined, these three lead to integration between quality, employee loyalty, productivity and profits. When internal marketing, TQM and marketing are used together, it can result in greater customer satisfaction and allow the organisation to sustain a competitive advantage.

- **Self-image, empathy and loyalty**

“Loyalty shapes people’s choices not only about where to work, but also about how long, hard and wholeheartedly to apply their mental energies – the fuel that drives the new economy” (Durkin, 2005:29). Satisfaction with and involvement of the employee in his work environment will lead to higher loyalty. Higher loyalty results in greater commitment to the organisation. This translates into enhanced job performance, which enables improved customer service.

Involvement and commitment consist of three elements: acceptance of the values and goals of the organisation, willingness to put more effort into the organisation and a strong desire to stay with the organisation (Varey & Lewis, 2000:215). Durkin (2005:43) argues that loyalty is not something that can be imposed, but is the responsibility of the organisation to create an internal atmosphere or culture in which employee loyalty can grow.

Self-image is a combination of self-confidence and self-respect. Self-confidence is the belief in yourself that you will achieve your objectives and self-respect is the way you see and value yourself. According to Otto (2004:80), a good self-image is the basis for a successful personal and professional life. Employees with a good self-image are more future-oriented, handle emotions better, are able to receive and give assistance and accept other employees' strengths and weaknesses (Lamb *et al.* (2005:90).

Employees who feel good about themselves will be able to treat customers and colleagues with respect and empathy. Empathy will manifest in the way employees' and customers' needs are anticipated and how they are treated. Lamb *et al.* (2005:207) explain that empathy relates to the customer's desire for caring and individualised attention. According to Luthans (2002:80), empathy is the ability to put oneself in another's place and see things from that person's point of view. Empathy is an important way to deal with more subtle problems because it helps the manager to understand the diverse employee's point of view. Maister (2003:120) sees empathy: "As the ability to enter the world and see it through my eyes."

Employees that are treated as unique individuals in an empathetic organisational culture will show more commitment and loyalty towards the organisation (Heil *et al.* (1999:206).

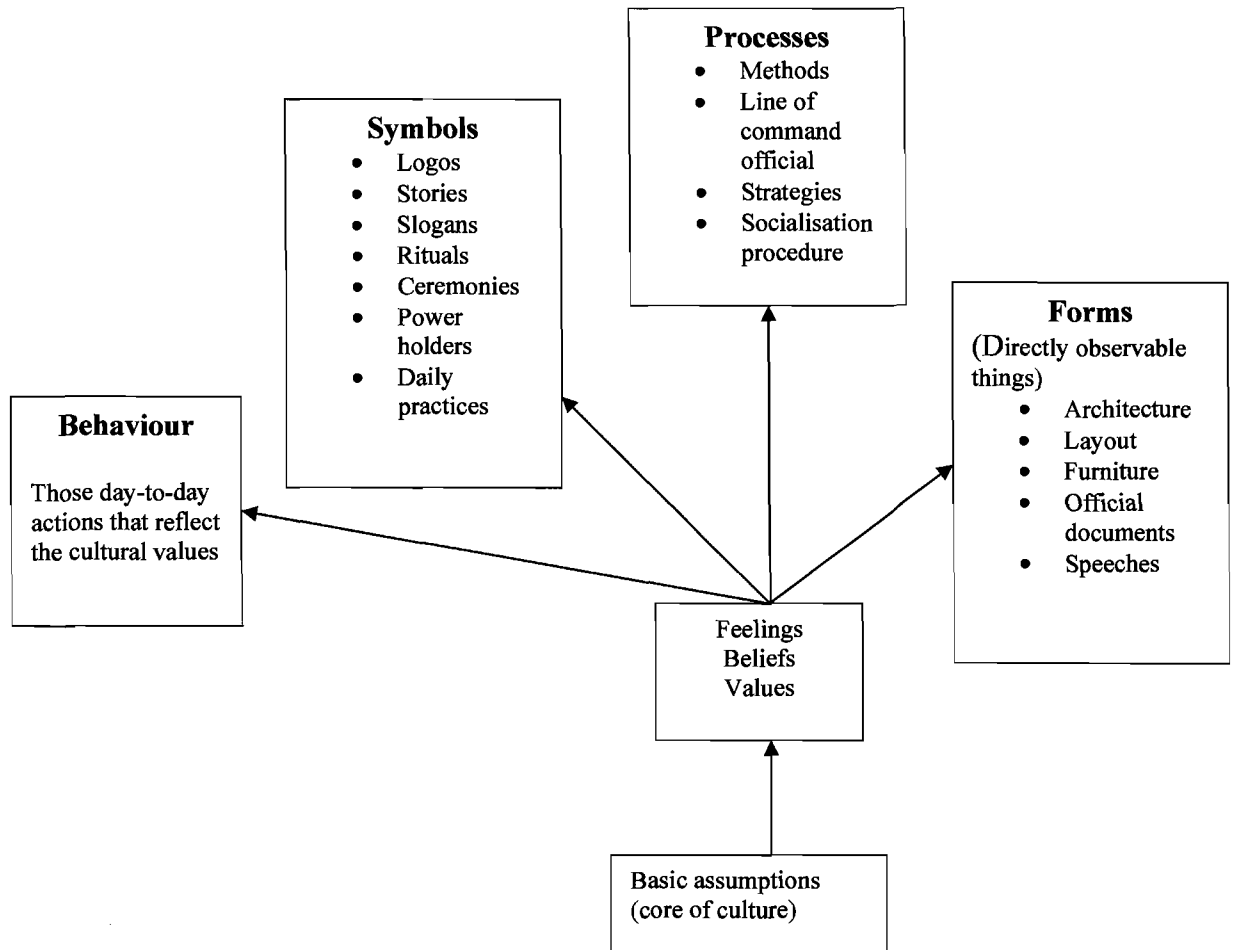
3.4.3.4 Internal culture

Strydom *et al.* (2000:500) define culture as the integrated pattern of human behaviour that includes thought, speech, action and artefacts and depends on man's capacity for learning and transmitting knowledge to succeeding generations. The internal culture of an organisation can be strong and cohesive if all employees know the objectives of the organisation and work towards those objectives. Corporate and internal culture is treated as synonymous.

"Organisational culture is the unique but common way of understanding, interpreting and responding to entities, events and outcomes, shared by a set of organisational members" (Veldsman, 2002:216).

Appiah-adu *et al.* (2000:98) see organisational culture as a pattern of shared values and beliefs that enable employees to understand the way an organisation functions and provide them with norms for behaviour in the organisation.

Figure 3.6: The three-layered view of organisational culture



Source: Adapted from Schultz, Bagraim, Potgieter, Viedge and Werner (2003:23).

Schultz *et al.* (2003:22) explain organisational culture with reference to a three-layered view of organisational culture in Figure 3.6. Culture is seen as a three-layered entity, consisting of:

- Basic assumptions that people in an organisation hold.
- These give rise to shared feelings, beliefs and values, and;

- this is manifested in symbols, processes, forms and some aspects of group behaviour.

Definitions of culture vary and include ideology, a coherent set of beliefs, shared core values, important understandings, or the “collective programming of the human mind” (Hofstede, 1980:25). Varey and Lewis (2000:113) see the strategic values of an organisation as the rationale for the viability of an organisation and link the organisation to its environment. These values are reflected in the prevailing culture within the organisation. Organisations are collections of people and the culture of an organisation is dependent on how the employees view the organisation and its goals.

Strydom *et al.* (2000:501) state that in order to let the culture work for the organisation, the elements of a strong culture needs to be understood. They identify the following elements of internal culture:

- Business environment – The environment in which an organisation operates, determines what is must do to be successful.
- Shared values – Values need to be shared by everyone in the organisation to be reinforced and accepted.
- Norms – To create a beneficial culture, norms or standards of behaviour that influence decisions and actions throughout the organisation must be developed. Management must set the example for employees who must be encouraged to adhere to these norms and standards;
- Heroes – These people personify the culture’s values and provide tangible role models for employees to follow.
- Rites and rituals –These are the systematic and programmed routines of day-to-day life in the organisation. It shows employees the kind of behaviour that is expected of them and can be used to create loyalty among employees.

- **Cultural network** – This network is the carrier of corporate values and heroic mythology.

A strong internal culture enables employees to feel better about what they do, and they are therefore most likely to work harder. This leads to a happy and satisfied workforce, which is part of the internal product. Internal marketing involves attracting, motivating and keeping qualified employees (internal customers) by designing jobs (internal products) that satisfy employees' needs. An internal culture needs to be instilled in employees and will motivate them to work to the best of their abilities (Strydom *et al.*, 2000:500).

Bowen (1997:340) views an internal marketing programme as flowing from an internal service culture. An external service marketing programme will not succeed if its organisational culture does not support a service-oriented culture.

3.4.5 Employee support service

An important application of internal marketing is the development and delivery of employee support services (Davis, 1996:72). According to Otto (2004:103), employee support services are part of the internal product and are important contributors to productivity and employee satisfaction. Buttle (1996:57) sees the importance of internal support activities and operations as the core to customer satisfaction. The quality of internal service will contribute to the way customer service is delivered.

3.4.6 Employee remuneration

Remuneration is what employees receive in return for their services. It is determined by their willingness to stay on with the organisation and can also determine their loyalty to the organisation (Nieman & Bennett, 2006:253). Marx *et*

al. (1998:492) see remuneration packages are one of the major sources of dissatisfaction, which can influence the employee as well as the organisation.

According to Nieman and Bennett (2006:254) the remuneration system must meet the following requirements:

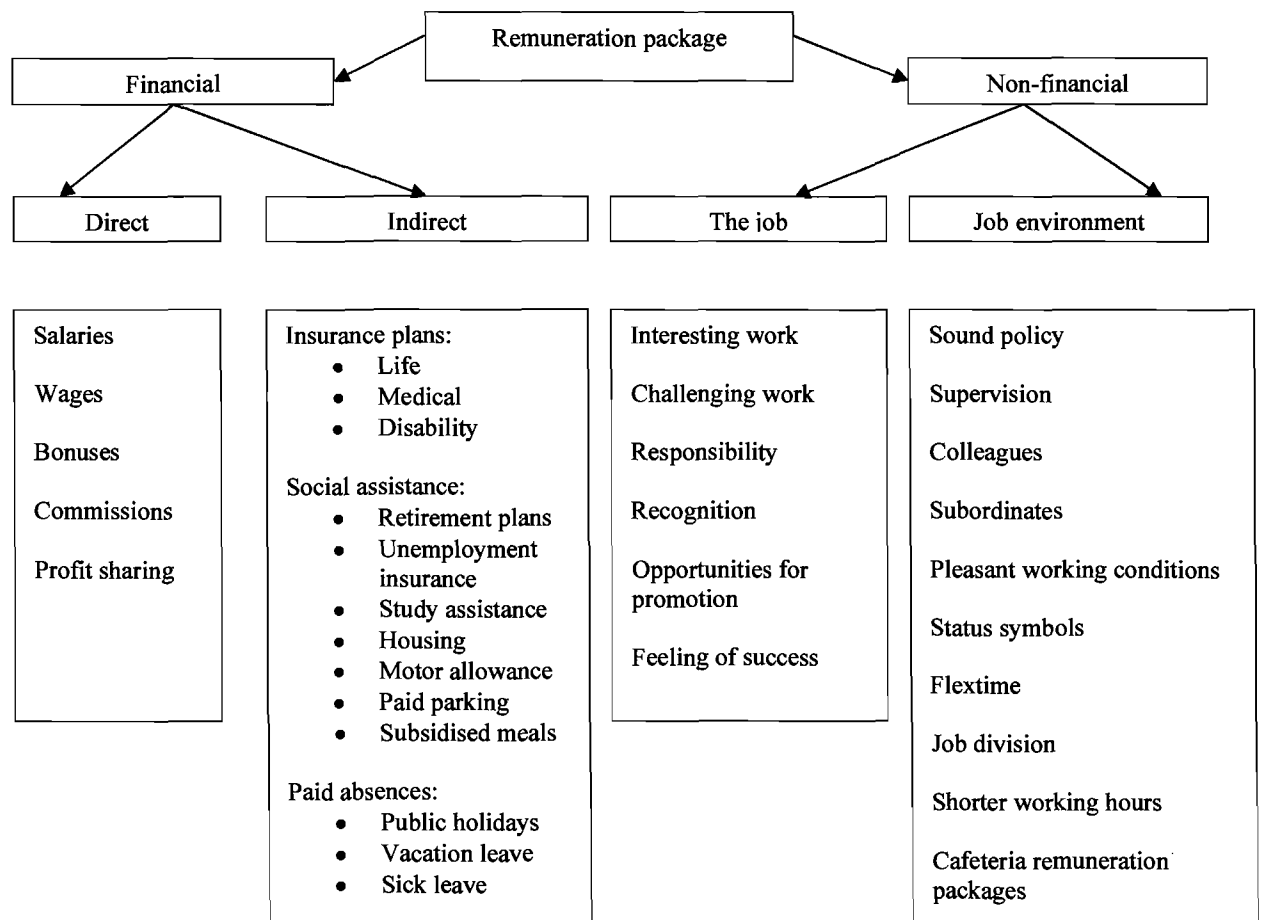
- The employee should be aware of the remuneration and it must be worthwhile to them.
- The employees must know exactly what is required of them to receive remuneration.
- The employees must know that they are capable of performing as required for the remuneration.
- There must be a direct relation between the remuneration and the required behaviour.
- The employees must be assured that they will be evaluated correctly and fairly by third parties.
- It must be possible to adjust the remuneration upward to make provision for increases in the cost of living.
- The employees must understand how their remuneration is determined.

According to Marx *et al.* (1998:492), the remuneration package consists of a financial (extrinsic) and a non-financial (intrinsic) component. The more needy the employee, the more important the financial component in enabling him to satisfy basic needs. The non-financial aspects are more important to the

prosperous employee, who will value aspects such as more leisure time and a pleasant work environment.

The composition of the employees' remuneration package as seen by Marx *et al.* (1998:493) is illustrated in Figure 3.7.

Figure 3.7: Composition of employees' remuneration package



Source: Marx *et al.* (1998:493).

The remuneration system of an organisation is part of the internal product elements that need to be marketed to employees of the organisation.

3.4.7 Leadership style

Strydom *et al.* (2000:490) see leadership as the driving force within an organisation and as an integral part of the implementation of internal and external strategies. According to Gellerman (1994:14), leadership can be seen as the expectance from managers to have a positive personal influence on job performance of the people who report directly to them. Nieman and Bennett (2006:99) define leadership as the process by which employees are influenced to perform in a specific way to achieve organisational objectives. Effective leaders will focus on communication and motivation to influence employees.

According to Davis (2001:121), limited attention has been paid to how differences in management style and behaviour affect internal marketing. Different styles of management will produce different internal marketing results.

“The way I see it, leadership does not begin with power but rather with a compelling vision or goal of excellence” (Smith, 2005:139).

Gellerman (1994:14) argues that effective leaders share the following characteristics that will contribute to motivate employees:

- Effective leaders develop their employees – When employees do not feel equal to their task, the leader will help build their self-confidence and show them how to succeed, praise their progress and demonstrate confidence in their abilities.
- Effective leaders communicate clearly – When employees have incomplete or incorrect information the leader should clarify the information for them.
- Effective leaders appreciate their employees' work – They never take work for granted, such as when employees do what is expected of them,

specifically in difficult situations. The leader must show that he is aware of the difficult situation and that it is appreciated.

- Effective leaders set appropriate limits – They will discipline employees when necessary, but appropriately.
- Effective leaders do not interfere – When employees are reliable, self-motivated and self-disciplined, leaders will not impose unnecessary leadership on them. Leaders will assist if necessary but will not interfere unless asked for help.

Boella and Goss-Turner (2006:33) emphasise that the style of leadership is important in an organisation because it determines to a large extent whether employees obtain satisfaction from their jobs and whether managers will achieve their organisational objectives. Three types of leaders can be distinguished:

- The authoritarian style manages by issuing orders and instructions, leaving little opportunity for discussion.
- According to the democratic style, leaders recognise that they are not only leading but are also part of a team and that it requires employees to be involved in decisions through discussions and explanations.
- The *laissez-faire* style abdicates responsibility, leaving employees to face problems that are more the manager's. Employees are left to face complaints from customers without the authority to handle and rectify the complaints.

By means of these different leadership styles, Boella and Goss-Turner (2006:33) illustrate that there are different ways of managing as well as complex relationships between individuals, the task and the environment.

The different styles of leadership can be seen as part of the internal product, because it evokes a response from the employees and the way they practise customer service delivery.

4. CONCLUSION

Internal marketing can be seen as holistic - it plays a role in all the functions and operations of the organisation. It requires a total managerial approach for co-ordination and integration. Internal marketing can be used to create a general shared, clearly understood message for the entire organisation and it in systems, processes, and structures to get the sharing actions enacted (Ahmed & Rafiq, 2002:209).

Grönroos (1990:68) differentiates between tactical and strategic approaches to internal marketing. At the tactical level, internal marketing may include ongoing training, encouragement of formal and informal communication and internal market segmentation. At the strategic level, internal marketing includes the adoption of supportive management styles and personnel policies, customer service training and marketing planning procedures. This approach can be seen as a holistic approach to internal marketing.

Vary and Lewis (2000:199) view internal marketing as a holistic marketing strategy that focuses on developing customer-conscious employees.

The internal product offered to employees must be in the form of value for employees through their role in the organisation. This includes developing a variety of sources from which employees can derive personal value and these in turn include financial, psychological and psychic variables.

Berry and Parasuraman (1991:171) state that organisations that practise internal marketing effectively will:

- Compete aggressively for talent.
- Offer a vision that brings purpose and meaning to the workplace.

- Equip people with the skills and knowledge to perform their roles excellently.
- Bring people together to benefit from the fruits of team play.
- Leverage the freedom factor.
- Nurture achievement through measurement and rewards.
- Base job decisions on research.

Based on the discussion of the internal product we can conclude that an organisation can only be as good as its employees and these employees need to be managed by means of an internal marketing strategy. The next element of the internal marketing mix that will be discussed in the next chapter is the internal price element.

CHAPTER 4

INTERNAL PRICE

4.1 INTRODUCTION

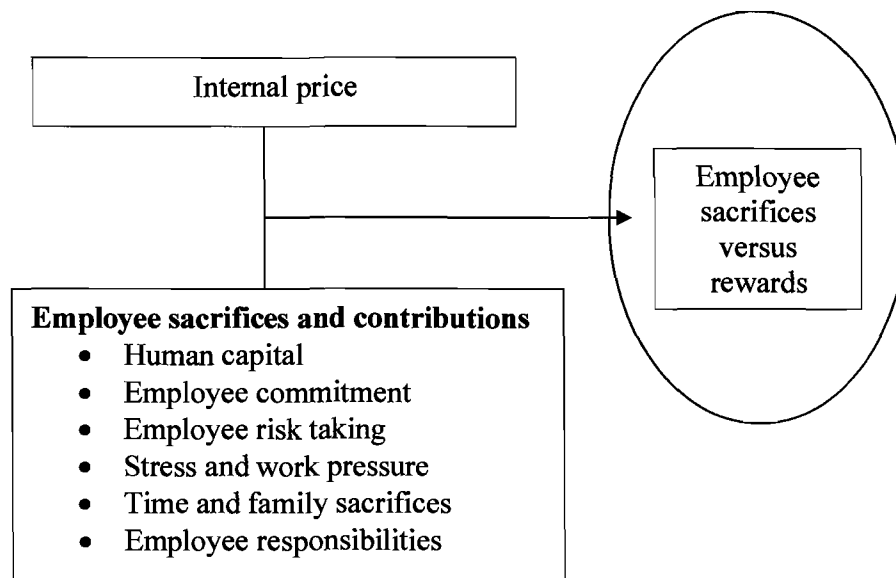
Price is a key element of the marketing mix; it must be acceptable to the employee and must reflect the other elements of the internal marketing mix. The price element of the internal marketing mix is concerned with what the organisation is asking their internal customers to “pay” when they buy into the internal product (the job) and the internal marketing plan (Piercy & Morgan, 1991:82). Thomson and Hecker in (Varey & Lewis, 2000:160) explain that just like external customers, employees have “buying” decisions to make. Employees have to decide whether they are going to buy-in on an organisation’s objective or initiative, whether to take ownership of the vision of the organisation, if they have to try to achieve organisational goals and to make a valuable contribution, or to live up to its collective values.

Due to the nature of the internal market, internal price is perhaps the most difficult element of the internal marketing mix to explain. Hughes (2005:28) uses humour to highlight the complexity of the price element: “Some marketing “Ps” are more equal than others. If the Ps were at a party, Positioning would be the life and soul surrounded by advertising and media types, Product would be earnestly talking business with Place, and Price would be looking lost, hoping for a conversation to join.”

The term human capital is applicable here and the issue of building and investing in an organisation’s human capital can be said to be part of the internal price element. The internal price element will be discussed in this chapter with

reference to human capital by looking at employee sacrifices and contributions as shown in Figure 4.1. The components of internal price, namely employee commitment, employee risks, stress and work pressure, time and family sacrifices and employee responsibilities will be explained.

Figure 4.1: Internal price



Source: Adapted from Otto (2004:127).

4.2 DESCRIPTION OF INTERNAL PRICE

Internal price refers to the unattractiveness of a job when an employee has to deal with for example aggressive and unpleasant customers (Varey & Lewis, 2000:240). According to Flipo (1986:12), this represents a psychological cost, which is assimilated in the price to be paid, considered from a marketing point of view. Ahmed and Rafiq (2002:28) support this view with the following explanation of price: "Price can refer to the psychological cost of adapting to new methods of working, projects that have to be foregone in order to carry out new policies (i.e. the opportunity costs) or to transfer pricing and expense allocation between departments." Opportunity costs are the cost of undertaking new practices. Davis

(2001:124) underlines this view and argues that price deals with the price or cost of internal programmes (both financial and human).

Lumsdon (1997:153) sees price in the marketing mix context as the amount of money consumers pay for the exchange of benefits of having or using an offering. Lamb *et al.* (2005:381) define price as that which is given up in an exchange to acquire a good or service. He explains further that price is usually the money exchanged for the good or service, but that price can relate to anything with perceived value, not just money.

According to Piercy and Morgan (1991:85), internal price can be seen as the psychological cost of adopting different key values and changing the way jobs are done. Piercy and Morgan (1991:85) conclude their discussion on internal price with a warning that if the marketing plan were to be implemented successfully, the internal price to be paid by different parts of the internal market place can be a major source of barriers and obstacles if they were ignored. Jordaan and Prinsloo (2004:135) argue that many service organisations do not understand the value of their employees. They are paid minimum wages with insufficient additional salary benefits and poor job specifications. The internal price that the employee has to pay must therefore be of value to the employee. This will affect the satisfaction levels of the employee, which will affect his/her level of productivity as well as retention rate, which all impact on service delivery and finally contribute to the profit levels of the organisation (Jordaan & Prinsloo, 2004:131).

Competition is not limited to the external market place (Thomson & Hecker in Varey & Lewis, 2000:160). The influence of competition with reference to what other organisations offer their employees has to be considered when the fairness of the internal price is judged. Pitt (2000:115) argues that the quality of the internal product, the need satisfaction and the sustainability of marketing the internal product need to be considered.

These definitions of external price as seen as an element in the external marketing mix can be used as a basis to define internal price. Based on the above discussions, internal price can be seen as the value attached to what the employee receives and it must correspond with the employee's perception of value. If the price that the employee has to pay (what he has to sacrifice), is too high in relation to the value the employee receives, the employee will not make the necessary sacrifices. The employee will then not pay the internal price, which will be reflected in the commitment of the employee to the job to accept new policies and marketing strategies and to adapt to a new way of doing things.

4.3 EMPLOYEE SACRIFICES AND CONTRIBUTIONS

The internal price that employees have to pay for the internal product consists of the commitment of the employee to the organisation; the risks that the employee is willing to take on behalf of the organisation, stress, responsibilities and sacrifices that the employee is willing to make. The management of the human capital of the organisation that affects these issues is therefore very important. Organisational commitment and employee commitment are treated as synonyms. The term employee commitment will be used, because it reflects the commitment of the employee to the organisation.

4.3.1 Human/intellectual capital

The employees in an organisation reflect the investment not only in money, but also of the time dedicated to developing and executing programmes. Phillips (2005:1) argues that there is no consistent definition of human capital, but a consistent theme is that human capital represents the relationship between what organisations invest in employees and the emerging success. Schermhorn (2002:5) sees employees as the ultimate foundations of organisational performance and argues that employees represent the intellectual capital of the

organisation. Intellectual capital is defined as the collective brainpower or shared knowledge of a workforce that are used to create value to the organisation (Schermhorn, 2002:5).

4.3.2 Employee commitment

Employee commitment is an affective attachment to, identification with and involvement in an organisation (Hartline & Bejou, 2004:31). According to Covey (2004:143), there is no commitment without involvement. Employees need to be involved in for example developing the organisational mission statement and objectives. This involvement will create unity and commitment.

Involvement and commitment of the employee are obtained through the creation of "ownership" of the responsibility for quality service delivery within and outside the organisation. If employees feel that the organisation does not fulfil its obligation as an employer to the internal market, they may decrease their commitment to the organisation (Dunne & Barnes, 2000:208). When an organisation responds to the needs of the employee and facilitates the internal processes with appropriate training and resources, the levels of employee satisfaction, fulfilment, motivation, commitment and loyalty increase.

Employee commitment can be seen as a conscious affirmation of loyalty to something or somebody. Riley (2001:57) defines commitment by looking at the behaviour that is likely to be found in an employee who is specifically committed to an organisation. Aspects such as punctuality, reliability and co-operativeness are part of commitment, while deeper aspects may be described as follows:

- An emotional attachment to the aims and values of the organisation - This attachment is often expressed through pride in the name of the company;
- a willingness that goes beyond normative expectations; and
- being prepared to push instrumentality into the background.

Luthans (2002:235) agrees with Riley (2001:57) when he defines employee commitment as:

- A strong desire to remain a member of a particular organisation;
- a willingness to exert high levels of effort on behalf of the organisation; and
- a definite belief in and acceptance of the values and goals of the organisation.

Buttle (1996:8) views commitment and trust as interrelated and argues that commitment and trust are keys in developing successful relationships. With reference to Buttle (1996:8), commitment and trust can be applied to the internal market of the organisation and can be seen as encouraging the organisation to:

- Work at preserving relationship investments by co-operating with employees;
- resist attractive short-term alternatives in favour of expected long-term benefits of staying with existing employees; and
- view potentially high-risk actions as being prudent because of the belief that their employees will not act opportunistically.

When commitment and trust are present, they produce outcomes that promote efficiency, productivity and effectiveness (Buttle, 1996:9). Morgan and Hunt (1994:28) describe commitment as an enduring desire to maintain a relationship and trust as the confidence that one person has in the other's reliability and integrity. Buttle (1996:9) explains that confidence is associated with the consistency, competence, honesty, fairness, willingness to make sacrifices, responsibility, helpfulness and benevolence. Applied to internal marketing it demonstrates that the commitment of the employee to the organisation is dependent on the trust the employee puts in the organisation.

Robbins and Judge (2007:80) indicate that commitment is the third job attitude, the other two being job satisfaction and job involvement. Job satisfaction is a positive feeling about one's job resulting from an evaluation of its characteristics while job involvement is the degree to which a person identifies with a job, actively participates in it and considers performance important to self-worth (Robbins & Judge, 2007:79). Job involvement measures the degree to which people identify psychologically with their jobs. Employees with high level of job involvement (if the value on the internal price is worth it) strongly identify with and really care about their jobs.

According to Robbins and Judge (2007:80) employee/organisational commitment is a state in which an employee identifies with an organisation and its goals and wishes to stay an employee of the organisation. Three dimensions can be distinguished:

- Affective commitment – an emotional attachment to, identification with and involvement in the organisation and a belief in its values;
- continuance commitment – the perceived economic value of remaining with an organisation compared to leaving it – the costs that the employee associates with leaving the organisation;
- normative commitment – an obligation to remain with the organisation for moral or ethical reasons;

Robbins and Judge (2007:82) continue their discussion on job attitudes and add two other job attitudes that will affect employee commitment:

- Perceived organisational support is the price that the employee has to pay has to be worth it compared to the support that the employee receives from the organisation. It is the degree to which employees believe that the organisation values their contribution and cares about their well-being.

- Employee engagement entails the involvement, satisfaction and enthusiasm of the employee with and for the work they do (Luthans, 2002:513).

The following quotation from ADL Associates (2002:235) shows the importance of employee commitment as the major challenge in the 21st century: "Today's workplace is enveloped by the fear of downsizing, loss of job security, overwhelming change in technology and the stress of having to do more with less managers need to establish the type of caring, spirited workplace that will ignite employee commitment."

Dessler (1999:65) suggests the following guidelines to implement a management system that can contribute to the commitment of the employee to the organisation:

- Commit to people-first values;
- clarify and communicate your mission;
- guarantee organisational justice;
- create a sense of community;
- support employee development.

According to Otto (2004:131) and the previous discussion, the advantages of employee commitment can be summarised as more involvement with the organisation, positive and innovative contributions, loyalty of customers and skills development. Commitment as seen from the perspective of the employee can contribute to a dynamic and participative internal culture, skills, and career development. Employee commitment, however, can put pressure on the employee to perform better and make positive contributions to the organisation. This can be seen as the internal price that the employee has to pay for the internal product of the organisation (Otto, 2004:131).

4.3.3 Employee risk taking

Kotler (2000:182) explains that a customer's decision to modify, postpone or avoid a purchase decision is heavily influenced by perceived risk. The amount of perceived risk varies with the amount of money at stake, the amount of attribute uncertainty and the amount of consumer self-confidence. Applied to the employee, it can be said that risk taking is also an element of internal price. The employee's willingness to take a risk is also the price that is paid for the internal product (Otto, 2004:132). Organisations must understand the areas that contribute to a feeling of risk in employees, provide information, and devise strategies to reduce the perceived risk. Risk taking can produce employee stress because risk taking involves giving up security and stability (Drucker, 1999:25).

Robbins and Judge (2007:116) argue that people differ in their willingness to take risks. The personality of the employee plays an important role in the acceptance of risk taking. Williams (2002:89) agrees and explains that not everyone perceives risk in the same way. Risk leads to anxiety, the employee will look for ways to reduce anxiety, and one way will be reliance on the organisation.

Organisations that have an entrepreneurial culture will also be more inclined to take risks and will support creativity and innovation. Entrepreneurial attitudes, acceptance of responsibility, development of creativity and innovation form part of risk taking which is part of employee sacrifices and the internal price element.

4.3.3.1 Entrepreneurial attitude, innovation and creativity

Marx *et al.* (1998:698) define an entrepreneur as: "An individual who constantly searches for economic opportunities in the market and who utilizes them in an innovative way to increase prosperity by combining and managing the necessary resources, of which a substantial part is usually contributed personally within a specific enterprise."

The definition of Kroon (2000:2) that entrepreneurship implies acting innovatively and those risks are taken with the aim of self-actualisation and realisation of profits of the organisations is of importance to internal marketing and the internal price that employees have to pay to reach their full potential and contribute to the profit of the organisation.

Creativity, planning, self-motivation and financial risk taking are important aspects when defining an entrepreneur. According to Otto (2004:133), organisations need to equip their employees to act entrepreneurial by developing managerial skills, product and service knowledge and other personal skills like self-motivation and communication skills.

The entrepreneurial process is coupled with risk because there are no guarantees for success. Marx *et al.* (1998:703) describe the following characteristics of an entrepreneur. If the organisation operates in an entrepreneurial culture, it will be important to look for these characteristics even in the recruitment phase:

- Driving force and energy – the entrepreneur will be prepared to work long hours, because he has a high level of achievement motivation.
- Internal locus of control – entrepreneurs control their own lives, they practise achievement, motivation behaviour and take personal responsibility for their decisions.
- Calculated risk – the entrepreneur believes that there is less risk attached in doing something than not doing anything at all.
- Coping with ambiguity, stress and uncertainty – successful entrepreneurs have the ability to cope with uncertainties. The working environment of the entrepreneur is usually stressful.
- Coping with failure – failure is normally seen as an experience that will promote learning to use in the future.

- Self-confidence – they have a strong belief in themselves and believe that they determine events happening in their lives.
- Long-term involvement – success is achieved by long-term goals.
- Taking initiative and accepting responsibility – they prefer to take initiative and accept that they are responsible for success or failure.
- Continuous resolving of problems – they want to conclude tasks and resolve problems.
- Action according to self-set standards – they have the need to perform exceptionally well according to their own standards.
- The need for and the utilisation of feedback – they need feedback to use in future.
- Use of resources – they allow other experienced people to contribute to their objectives.

According to Hisrich and Peters (1998:9), all the definitions of entrepreneurship agree that entrepreneurship include a specific kind of behaviour such as taking initiative, organising and reorganise social and economic mechanisms to turn resources and situations to practical account and accepting risk or failure. Hisrich and Peters (1998:9) therefore define entrepreneurship as the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying of financial, psychological and social risks and receiving the resulting rewards of monetary and personal satisfaction and independence. Intrapreneurship is closely related to entrepreneurship, but is of even more relevance in an internal marketing context. Kroon (1995:408) sees an intrapreneur as the employee who creates and implements new possibilities, directions, products and services within the boundaries of the organisation.

Organisations with an entrepreneurial culture will always involve risk taking, innovation and creativity. The employees of the entrepreneurial organisation will have to accept responsibility for their behaviour and show commitment in all their actions to the organisation.

The acceptance of responsibility is part of the internal price that employees have to pay. The acceptance of responsibility and risk taking is interrelated. The acceptance of risk taking implies more responsibility, which can be seen as an employee sacrifice and the internal price to be paid. Employees that are motivated, loyal and committed to innovative, entrepreneurial behaviour will be more productive and will achieve higher profit margins (Otto, 2004:135).

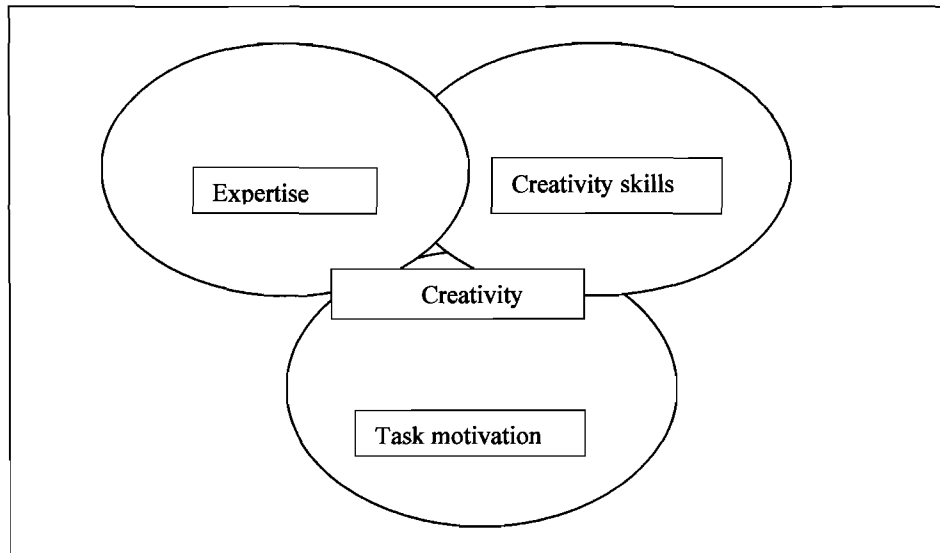
Heil *et al.* (1999:109) suggest a reward system for employees to value their innovative and creative behaviour. A reward system will support employees to take risks and act creatively and this will lower the internal price that the employee has to pay. Although reward systems will lower the pressure on the employee, risk taking is still part of the internal price that the employee has to pay (Otto, 2004:135).

Luthans (2002:254) explain that willingness to take risks can be seen as a dimension of creativity and innovation. Robbins and Judge (2007:159) define creativity as the ability to produce novel and useful ideas. These ideas are different from what has been done before, but are also appropriate to the problem or the opportunity. Creative people display the following characteristics:

- Intelligence;
- openness to new experiences;
- independence;
- self-confidence;
- risk taking;
- an internal locus of control;
- tolerance for ambiguity;
- perseverance in the face of frustration.

Figure 4.2 illustrates the different components of creativity.

Figure 4.2: The three components of creativity



Source: Robbins and Judge (2007:159).

Robbins and Judge (2007:159) argue that most people have the capacity to be at least somewhat creative and that organisations can use the three-component model of creativity to stimulate the creativity of employees. Robbins and Judge (2007:159) explain that this model suggests that individual creativity essentially requires expertise, creative thinking skills and intrinsic task motivation. The higher the level of each of these components, the higher the creativity. The components can be explained as follows:

- Expertise is the basis for creative work.
- Creative thinking skills are the personality characteristics associated with creativity, the ability to use analogies and the talent to see things differently.
- Intrinsic task motivation is the desire to work on something because it is interesting, involving, exciting, satisfying or personally challenging. It turns creativity potential into actual creative ideas.

Work environments can have an important influence on intrinsic motivation. From the discussion it can be deduced that an employee will be willing to pay a higher internal price (sacrifice more) in an environment that fosters the following:

- A culture that encourages the flow of ideas;
- fair and constructive judgement of ideas;
- rewards and recognition for creative work;
- sufficient financial, material and information resources;
- freedom to decide what work is to be done and how to do it;
- a supervisor who communicates effectively, shows confidence in others and supports the work group; and
- work group members who support and trust each other.

According to Marx *et al.* (1998:699), innovation is very important in determining if an organisation is acting on an entrepreneurial level. Innovation takes place when any new methods, procedures, products or services are brought to the market. Innovation in an internal marketing context can therefore be seen as any new methods or procedures developed within the organisation that require an additional effort (the price that has to be paid) from the employee.

Although the creation of new jobs in the internal market will create opportunities for the employees, it will also come at a price. Risk and risk taking are therefore necessary ingredients of the innovation process (Adcock, Bradfield, Halborg & Ross, 1995:313). According to Marx *et al.* (1998:705), creative as well as innovative behaviour is a very important aspect of entrepreneurial behaviour. Job satisfaction that is based on the opportunity to operate creatively and innovatively is important in the entrepreneurial organisation culture.

Organisations need to be creative and innovative to survive in today's competitive environment (Law, 1999:118). According to Otto (2004:137), the full potential and initiative of employees must be developed to ensure the growth of

the organisation. Employees need to be encouraged to take risks and act in a creative and innovative way. They need to feel secure that the internal price that they have to pay to act innovatively and creatively offers enough value to them.

Strydom *et al.* (2000:430) stress that price is the value that one puts on the utility one receives from products and services. The utility received can be any combination of form, time, place and possession utility – price is anything of value that is exchanged for something else. In the internal marketing context, it is therefore important that the employee must value the internal product to be willing to pay the internal price.

4.3.4 Stress and work pressure

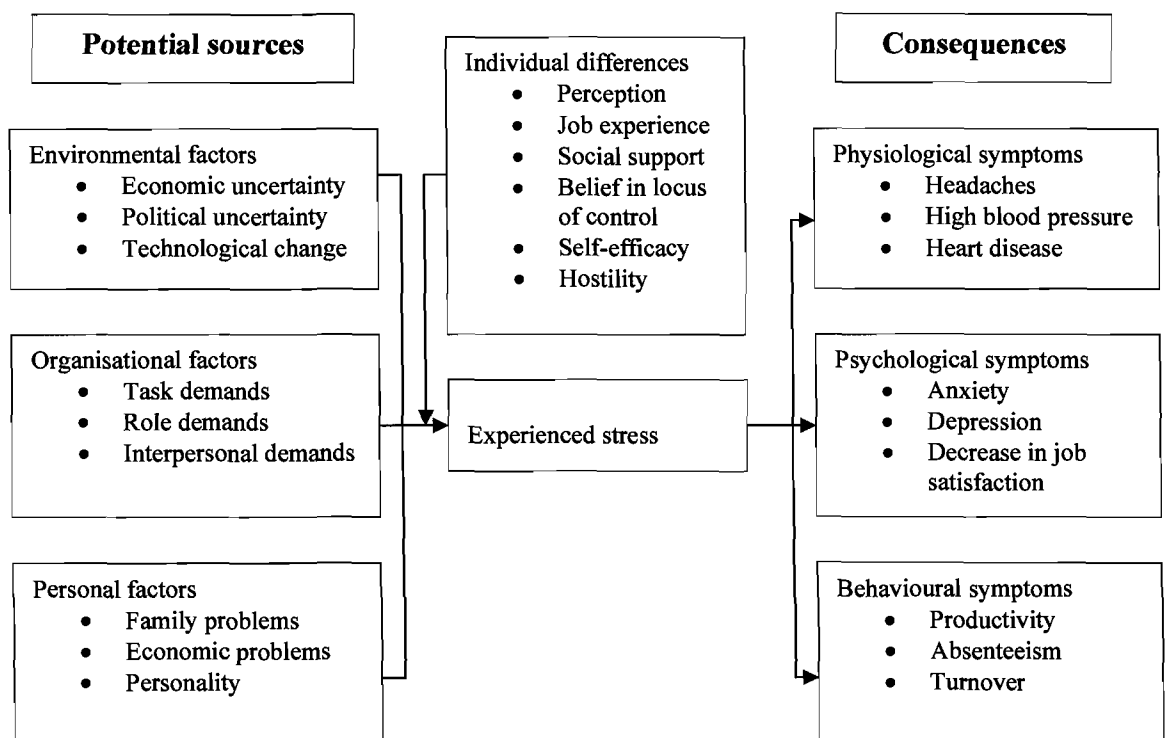
According to Robbins and Judge (2007:665), employee stress is an increasing problem in organisations. They define stress as follows: “Stress is a dynamic condition in which an individual is confronted with an opportunity, demand or resource related to what the individual desires and for which the outcome is perceived to be both uncertain and important.”

Kroon (1995:402) argues that stress originates from change and escalating conflict in the organisation. Stress is not necessarily bad and can have a positive motivating influence on the employee. It is an opportunity that offers potential and value to the employee. When employees see heavy workloads and deadlines as opportunities and positive challenges, it can enhance work quality and work satisfaction (Robbins & Judge, 2007:665). If the outcome of these stress situations were of more value to them than the sacrifices they have to make (the price they have to pay), they will be willing to manage their own stress situations positively. Robbins and Judge (2007:666) further argue that stress is associated with demands and resources. Demands are responsibilities, pressures, obligations and uncertainties that the employee has to face in the workplace.

Resource is things that the employee can control that can be used to resolve demands

Figure 4.3 shows a model of stress (Robbins & Judge, 2007:667) that identifies the potential sources and consequences of stress. The model identifies three sets of factors – environmental, organisational and personal – that act as potential sources of stress. Individual differences such as job experience and personality will determine whether these factors will become actual stress. Stress symptoms can manifest in physiological and psychological behaviour.

Figure 4.3: A model of stress



Source: Robbins and Judge (2007:667).

Robbins and Judge (2007:667) explain that the culture of the organisation will foster either challenge stress or hindrance stress. Challenge stress is stress

associated with challenges in the work environment (e.g. to have many projects, assignments and responsibilities). Hindrance stress is stress that keeps the employee from reaching his goals (e.g. office politics, red tape, confusion over job responsibilities). Nickson (2007:266) argues that when an employee feels unable to control work pressure, he/she will experience stress as “distress”, which leads to a decline in performance. Figure 4.3 shows some negative effects of stress for the employee and the organisation (Nickson, 2007:267). The implications for internal marketing is that when an employee feels that the price he has to pay is too high, it will lead to a decline in commitment and productivity.

Figure 4.4: Some negative effects of stress for the individual and the organisation

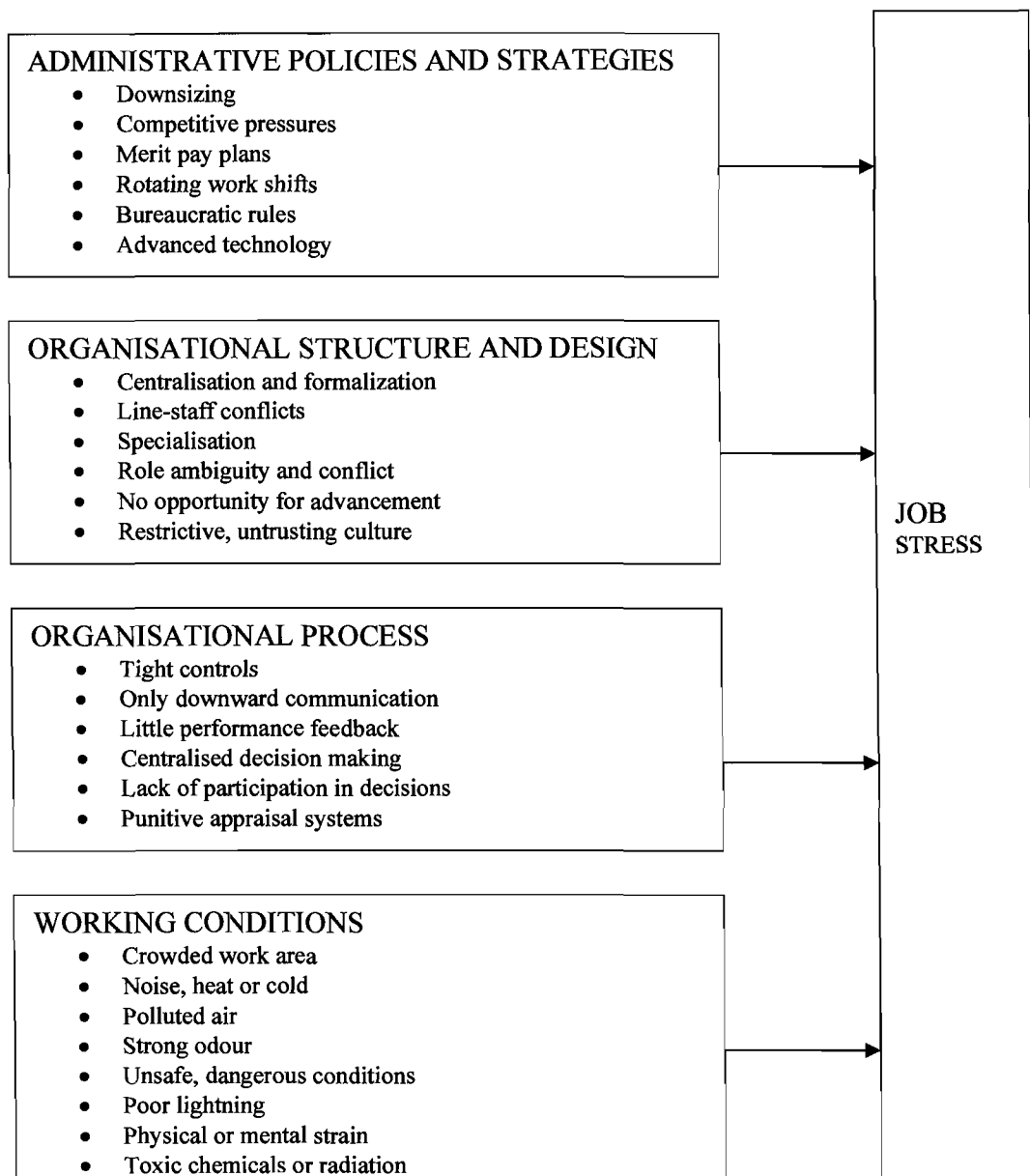
<u>Individual</u>	<u>Organisational</u>
<ul style="list-style-type: none"> • Anxiety • Alcohol abuse • Drug abuse • Job dissatisfaction • Panic attacks • Irritability • Low self-esteem • Disturbed sleeping patterns • Poor concentration • Frequent headaches • Gastric and intestinal problems • High blood pressure • Heart disease 	<ul style="list-style-type: none"> • Impaired job performance • Increased absenteeism • Decreased commitment and motivation • Higher accident rates • Lower productivity • Lower morale • Damaged reputation • Recruitment problems

Source: Adapted from Nickson (2007:267) and Robbins and Coulter (1996:441).

From figure 4.4 it can be deduced that the individual factors are the internal price that the employee pays when stress is negative and the organisational factors are what it will cost the organisation.

Luthans (2002:399) explains that besides the potential stressors that occur outside the organisation, there are also those associated with the organisation itself. Figure 4.5 shows macro-level dimensions that contain potential stressors that can influence the employee and the total productivity of the organisation.

Figure 4.5 Macro-level organisational stressors



Source: Luthans (2002:399).

Stress can have a positive or negative influence on the performance of an employee. Moderate levels of stress can motivate employees to perform their jobs better by increasing their work intensity, alertness and ability to react. High levels of stress will eventually influence job performance. If the employee does not feel valued or feels that the price to pay in return for the value he receives from the organisation is too high, he will become dissatisfied (Robbins & Judge, 2007:677). It is therefore important to manage relationships with and among employees and management to ensure that they do not experience that the internal price that they have to pay for the internal product (the job) is too high in relation to the value that they receive.

4.3.5 Time and family sacrifices

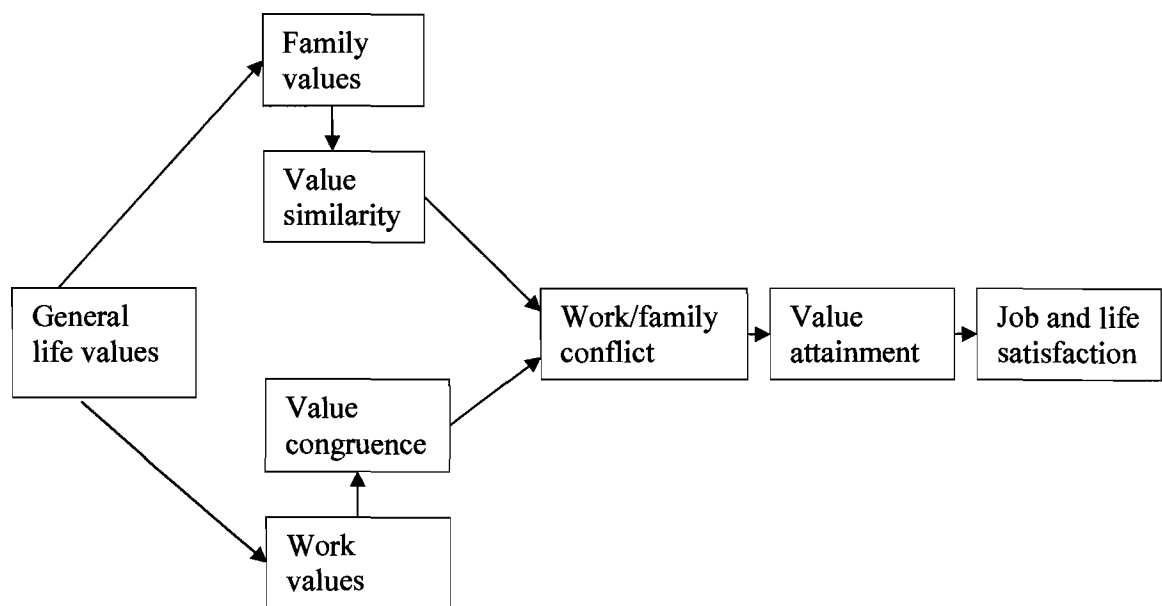
According to Otto (2004:142), the time and family sacrifices that the employee has to make to be able to support and implement the vision of the organisation are part of the internal price that the employee has to pay. The organisation commitment to understanding of the position and sacrifices of the employee are very important and need to be managed effectively. Kreitner and Kinicki (2004:192) argue that a complex web of demographic and economic factors make it very difficult for the employee to balance his job and personal and family life. In the internal marketing context it is therefore important that the organisation values the fact that the employee has to pay a high internal price with reference to time and family sacrifices in exchange for the value received from the organisation.

Employees are trying to balance work and family responsibilities. An important part of satisfying employees is helping them cope with their lives outside the office. As employees put a higher premium on family time, organisations are offering more flexible work schedules (Kotler, 2000:444).

Gerber, Nel and Van Dyk (1998:240) refer to the responsibility of the organisation to understand the value of the employee's family relationships and explain the principle with reference to the International Labour Organisation's Conventions and Regulations. The principle determines that all possible steps should to be taken to enable employees to meet their responsibilities without affecting their free choice of work, conditions of service or work security.

Figure 4.6 shows a values model of work/family conflict that can have an influence on the productivity of the employee and is therefore the internal price to be paid to implement the vision of the organisation.

Figure 4.6: A values model of work/family conflict



Source: Kreitner and Kinicki (2004:194).

Kreitner and Kinicki (2004:195) suggest that an organisation that wants to be truly family friendly has to provide programmes and back them up with a family-supportive philosophy and culture. These programmes will form part of an internal marketing strategy.

Schultz, Bagraim, Potgieter, Viedge and Werner (2003:217) explain that managing time and planning are essential skills for dealing with a stressful job. A major reason for poor planning and time management is the lack of a clear life plan in which a personal vision, purpose and related goals are set. The organisation needs to revise such a plan as part of the internal marketing strategy.

4.3.6 Employee responsibilities

Responsibility motivates many employees. Kossen (1994:206) explains that responsibility is not a right, but a duty. It is the obligation that someone who has been assigned work has to perform (or make certain that someone else performs) in a prescribed way. Responsibilities refer to the specific tasks or duties that have been assigned to an employee to perform. Kreitner and Kinicki (2004:471) explain the term shared responsibility as establishing an environment in which all team members feel as responsible as the manager did for the performance of the work unit. In an internal marketing context, it can be seen as the price that the employee has to pay when greater responsibilities are assigned to the employee.

Employee's acceptance of responsibility can be in the form of employee participation and involvement in the organisation, empowerment and ownership (Otto, 2004:144).

4.3.6.1 Employee empowerment, participation and ownership

Schultz *et al.* (2003:151) see empowerment as a change strategy with the objective of improving both the employee's and the organisation's ability to act. To empower employees does not mean the disempowerment of managers. Schermerhorn (2002:341) agrees with this view when he argues that effective leaders empower employees by providing them with the information,

responsibility, authority and trust to make decisions and act independently within their expertise areas. When employees are empowered to act, they will be more committed and will deliver high-quality work and service.

Schermerhorn (2002:341) explains empowerment as the process through which managers enable and help employees to gain power and achieve influence in the organisation and defines empowerment as the distribution of decision-making power throughout the organisation.

Kossen (1994:220) offers a discussion on involving employees and argues that employees who take part personally in the decision-making process will be more likely, as a result, to have a far greater commitment to the objectives and goals of the organisation. Employees tend to be happier to see self-imposed innovations succeed than those that they feel have been forced upon them. They will also be more willing to take ownership of the situation, problem or opportunity.

Robbins and Judge (2007:235) see employee involvement as a participative process that uses the input of employees to increase their commitment to the organisation's success. Involving employees in the decisions that affect them and by increasing their autonomy and control over their work lives, employees will become more motivated, more committed to the organisation, more productive and more satisfied with their jobs. Employees are therefore willing to pay a higher internal price for the internal product if they perceive it as having sufficient value.

Kreitner and Kinicki (2004:471) argue that participative leadership is the creating of interdependency by empowering, freeing up and serving others in the organisation. According to Hellriegel, Jackson, Slocum, Staude, Amos, Klopfer, Louw & Oosthuizen (2005:296) participative leadership involves consulting with followers and asking for their suggestions before making a decision. Participation usually leads to commitment. The participative philosophy is based on the premises that employees' will be proud and will be interested if they are allowed

to make valuable contributions. They can function in a culture where they can express their ideas and fears. The participative process needs a supportive organisational structure for feedback, leadership and evaluation (Hellriegel *et al.*, 2005:453)

A new trend in today's organisations focuses on giving employees a greater say in the workplace and that means empowerment. Kreitner and Kinicki (2004:568) see empowerment as recognising and releasing into the organisation the power that people already have in their wealth of useful knowledge, experience and internal motivation. Berry (2002:72) argues that: "Empowerment is a state of mind. An employee with an empowered state of mind experiences feelings of 1) control over how the job will be performed, 2) awareness of the context in which the work is performed, 3) accountability for personal work output, 4) shared responsibility for unit and organisational performance, and 5) equity in the rewards based on individual and collective performance."

Employees that are empowered have more responsibility and accept ownership to be able to find creative solutions to problems and new ways of doing things. Empowered employees use their experience, knowledge and judgement to make a difference in the organisation and are part of decision-making. These additional responsibilities, although they are motivational to the employees, come at a price and are the part of the internal price that the employee has to pay. Empowerment will be discussed as part of the internal process in Chapter 7.

4.4 EMPLOYEE SACRIFICES VERSUS REWARDS

Employee remuneration and rewards were discussed in Chapter 3 as part of the internal product. The relationship between internal price and internal product can be showed with reference to employee sacrifices and employee rewards (Otto, 2004:147).

Organisations provide rewards to their employees to motivate their performance and encourage loyalty and retention (Luthans, 2002:145). Varey and Lewis (2000:185) explain that the goals of internal marketing are useless if the performance of employees were not measured and rewarded. Employees need to know that they will be measured by how well they do and that it is worthwhile to do well – that the value that they receive in turn for the internal price that they have to pay is worthwhile.

Rewards should be in line with performance and employees must perceive a clear linkage between the two. If employees perceive the relationship between rewards and performance as low, the result will be low performance, a decrease in job satisfaction and an increase in turnover and absenteeism (Robbins & Judge (2007:235). Pitt (2000:90) argues that the organisation has to determine if employees can pay the internal price with ease. Employees will measure their sacrifices and contributions against perceived rewards. The exchange transaction between the organisation and the employee will be successful when the relationship between the internal price and the internal product are balanced.

Luthans (2002:155) explains that pay is an unquestionably important form of reward, but it is not the only way in which organisations can reward people. Forms of recognition to identify and reward excellent performance can be a very important part of the organisational reward system. It is important that employees receive sufficient information about the context in which they work. Empowered employees must be remunerated appropriately and these rewards must be based on individual and collective performance and the level of responsibility and skills required from them (Ahmed & Rafiq, 2002:72).

According to Varey and Lewis (2000:186), job products that offer the opportunity for achievement will be in line with the needs of human beings, while achievement remains unidentified and uncelebrated without measurement and rewards.

Service companies do not excel in building an achievement culture. Performance measurement systems often focus only on output measures and ignore behavioural measures such as customer perception of the responsiveness or empathy of the service.

Varey and Lewis (2000:186) emphasise the importance of an effective performance measurement system that identifies who deserves the rewards and that measures that performance that contributes most to the company's vision and strategy in a clear, timely and fair manner. According to Henning-Therau and Hansen (2000:425), internal marketing needs to be applied among employees to ensure a customer-oriented attitude and culture in the organisation. Performance measurement and reward systems are a powerful way to symbolise the culture of an organisation (Varey & Lewis, 2000:187).

Table 4.1 shows a few guidelines on rewards that will contribute to building a good internal marketing culture and devising an internal marketing strategy.

Table 4.1: Guidelines of rewards

- Link rewards to the vision and strategy of the organisation, reward performance that moves the organisation in the intended direction.
- Differentiate between competency pay (compensation for doing one's job) and performance pay (extra rewards for outstanding performance).
- Use several methods to reward outstanding achievers, including financial rewards, non-financial recognition and career advancement. Consider the possibilities of rewarding employees with stock and making them owners.
- Remember the power of a pat on the back. Rewards need not always be expensive or impressive; the sincerity of the recognition is more important.
- Compete for sustained commitment of employees. Develop enduring reward systems and use short-term programmes such as sales contests sparingly or never.
- Stress the positive. Use rewards systems to celebrate achievement rather than to punish.
- Give everyone a chance. Avoid the trap of rewarding employees in some positions (e.g. field sales people), but not in other positions (e.g. secretaries).
- Reward teams and not just individuals. Reinforce team play with team rewards, while also rewarding superior individual performers.

Source: Varey and Lewis (2000:187)

A service organisation can only be as good as its employees. It is impossible for an organisation to achieve success without the attraction, development, motivation and retention of qualified employee-customers through need-meeting job products. Internal marketing paves the way for external marketing (Varey & Lewis, 2000:190).

Hellriegel *et al.* (2005:150) argue that the sacrifices and contributions of these employees have to be rewarded and remunerated in a way that they achieve a feeling of “everything is worth it”. Employees that perceive their sacrifices as worthwhile will contribute to the achievement of personal and organisational objectives.

4. 5 CONCLUSION

Organisations need to be aware of the needs of employees and that employees pay a high price for their commitment to the organisation. Organisations that recognise and appreciate the value of the employee and the sacrifices needed from the employee to implement the vision of the organisation can only benefit. Employees that experience feelings of appreciation will be more motivated and committed to exceptionally high standards in their jobs. Consumers will benefit from these attitudes of employees to internal and external customers because they will receive excellent service.

The sacrifices of the employees are to the benefit of the organisation and the employee. The internal exchange transaction of internal price for the internal product will be beneficial to the organisation and the employee (Otto, 2004:154).

Motivated, committed and reliable employees will be willing to pay a higher internal price and make more sacrifices to implement the vision of the organisation. It is therefore important that the organisation recruits the right kind of employee and create the right internal organisational culture so that the

employee perceives the internal price to be paid as in line with the value offered from the organisation to the employee.

The internal product and the internal price element were discussed in chapters 3 and 4. The next chapter will pay attention to the internal processes.

CHAPTER 5

INTERNAL PROCESSES

5.1 INTRODUCTION

A business process is simply how an organisation does it work – a set of activities it pursues to accomplish a specific objective for a specific customer, either internal or external (Davenport, 2005:102).

Cant *et al.* (1999:198) explain that the same process used to develop the marketing mix of an organisation in the external environment is applied to the internal target market. Hudson (2007:22) argues that organisations spend energy and money on fascinating and enticing potential customers and ultimately convert them into loyal passionate customers. However, without passionate commitment from employees - those providing the service and representing the value proposition - the organisation will not be successful.

Internal processes are developed to support the other elements of the internal marketing mix to enable the employee to deliver exceptional service. According to Otto (2004:235), supporting processes are developed from the internal marketing mix, including the internal product, internal distribution decisions, internal price and internal marketing communication.

5.2 DESCRIPTION OF THE PROCESS ELEMENT

According to Ahmed and Rafiq (2002:35), process refers to how a “customer” actually receives a product: “In the internal marketing context, customer-consciousness may be inculcated into employees by training or retraining of employees.” Process can also refer to structural changes needed for the introduction of quality circles, new reporting methods or new policies. The process element recognises inter-functional interdependence and the need for an

integrated effort for effective service delivery. An integrated effort is one of the major aims of an internal marketing strategy (Ahmed & Rafiq, 2002:28).

The process element is closely interlinked with the people/participants element. It defines the context and mechanisms through which the price, promotion and place elements are structured. The process element includes mechanisms and systems involved in the structuring of issues such as power, authority and resources (Ahmed & Rafiq, 2002:35).

According to Davenport (2005:101), organisations can improve their processes with total quality management. Total quality management (TQM) is the continuous process of ensuring that every aspect of the organisation builds quality. Quality must be stressed repeatedly so that it becomes second nature to every employee in the organisation (Hellriegel *et al.*, 2005:62). Stone *et al.* (2000:139) explain that the organisation has to identify the internal processes that are to the advantage and discard processes that do not contribute to the delivery of quality internal and external products and services. According to Ahmed and Rafiq (2002:93), total quality management has become part of the fabric for organisational competence. These authors see the meaning of quality as quality of work, service, systems, information, people, processes and objectives.

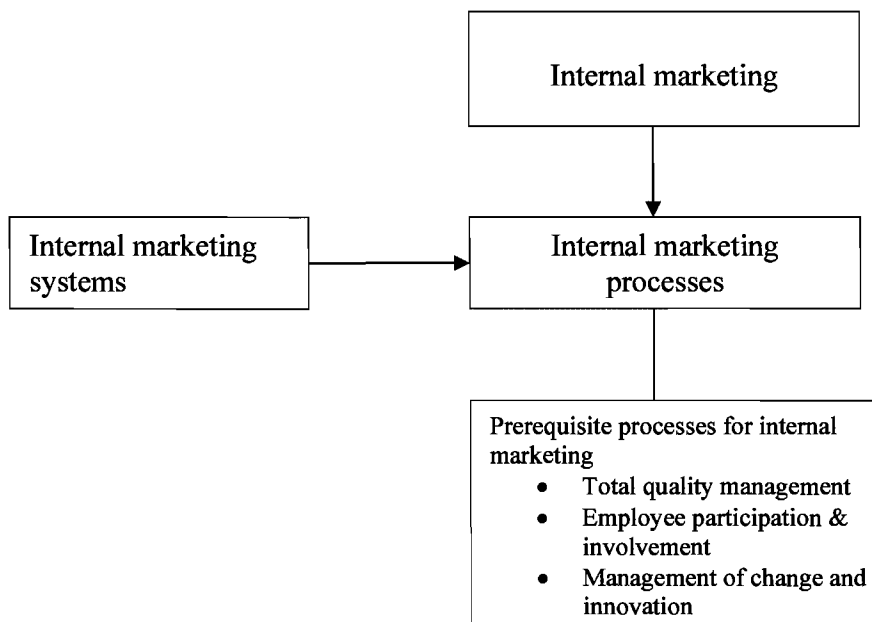
Robbins and Coulter (1996:52) differentiate between internal processes and internal systems. The process approach, originally introduced by Henri Fayol, is based on the management activities of planning, organising, leading and controlling and is seen as circular and continuous (Robbins & Decenzo, 2004:39). It is about getting things done with and through other people who work in an organised group (Kroon, 1995:40). The systems approach defines a system as a set of interrelated and interdependent parts arranged in a manner that produced a unified whole. Organisations are therefore co-operative systems in which the contributions of employees are integrated for a common purpose (Schermerhorn, 2002:103). The internal systems are the umbrella units and the

internal processes are the management functions in these systems (Otto, 2004:235).

Internal processes and internal systems are part of the strategy of the organisation and form part of the internal marketing strategy.

Employee participation, the management of change, creativity and conflict as a prerequisite for internal processes, are important to implement internal marketing and will be discussed in the following section.

Figure 5.1: Internal marketing processes



Source: Adapted from Otto (2004:236).

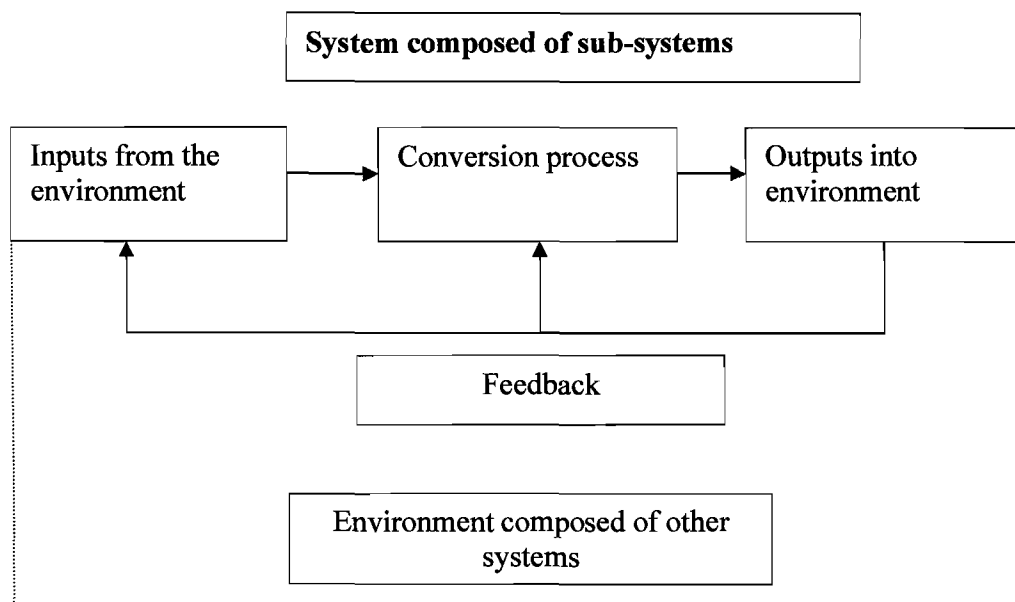
5.3 INTERNAL MARKETING SYSTEMS

5.3.1 Description, characteristics and types of internal systems

The term system refers to management systems, which include any of the formally organised processes that exist in an organisation (Jain, 2000:282). According to Anouli (2007:100), every system has three elements. The first

element is input, which consists of employees and the second element is process, which plays the role of transforming the inputs to an open system. Employee policies such as training and development and reward strategy are examples of processes that help the organisation to achieve its goals and objectives. The third element of an open system is the output. Satisfaction of employees and the achievement of organisational goals and objectives can be considered as the output of an employee management system (Anouli, 2007:100). Figure 5.2 illustrates the fundamentals of an open system.

Figure 5.2: An open system



Source: Adapted from Anouli (2007:101).

Jain (2000:282) argues that three types of systems that exist in an organisation are execution systems, monitoring systems and control systems:

- Execution systems focus directly on the basic processes of conducting the business of the organisation.
- Monitoring systems are any procedure that measure and assess basic processes.

- Control systems are the means through which processes are made to conform or are kept within tolerable limits.

Systems pervade the conduct of business. Jain (2000:282) explains the relevance of systems to the internal market with the following: "Creating systems that support strategies and organisational intent requires top management to include monitoring and control systems in addition to executing systems in strategic thinking and to focus systems in strategy implementation." The integration of all systems in the organisation requires great vision, the ability to see the organisation as an organic whole (Jain, 2000:282). The organisation is seen as a united, purposeful system consisting of parts and interdependent relationships, processes and structures that are mutually related (Kroon, 1995:41).

A system consists of a number of sub-systems, therefore all the activities of the system that influence each other. Kroon (1996:42) argues that as a system management must see the organisation as a whole but within a greater system, the environment, in which the organisation itself represents a sub-system. The organisation functions within an open system, which recognises the dynamic interaction of the system with its environment (Robbins & Decenzo, 2004:40).

Robbins and Decenzo (2004:40) differentiate between an open and a closed system. The closed system is not influenced by and does not interact with the environment. An open system, however, recognises the dynamic interaction of the system with its environment. Schermerhorn, Hunt and Osborn (1991:14) argue that as open systems, organisations transform human and physical resources received as inputs from their environments into goods and services that are returned to the environment for consumption. The goods or services are created by work activities that transform resource inputs into product outputs.

Robbins and Coulter (1996:4) see an organisation as a systematic arrangement of people to accomplish some specific purpose. Systems consist of interdependent factors such as individuals, groups, attitudes, motives, formal

structures, interactions, objectives, power and authority. Management has to co-ordinate all these factors to achieve the objectives of the organisation (Otto, 2004:237).

Schultz *et al.* (2003:22) explain that the systems theory holds the view that people respond to changes in the environment and work as part of interrelated elements. Meyer (2002:102) emphasises the importance for an organisation to take a systems view, because organisations are very complex systems that affect the performance of the employees that work within the organisation.

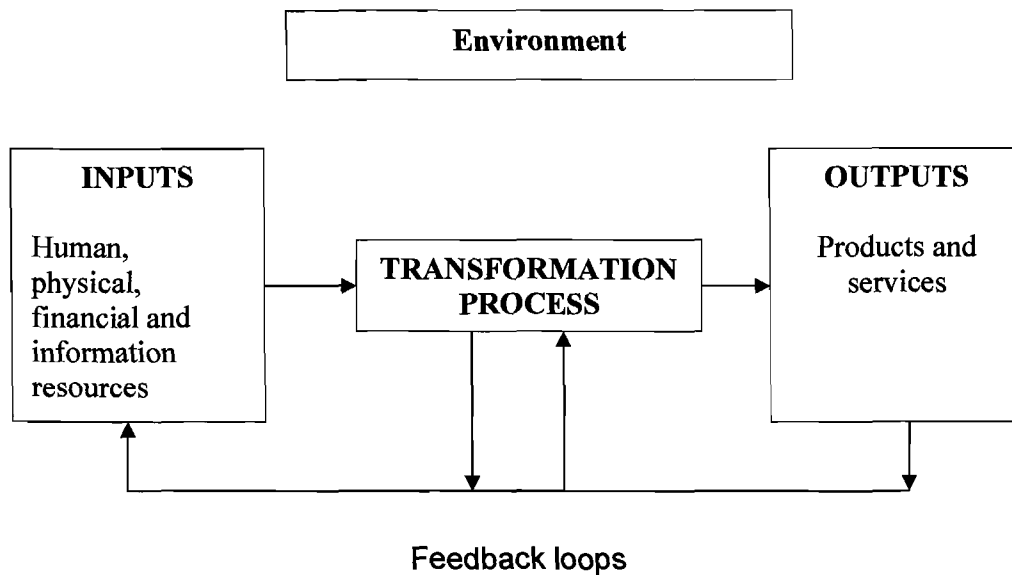
Meyer (2002:12) distinguishes between a systems approach and a process model. A system implies an interconnected complex of functionally related components. The effectiveness of each component depends on how it fits into the whole, while the effectiveness of the whole depends on the way each component functions. A systems approach considers the larger environment consisting of pressures, expectations, constraints and consequences that affect processes and other work.

According to Stoner, Freeman and Gilbert (1995:46), the system theory explains that the activity of any department of an organisation affects, in varying degrees, the activity of every department. Internal systems need to be interactive and interrelated to achieve a common goal. Internal systems must work together for the aim of the organisation. Employees must co-operate for the good of the whole system; otherwise, "sub-optimisation" could occur. The organisation cannot focus on total quality management processes when part of the organisation does not support other parts. Employees from every department need to be committed to achieve the organisational goals and therefore all the departments must work together as an integrated whole.

Figure 5.3 shows a basic systems view of an organisation. Inputs are the physical, human, financial and information resources that enter a transformation process. Transformation processes comprise the technologies used to convert inputs into outputs. Outputs are the original inputs as changed by a

transformation process. For a system to operate effectively, it must also provide for feedback. Feedback is information about a system's status and performance. According to the systems viewpoint, management's role is to facilitate transformation processes by planning, organising, leading and controlling (Hellriegel *et al.*, 2005:57).

Figure 5.3: Basic systems view of an organisation



Source: Adapted from Hellriegel *et al.* (2005:58)

Stoner *et al.* (1995:46) explain that synergy is where the whole is bigger than the sum of its parts. Synergy means that as separate departments within an organisation co-operate and interact, it becomes more productive than if each were to act in isolation. Sub-systems are the parts that make up the whole of a system and each system may be a sub-system of a larger whole. Synergy can be seen as two sub-systems that are more productive than if they act separately. Employees need effective leadership, motivation and training to ensure the effective execution of the marketing concept (Varey, 1995:45).

Meyer (2002:80) summarises the importance of the system approach when he argues that in most organisations, employees are performing excellent jobs in

their own fields, but very often at the expense of other employees and without even knowing what other employees are doing. This system of fragmentation means that the collective intelligence that could have been used is largely eroded by the organisation. Gummenson (1999:153) agrees with the issue of fragmentation and warns that the different organisational functions must not be viewed in isolation and stresses the importance of the integration of all the components of the organisation. Tzokas and Saren (2001:198) also emphasise the importance of a relationship marketing environment in which all internal contributions are co-ordinated. This process will depend on effective internal marketing communication to enhance communication among employees that will contribute to the implementation of organisational values and a sales-mindedness (Varey, 1995:42).

Co-ordination can be achieved by means of a management information system to provide managers with accurate and current information for decision-making and control. TQM control charts can also be seen as a management information system that provides information on whether a specific process meet the predefined requirements (Robbins & Coulter, 1996:761).

In an organisation with an internal marketing approach, the total organisation will be managed from a system approach where all the departments and employees work together to achieve organisational objectives and where all employees know the important role they play in the success of an organisation. Internal relationships are important in order to satisfy the external customer. Everything is important, whether it is supplying information, products or a service. The people you supply internally depend on their internal suppliers for quality work (Ahmed & Rafiq, 2002:98). The objective of internal marketing is to create a customer-oriented organisation with specific guidelines to handle internal and external customers (Otto, 2004:239). Appropriate recruitment and training procedures as part of a system are important to appoint and develop the right kind of employee.

Rewards and incentives contribute to the productivity of the employee and these systems must be perceived by the internal market as being fair. Well-designed incentive systems are consistent with an organisation's objectives and structure and will motivate employees to direct their performance toward the goals of the organisation (Stoner *et al.*, 1995:301). According to Luthans (2002:145), organisations provide rewards to their employees in order to try to motivate their performance and encourage their loyalty and retention. Organisational rewards can be money (salary, bonuses, and incentive pay), recognition and benefits. According to Hellriegel *et al.* (2005:350), there are basic principles when creating any reward system and both monetary and non-monetary rewards should be used. Employees should understand the system, feel that it is fair and equitable and understand the relationship between their performance and rewards. All these rewards require effective internal systems and internal processes to be applied effectively and meet the expectations of the job.

The system perspective can contribute to an understanding of the relationship between an organisation and its employees. The organisation is viewed as an entity with clearly specified boundaries, detailed structure and defined objectives in the form of shared goals and value (Anouli, 2007:100). Internal processes that are part of the system will be discussed in the next section.

5.4 INTERNAL PROCESSES

5.4.1 Description and characteristics of internal processes

According to Ahmed and Rafiq (1995:39), the process element in the internal marketing mix defines the context and mechanisms through which price, promotion and place elements are structured. It defines the nature and manner of involvement in order to deliver on requisite duties and goals. Biech (1994:36) describes a process as a series of steps that when combined, produce a result. Every process has inputs that come from a supplier and outputs that go to the customer. Organisational processes are the activities that transform input into outputs and that have value to the customer (Williams, 2000:428). In an internal

marketing context, the employee is both the supplier and the customer. Employees must perform the relevant processes in such a way that fellow employees are equipped to perform their relevant processes to achieve organisational effectiveness and finally to deliver excellent quality service to the external customer. According to Stone and Woodcock (1996:41), organisational plans are transformed into action by means of processes. The specific procedures to be followed are part of the internal processes that have to support the internal marketing strategy. The human resource process consists of for example recruiting, developing and managing qualified employees that deliver exceptional service (Williams, 2000:546).

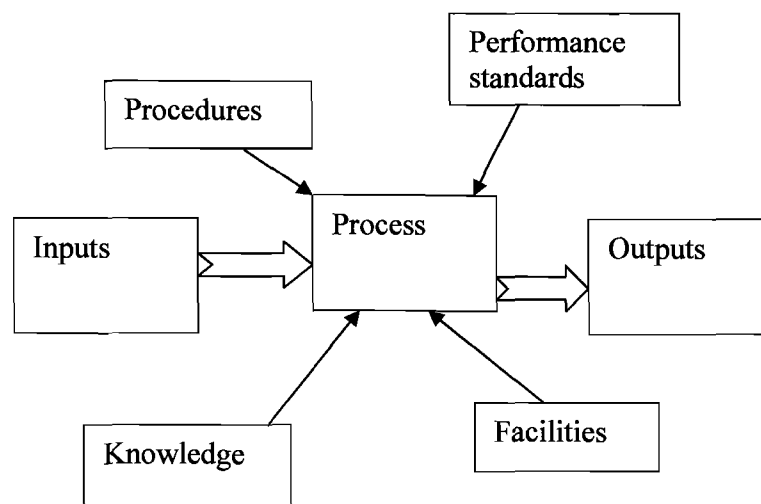
Meyer (2002:310) explains the benefits of a process-oriented focus to an organisation:

- It provides a clear picture of the system you work in with its processes and sub-processes.
- It helps you to focus holistically on problems and more easily identify root cause of problems and solutions.
- It supports methods to satisfy customer needs, and all processes start with the customer in mind.
- It improves communication between departments.
- It provides opportunities for continuous improvement.

Mackay (2007:113) suggests the development of a role effectiveness model (REM) to explore the contribution and role of the task of each individual employee to the fulfilment of the goals and objectives of the different departments and ultimately the organisation. An analysis such as this can reveal what might be hampering each employee doing his or her best job each time and how to be effective in that role. It is therefore important to look at the process where the organisation wants to add value. The input is taken and is processed

to produce an output for internal customers. Four criteria of importance to the employee need to be satisfied to empower the employee to perform that effective piece of work. If these needs were not satisfied, the process will fail and a chain of events will be started. The development of a role effectiveness model for each of an employee's key activities is a fundamental part in contributing to an internal marketing atmosphere and achieving the goals and objectives of the organisation. Figure 5.4 illustrates the sequence for the development of an REM. It starts with a clear definition of a process that is a clear piece of work for the employee in question. The input and output requirements are agreed on so that it is clear what the process is trying to do in terms of the customer/supplier chain running across the organisation. Four other needs will also prevent the process from going wrong. These also need to be defined so that the process can meet the output requirements (MacKay, 2007:114).

Figure 5.4: The sequence for development of a role effectiveness model (REF)



Source: MacKay (2007:113)

Mackay (2007:114) explains each component of the REM:

- The process – This is the key piece of work that an employee has to fulfil in order to meet their overall purpose. It is important that the employee understands the task that he has to perform;
- The output - This is a key part of any job. Unless the outputs are clear, the process cannot hope to deliver what is required. It must be clear who the internal customers are and all their requirements must be known and agreed upon.
- The input - Only when the output has been agreed on can the input that must be sought to meet those outputs, be established. Inputs need to be defined and the internal suppliers have to agree to all the requirements. Once the outputs of a process have been agreed on and the inputs defined, the overall process from inputs through the process to the outputs can be studied to ensure that the process is operating effectively.
- Quality performance standard has the employee receiving the output-reached agreement on standard required/Does the employee that is following the process know the standard that they have to achieve?
- Procedures need to be followed for every task. If a given output is required and more than one employee may be working on the task in a given period, a clear guide of the approval procedures must be established. Continuous improvement and a changing environment (internal and external) will necessitate that these procedures, once written, are consistently reviewed.
- Knowledge – Employees need specific training in order to carry out a specific task. Skills and experience both play an important role in the application of knowledge.
- Facilities – The right equipment as well as the assurance that other resources are also available for the task is important.

Heil *et al.* (1999:270) suggest that the internal processes and systems of an organisation have to be simple and clear and must contribute to an employee's feeling of self-worthiness. The employee must also experience the important role that he plays in the success of the organisation. The organisation has to ensure that the value of the outputs are more than the value and costs of the transformation process.

Stone *et al.* (2000:133) argue that internal processes need to meet the following requirements to realise internal marketing efforts and achieve organisational objectives:

- Employees must understand the process – Employees should be trained in the process as part of their normal training programme and they need to know and understand the relevant processes.
- The role of employees needs to be allocated clearly – Employees must understand these roles and have the skills, time and resources to perform these roles.
- The process must produce clear benefits for employees – Clear standards by which employees can judge their own performance must be set.
- Employees must be committed to the process – This must be reinforced by management action with their involvement in implementing the process, setting clear priorities, administering rewards and sanctions.
- Management must know when employees are not carrying out their role - A good process ensures that the right information is available at the right time and gets to the right people. The process should produce routine reports to indicate who is succeeding and who is not.
- The process must be designed to support objectives – It must allow employees to work more effectively to achieve it.

5.4.2 Different types of internal processes

Otto (2004:242) explains that the basic internal process in internal marketing consists of decisions about the internal product, internal price, internal distribution and internal marketing communication. The organisation needs internal support processes for management, communication, training and development to realise this internal marketing mix.

Other internal processes consist, according to Ulrich (1997:100) and Gerber *et al.* (1998:10), of administrative processes that are part of different organisational functions and include the following:

- Human resource planning, recruitment, selection, placement and termination of service;
- education, training and career development;
- conditions of service and remuneration standards;
- formal and informal communication and consultation by the representatives of employers and employees at all levels of the organisation;
- negotiations and the application of agreements regarding wages and working conditions;
- procedures for the prevention and avoidance of disputes, union relationships;
- organisational efficiency - change management, process management, internal cultural change and organisational evaluation;
- human resource relationships – employee support, employee focus groups;

- security – physical, technological and work;
- organisational design – composition of high performance teams and design of organisational structures; and
- development of total quality management (TQM).

Stone *et al.* (2000:147) summarise the internal marketing process as the application of all the disciplines of marketing to the internal market and explain it as follows:

- Understand the market – What kinds of employees are in the organisation and what are their needs? Then segment the internal market by factors such as need and attitude.
- Set objectives in relation to the marketing concept.
- Create policies to help employees deliver exceptional customer service;
- Market the policies to employees – Use all the required media and communication disciplines.
- Measure results of marketing in terms of attitudes and delivered performance; and
- improve the internal marketing strategy for the next implementation.

Effective and fair administrative processes are a prerequisite for the successful implementation of an internal marketing strategy. Administrative processes that do not fulfil the needs of the employee will be a contributor to a low morale among employees that will hamper quality service delivery and the achievement of organisational goals. The application of the process of total quality management will ensure that effective service delivery takes place. It will be discussed in the next section.

5.5 TOTAL QUALITY MANAGEMENT (TQM)

Total quality management (TQM) comes from a business philosophy that focuses on customer satisfaction. It works through the integration and co-ordination of all activities in an organisation, as well as on the continuous improvement of all activities in that organisation. According to Ahmed and Rafiq (2002:94), quality proposes the careful design of the product or service and ensuring that the systems of organisations can consistently produce the design. TQM is founded on the following principles:

- Empowered employees;
- continuous quality improvement and;
- quality improvement teams.

Ahmed and Rafiq (2002:95) argue that TQM consists of seven principles:

- TQM starts at the top – TQM must be part of an organisation's overall business strategy. Total commitment by top management is essential and must be transparent to the whole company through adequate support and continuous monitoring.
- TQM focuses on the customer - Quality is based on the concept that everyone has customers and that the requirements, needs and expectations of all customers must be met every time. Both internal and external customers are important and should be the centre of attention.
- TQM is process-based – Total quality management is a customer-oriented concept that occurs through processes. The emphasis on customer focus requires a company to be process-based. A process organisation is conceived as a flow of interdependent processes that must be understood and improved;

- TQM uses teams – Employees are part of the “motivating glue” within TQM. Total quality management uses teams as a basic building block in its effort for continuous improvement. The process organisation needs to be run cross-functionally.
- TQM requires training for everybody – Quality is built through the skills of employees and their understanding of what is required. Educating and training equip employees with the information of what they need to do and informs them about the strategy and direction of the organisation. Training builds the skills needed so secure quality service delivery.
- TQM uses tools to measure and follow progress – In a TQM culture there is an emphasis toward “what gets measured and gets done”. Measurement and feedback are the basis for improvement activities.
- TQM requires continuous improvement – The concept of continuous improvement is built on the premise that “work” is the result of a series of interrelated steps and activities that result in an output. Continuous attention to these steps in the work process is important to enhance the reliability of the process and the output quality.

Total quality management focuses externally on meeting customer requirements, while internally it is driven by management commitment, employee training and education. The main objective of total quality management is to build quality into processes and thus into products and services. It emphasises the involvement of everyone inside an organisation and is a totally integrated effort for gaining competitive advantage by continuously improving every aspect of organisational culture (Ahmed & Rafiq, 2002:95).

The success of total quality management programme depends on how well it is implemented. According to Gumani (1999:210), the following is important ingredients for effective TQM implementation:

- A well-devised quality policy;
- commitment of senior management;
- a representative and skilful steering committee;
- commitment and involvement from employees;
- training and problem-solving tools;
- good communication among all employees and management;
- development of standards and fair measurement procedures; and
- reward and recognition for performing TQM principles.

Ahmed and Rafiq (2002:120) stress the value of internal marketing in nurturing internal environments, which is conducive to quality creation through development of common values and behaviours. Internal marketing helps the quality effort by:

- Attracting, developing, motivating and retaining employees that are capable and willing to give excellent service by treating them well and making them feel important;
- aligning employees to the mission, goals, strategies and processes of the organisation
- creating thematic co-operation by emphasising the critical issues to enable employees to “do the right things right” (effectiveness) rather than just “do many things” (efficiency);
- practising consistent decision-making and action through appropriate communication, tracking and feedback;

- stressing the internal customer-supplier chain as an enabler of good (external) customer service by paying explicit attention to the management of internal transactions;
- motivating and training employees to recognise the external and internal customer by “thinking backwards to the customer” and then driving forwards with actions for continuous improvement;
- building employee competencies necessary for long-term competitive success;
- acting as an interface between employees and management and between departments;
- shifting the workforce from a production orientation toward customer-led process orientation;
- retaining employees by helping them identify with the norms, values and culture of the organisation. Values-compatibility creates a sense of belonging and unconsciously motivates behaviours toward higher customer consciousness;
- developing a stronger quality-led customer culture by stressing a desirable set of corporate values. Internal marketing, via the process of selling the concept of quality, enables the organisation to get employees to internalise an appropriate set of values;
- enhancing internal relationships by altering employees attitudes and associated behaviour in their interactions with internal customers;
- improving customer orientation by information exchange on customer needs. Internal marketing works toward customer orientation and quality culture by familiarising all employees with their own customer-supplier

relationships. The result is a better integration of work activates between employees and across departments.

Employees need to be actively involved for total quality management to be successful. Internal marketing makes an important contribution by identifying and clarifying each employee's role, then providing information and training to enable them to fulfil the tasks they are responsible for. The next section pays attention to the processes of participation, ownership and empowerment of the employee, which without any internal marketing effort will be nullified.

5.6 EMPLOYEE PARTICIPATION AND INVOLVEMENT

Anouli (220:232) argues that employee participation is the process of giving employees a voice in decision-making about their work. Participation areas for employees consist of making decisions about their jobs, about administrative matters and participating in decision-making about other important issues of better quality. Employee participation is important to bring about change in the organisation and form part of internal marketing. Employee participation contributes to productivity and motivation. Pitt and Froneman (1999:32) explain that employee participation requires power-centred participation where employees and management are part of joined decision-making.

According to Hellriegel *et al.* (2005:390), participation and involvement of employees will reduce resistance to change in organisations. Participation usually leads to commitment, specifically when it is from an employee's own free will. Robbins and Judge (2007:235) agree with this view and define employee involvement as a participative process that uses the input of employees to increase their commitment to the success of the organisation. By involving employees in the decisions that affect them and by increasing autonomy and control over their work lives, employees will be more motivated, more committed, more productive and more satisfied with their jobs. Employee participation and involvement are a way to implement internal marketing by using effective

organisational structures, leadership style and internal systems and processes (Otto, 2004:244).

Delegation and decentralisation of decision-making are important for building trust among employees and supporting the internal marketing effort. Schermerhorn (2002:272) explains delegation as the process of entrusting work to others by giving them the right to make decisions and take action. He identifies three steps to delegation:

- Step 1: A manager assigns responsibility by carefully explaining the work or duties that the employee is expected to perform. This responsibility is an expectation for the employee to perform an assigned task.
- Step 2: The manager grants authority to act. The right to take important actions is given to the employee. Authority is a right to act in ways needed to carry out the assigned tasks;
- Step 3: The manager creates accountability by accepting an assignment; the employee takes on a direct obligation to the manager to complete the job as agreed upon. Accountability is the requirement to answer to a supervisor for performance results.

Delegation leads to empowerment. Employees have the freedom to contribute ideas and do their jobs in the best possible ways to increase job satisfaction for the individual and results in better job performance (element of internal product). It is therefore important that managers do not delegate without giving the employee sufficient authority to perform – that is, to empower the employee.

According to Schermerhorn (2002:420), the use of employee involvement teams and quality circles are new developments in organisations. Employee involvement teams are groups of employees who meet on a regular basis outside of their formal assignments with the objective of applying their expertise and attention to important work-place issues. These teams use a problem-solving approach with the objective of continuous improvement in the organisation.

Robbins and Judge (2007:236) agree with this view and offer a broader discussion of employee involvement and participation programmes:

- Participative management – Employees have a significant degree of decision-making power with their immediate supervisors.
- Representative participation – Employees are represented by a small group of employees who participate. This form of involvement is called the most widely legislated form of employee involvement. The goal is to redistribute power within an organisation, putting labour on a more equal footing with the interests of management and stockholders.
- Quality circles - The quality circle is also a form of employee involvement where employees meet regularly to discuss and plan specific ways to improve work quality.

5.6.1 Employee empowerment

According to Anouli (2007:232), empowerment is described as the process of enabling employees to set their own work goals, make decisions and solve problems within their sphere of influence. Empowered employees take risks, gain knowledge and develop new skills. Employees grow and are responsible and accountable. Schultz *et al.* (2003:147) offer a definition of empowerment that contains the specific elements. Empowerment is regarded as:

- Authority that is delegated from those who have positional power;
- to the lowest possible level within the organisation or society;
- to develop problem-solving capabilities in the people at these levels;
- to assist these people in taking charge of their own destinies;
- to help these people to achieve their full potential;

- to have the positive impacts of empowerment spill over into the entire lives of these people.

Luthans (2005:423) argues that empowerment assumes that employees are willing to accept responsibility and improve their daily work processes and relationships.

5.6.1.1 Guidelines for the implementation of empowerment

Schermerhorn *et al.* (1991:440) offer the following guidelines for empowerment of employees:

- Delegation of authority to lower levels should be clear and unambiguous – Employees must know what they are empowered to do and what they are being held accountable for.
- Planning must be integrated and participative at all levels – Employees must be involved in planning if they were to understand plans and goals and have the commitments needed to implement them effectively.
- Managers at all levels should exercise strong communication skills – Information is the key to understanding goals and responsibilities and for understanding the “big picture” within which they become meaningful.

Schultz *et al.* (2003:153) offer the following prescriptions for implementing empowerment:

- Conducting an organisational assessment;
- defining an operating vision;
- deciding when various levels of empowerment will be given;
- employing a bottom-up approach that accepts the employees’ definition of the problems;

- building collaboration and trust by sharing power and by having good two-way communication;
- using general and specific training to build on employees' strengths; and
- relying on the advice of others who are experienced at implementing empowerment.

According to Schultz *et al.* (2003:153), the implementation and maintenance of empowerment involve key themes:

- Communication - the key to the whole process of empowerment;
- commitment - supporting mutual trust and serving as a key driving force from all levels of the organisational hierarchy;
- ownership - the need to involve all employees in redefining the empowerment concept as being achievable, realistic and acceptable;
- skills and competencies – the need for employees to be competent and able to demonstrate the skills and abilities they need to function effectively in an empowerment culture;
- leadership – the focus on the need for support by the front line and indicates the need for confidence in managers as empowerment coaches;
- sustainability – the final factor that will help or hinder the growth of empowerment over the long term.

Luthans (2005:425) adds two common approaches that can be used to implement empowerment:

- *Kaizen* and “just do it” principles (JDIT) – *Kaizen*, a Japanese term that means continuous improvement, is combined with JDIT and consists of

discarding conventional, fixed ideas about doing work, thinking about how to do it, rather than why it cannot be done, start by questioning current practices, beginning to make immediate improvement and correct mistakes immediately.

- Trust-building – Trust matches the principles of empowerment. Professional and collaborative relationships can be built across functional and hierarchical lines when trust is present. This grants the ability to disseminate ideas and information quickly throughout the organisation.

5.6.1.2 Advantages of empowerment

Luthans (2005:423) identifies the following advantages of empowerment:

- Empowerment encourages innovation because employees have the authority to try out new ideas and make decisions that result in new ways of doing things;
- empowering employees should raise the level of trust in the organisation;
- empowered employees feel that “we are in this thing together” and are almost compelled to act responsibly;
- empowerment enhance the willingness of employees to co-operate in the organisation;

Robbins and Judge (2007:591) further argue that empowered employees can make immediate decisions that will improve the customer satisfaction of the organisation.

According to Luthans (2005:425), empowerment can be viewed as the sharing of power in an organisation. Employees share goals and combine efforts to reach those goals, which foster creativity and a strong ownership attitude in achieving the objectives of the organisation.

Hellriegel *et al.* (2005:291) add the following advantages:

- Empowerment gives employees a sense of meaning, competence, self-determination and impact;
- empowerment helps satisfy the basic human needs for achievement, a sense of belonging and self-esteem;
- empowered employees feel more satisfied with their work and less stressed than employees who are not empowered;
- empowered employees are self-managing and self-leading; and
- empowered employees set goals for themselves, monitor and evaluate their own performance and reward themselves for a job well done.

Empowerment is seen as a form of employee involvement intended to generate commitment and enhance employee contributions to the organisation. Empowerment creates a competitive edge in achieving the organisation's strategic objectives (Anouli, 2007:232).

5.7 MANAGEMENT OF CHANGE AND INNOVATION

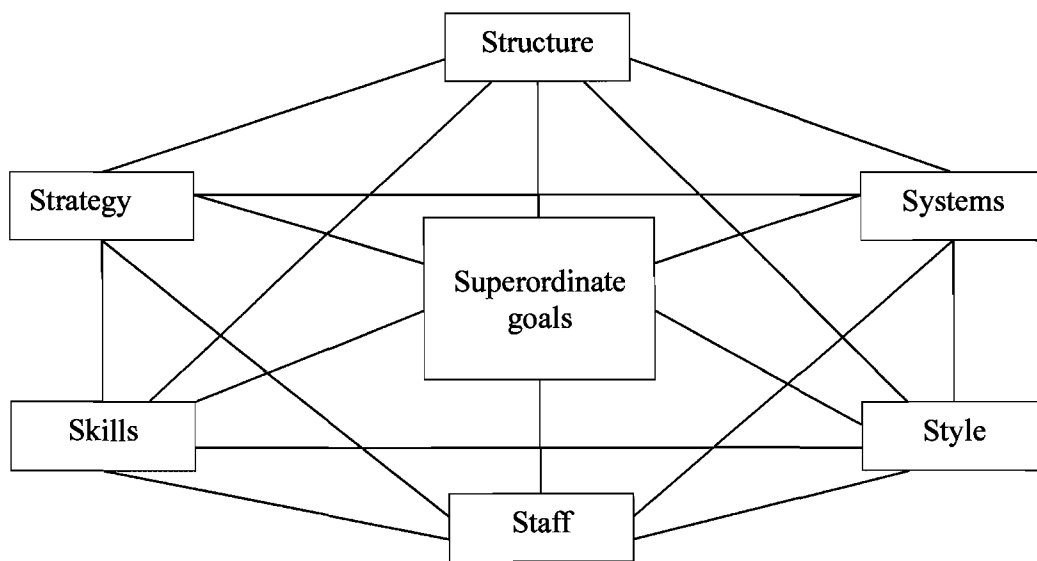
Hellriegel *et al.* (2005:383) argue that in fast-moving organisations, innovation and change are interdependent. Innovation is the process of implementing a new idea and organisation change refers to any transformation in the design or functioning of an organisation. Many types of innovation are possible:

- Technical innovation – the creation of new products and services;
- process innovation – creating a new means of producing, selling and/or distributing an existing product or service;

- administrative innovation – when the creation of a new organisation design supports the creation, production and delivery of products and services better; and
- other types of innovation - innovations of several organisations are aimed at fundamentally reshaping the industry in which they function.

Any innovation requires organisational change (Hellriegel, 2005:383). According to Stoner *et al.* (1995:290), the Seven-S Model was developed as a framework for change and identifies seven key factors that can affect successful change in an organisation. Figure 5.4 illustrates that each of these factors is equally important and interacts with all the other factors.

Figure 5.4: The Seven-S Model



Source: Stoner *et al.* (1995:291)

Stoner *et al.* (1995:290) offer an explanation of the factors in the Seven-S Model, which are all of importance to internal marketing as they influence the employee that is responsible for the execution of change:

- **Structure** – The Seven-S model adds a relevant view to the problem of organisational structure. In an ever-changing environment, successful organisations may make temporary structural changes to cope with specific tasks without abandoning basic structural departments throughout the organisation.
- **Strategy** – The Seven-S model stresses that, in practice, the development of strategies possess less of a problem than their execution.
- **Systems** – This category consists of the formal and informal procedures that allow the organisation to function, including capital budgeting, training and accounting systems. Systems can overpower expressed strategies.
- **Style** – It refers to the pattern of substantive and symbolic actions undertaken by top managers and communicates priorities more clearly than words alone, and may profoundly influence performance.
- **Staff** – Successful organisations view employees as valuable resources that should be carefully nurtured, developed, guarded and allocated.
- **Skills** – It refers to those activities organisations do best and for which they are known.
- **Superordinate goals** – this refers to guiding concepts, values and aspirations that unite an organisation are some common purpose. Superordinate goals are captured in a mission statement, but can also be phrased as a simple slogan. It has a deep meaning within the organisation and provides a sense of purpose and certain stability for employees when other more superficial characteristics of the organisation change.

Meyer (2002:79) emphasises the importance on a creative organisational culture to encourage innovation, change and improvement in the organisation. Robbins and Judge (2007:649) explain that it is difficult for employees to resist a change

decision in which they participated. The employees that are opposed to the change can be brought into the decision process if they have the expertise to make a meaningful contribution. Their involvement will reduce resistance and will increase their commitment and the quality of the change decision.

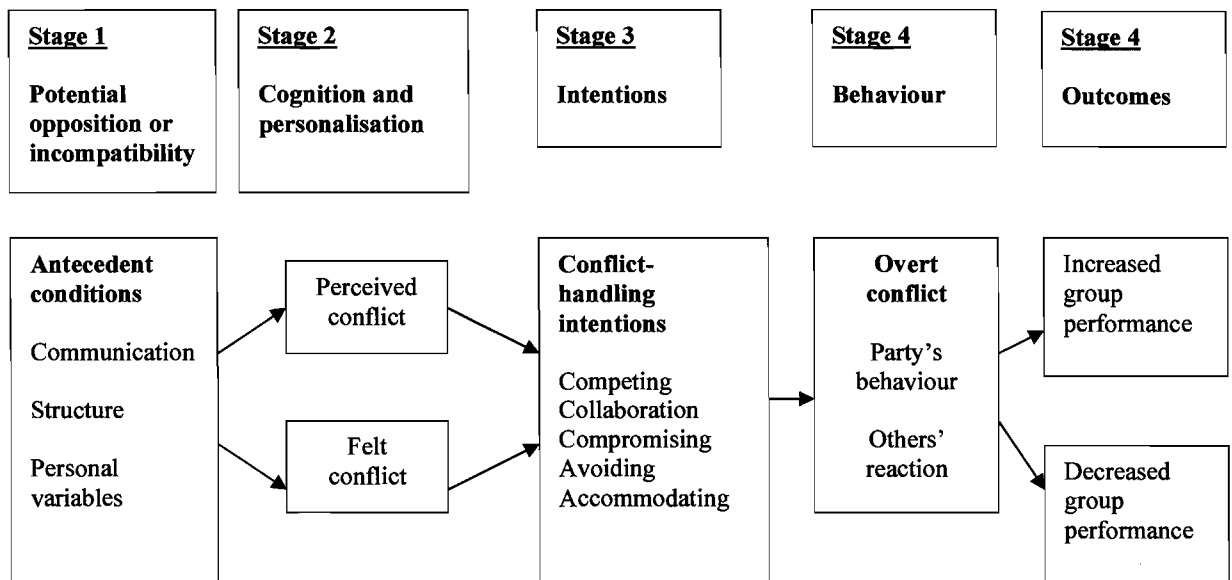
5.8 CONFLICT MANAGEMENT

Change, creativity, innovation and empowerment can create internal conflict in an organisation. Robbins and Judge (2007:504) define conflict as a process that begins when one party perceives that another party has negatively affected or is about to negatively affect something that the first party care about.

Weiss and Hughes (2005:93) argue that conflict is important to the organisation. Disagreements that develop among employees because of differences in perspective, competencies, access to information and strategic focus within an organisation generate value that can come from collaboration across organisational boundaries. Conflict situations between employees are the crucibles in which creative solutions are developed and wise trade-offs among competing objectives are made. Organisations actually need to embrace conflict and implement mechanisms to manage it to the advantage of employees and the organisation.

Internal marketing will benefit from the management of internal conflict, creating the right environment of internal marketing strategies to be carried out. The internal conflict process needs to be managed by means of five stages that are illustrated in Figure 5.5.

Figure 5.5: The conflict process



Source: Adapted from Robbins and Judge (2007:506)

Employees and different departments in an organisation can be negative towards the implementation of the marketing concept and the internal marketing strategy. This resistance could contribute to conflict among employees during the implementation of the internal marketing strategy. According to Lamb *et al.* (2005:16), the following problems need to be addressed during the implementation of the internal marketing effort:

- Organised resistance – Several departments do not appreciate the internal marketing effort and feel threatened by it (Kotler, 1997:24). Other departments such as manufacturing and finances can be intimidated when marketing is identified as the key to all activities of employees.
- Slow learning – Organisations still implement internal marketing in spite of resistance. However, the learning of marketing comes slowly.

- Forgetting fast – Even after marketing has been installed, management must fight the tendency to forget the basic marketing principles.

Weiss and Hughes (2005:94)) offer the following strategies to manage conflict:

- Devise and implement a common method for resolving conflict;
- provide employees with criteria for making trade-offs;
- establish and enforce a requirement of joint escalation;
- ensure that managers resolve escalated conflicts directly with their counterparts; and
- make the process for escalated conflict resolution transparent;

Robbins and Judge (2007:513) offer the following conflict resolution techniques to manage conflict:

- Problem solving – Face-to-face meeting of the conflicting parties for the purpose of identifying the problem and resolving it through open discussion;
- superordinate goals – creating a shared goal that cannot be attained without the co-operation of each of the conflicting parties;
- expansion of resources – when conflict is caused by the scarcity of a resource – such as money, promotion, opportunities or office space – expansion of the resource can create a win-win solution;
- avoidance – withdrawal from, or suppression of, the conflict
- smoothing – playing down differences while emphasising common interests between the conflicting parties;
- compromise – each party to the conflict gives up something of value;

- authoritative command – management uses its formal authority to resolve the conflict and then communicates its desires to the parties involved;
- altering the human variable – using behavioural change techniques such as human relations training to alter attitudes and behaviours that cause conflict;
- altering the structural variables – changing the formal organisation structure and the interaction patterns of conflicting parties through job redesign, transfers, creation of co-ordinating positions;

Robbins and Judge (2007:513) also add conflict simulation techniques as a solution to conflict situations:

- Communication – using ambiguous or threatening messages to increase conflict levels;
- bringing in others – adding employees to a group whose background, values, attitudes or managerial styles differ from those of present members;
- restructuring the organisation – re-aligning work groups, altering rules and regulations, increasing interdependence and making similar structural changes to disrupt the status quo; and
- appointing a devil's advocate – designating a critic to purposely argue against the majority positions held by the group.

Conflict can be either constructive or destructive to the functioning of employees in an organisation. Inadequate or excessive levels of conflict can hinder the effectiveness of an organisation that will result in reduced satisfaction of employees, increased absence and turnover rates and lower productivity. An optimal level of conflict is the ideal situation where there is enough conflict to prevent stagnation, stimulated creativity, allow tensions to be released and

initiate the seeds for change, but not so much as be disruptive or deter co-ordination of activities (Robbins & Judge, 2007:528).

5.9 CONCLUSION

Internal marketing is a process and mechanism for ensuring effective responsiveness to environmental changes, flexibility for adopting newly designed administrative arrangements efficiently and continuous improvement in performance (Varey, 1995:52). The development of a marketing orientation in an organisation is intended to create an internal environment that is flexible and responsive and nurtures common values and behaviour, which reflect organisational goals and its synergy with the market place.

Internal marketing can assist the organisation to match its responses to environmental change and to enhance its capability continuously (Varey, 1995:52). Internal marketing requires employees and managers to understand better and respond to better internal processes and expectations as a way to improve their delivery of value to the organisation and ultimately to the external customer. Cahill (1995:45) argues that if the internal marketing efforts of an organisation do not deliver better services to the external customers of the organisation, every dollar spent on internal marketing; every minute of management time spent, would have been wasted.

According to Ahmed and Rafiq (1995:39), the process element involves designing an appropriate delivery format and has to take account of items such as organisational structure, team structure, reward systems, empowerment, conflict management, responsibility and leadership. The marketing communication element will be discussed in Chapter 6.

CHAPTER 6

INTERNAL DISTRIBUTION

6.1 INTRODUCTION

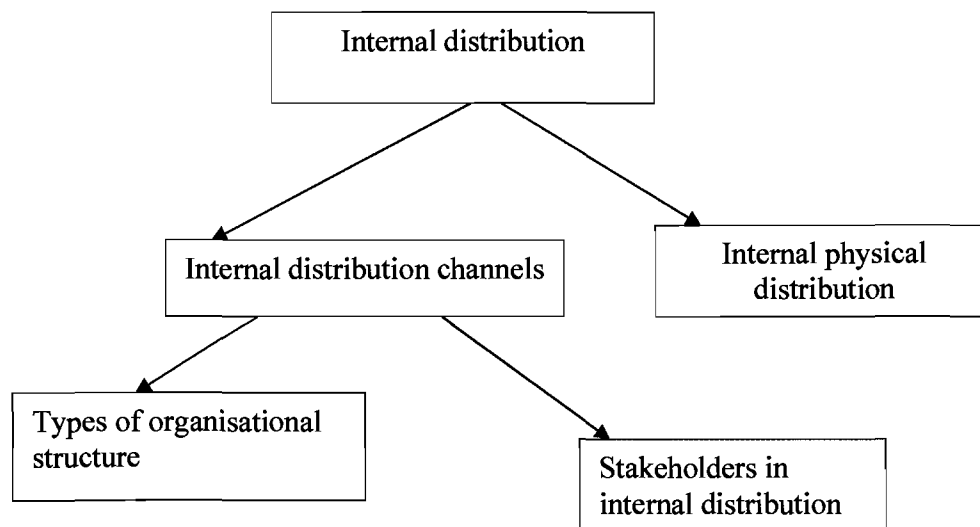
According to Ahmed and Rafiq (2002:34), distribution refers to the place and the channels (or third parties) that are used to get products to customers. The distribution element in the external context is concerned with distribution channels and reaching targeted customers and its focus is centred on the actual exchange and its environmental setting. In the internal context, the place element represents the visible and tangible as well as the invisible and intangible aspects of work and the work environment (Ahmed & Rafiq, 2002:44). The distribution or place element is part of the internal marketing mix. It can be seen as the channels through which the internal product is communicated. Marketing communication, on the other hand, refers to the message or contents and all the forms of marketing communication that can be used to persuade, inform and remind internal customers (Lambin, 2000:620).

The marketing process involves the whole organisation, which means that the employees of the organisation are responsible for the effective functioning and success of the organisation. Strydom *et al.* (2000:14) explain that all the departments and employees of an organisation must work together to achieve the objectives of the organisation.

According to Otto (2004:156), organisations experience problems with the lack of focus of employees on the market and suggest that organisations can use distribution channels to get its employees to work together. Internal distribution channels are therefore concerned with the transfer of the internal product and

internal message to the employees. Internal supportive organisational structures, internal stakeholders and internal distribution channels will be discussed as part of the internal distribution element and is illustrated in Figure 6.1

Figure 6.1: Internal distribution



Source: Adapted from Otto (2004:157).

6.2 DESCRIPTION OF THE INTERNAL DISTRIBUTION ELEMENT

Distribution has two elements: distribution channels and physical distribution (Baker, 2000:312). According to Kotler *et al.* (1999:452), a distribution channel is a set of independent organisations involved in the process of making a product or service available to the consumer. Distribution networks in the tourism and hospitality industry consist of contractual agreements and loosely organised alliances between independent organisations. Lamb *et al.* (2005:290) explain physical distribution as the ingredient in the marketing mix that describes how products are moved and stored. It consists of all business activities concerned with stocking and transporting material and parts of finished inventory. In the internal marketing context, internal distribution can be seen as consisting of

internal distribution channels and physical internal distribution of the internal production among the internal stakeholders.

The distribution element contains activities that can affect or be affected by the local environment of the organisation. According to Ahmed and Rafiq (2002:44), the aim of the internal distribution element is to attempt to devise an internal environment and atmosphere that is crucial to the achievement of specific organisational goals. This can imply giving more resources, better support, changing or attempting to change organisational culture and finding ways to empower employees through structural and responsibility adjustments.

Piercy and Morgan (1991:85) see the distribution channels element of the internal marketing mix as concerned with the physical and socio-technical venues at which the organisation has to deliver the product and its communications: meetings, committees, training sessions for managers and employees, seminars, written reports, and informal communications.

Piercy and Morgan (1991:85) also argue that the real internal distribution channel lies in human resource management and the lining-up of training, evaluating and reward systems and recruitment behind marketing strategies. In doing so, the culture of the organisation becomes the distribution channel for internal marketing strategies. Ahmed and Rafiq (2002:34) agree with this view and see distribution in the human resource context where place could mean meetings, conferences where policies are announced and channels could be used to refer to third parties (i.e. consultants) used to deliver training programmes.

Peck *et al.* (1999:319) suggest that specific managers need to be responsible for the development of the internal communication channels that are needed by internal distribution. Applicable supportive organisational structures that will also be discussed in the next section can be seen as a prerequisite for effective internal distribution.

6.3 INTERNAL DISTRIBUTION CHANNELS

Internal distribution channels in internal marketing are the route of the internal product to the internal customer by means of internal communication by internal stakeholders. The key functions of the external distribution channels that will be applied to internal marketing in a different section of this chapter are according to Kotler *et al.* (1999:452) as follows:

- Information – Gathering and distributing marketing research and intelligence information about the marketing environment.
- Promotion – Developing and spreading persuasive communications about an offer.
- Contact – Finding and communicating with prospective customers.
- Matching – Shaping and fitting the offer to the customer's needs, including activities such as manufacturing, grading, assembling and packing.
- Negotiating – Agreeing on price and other terms of the offer so that ownership or possession can be transferred.
- Physical distribution – This entails transporting and storing goods.
- Financing – Acquiring and using funds to cover the costs of channel work.
- Risk taking – This to assume financial risks such as the inability to sell the inventory at full margin.

Internal distribution channels are developed from the structure of the organisation. Spiro, Stanton and Rich (2003:83) see an organisation as an

arrangement – a working structure of activities involving a group of people. The goal is to arrange these activities so that the employees that are involved could act better together than they could individually.

Robbins and Judge (2007:538) explain that the organisational structure defines how job tasks are formally divided, grouped and co-ordinated. According to Lynch (2000:800), the structure of the organisation is developed to deliver its mission and objectives. The choice of organisational structure is therefore important for the successful internal distribution of the internal product (Otto, 2004:158).

Table 6.1 presents six elements as answers to an important structural question that managers need to address when they design their organisation's structure.

Table 6.1: Key design questions and answers for designing the proper organisational structure

The key question	The answer is provided by
1. To what degree are activities subdivided into separate jobs?	Work specialisation (the degree to which tasks in the organisation are subdivided into separate jobs)
2. On what basis will jobs be grouped together?	Departmentalisation (the basis by which jobs are grouped together)
3. To whom do individuals and groups report?	Chain of command (the unbroken line of authority that extends from the top of the organisation to the lowest echelon and clarifies who reports to whom)

4. How many individuals can a manager efficiently and effectively direct?	Span of control (the number of subordinates that a manager can efficiently and effectively direct)
5. Where does decision-making authority lie?	Centralisation and decentralisation (centralisation is the degree to which decision-making is concentrated at a single point in the organisation and decentralisation is when more lower-level employees provide input and are given the discretion to make decisions)
6. To what degree will there be rules and regulations to direct employees and managers?	Formalisation (the degree to which jobs within the organisation are standardised)

Source: Adapted from Robbins and Judge (2007:538).

The following section offers a discussion of the different organisational structures and its applicability to internal marketing.

6.3.1 Types of organisational structures

According to Kotler and Keller (2006:58), there are seven elements in successful business practice. The first three elements - strategy, structure and systems - are considered as the “hardware” of success. The next four elements - style, skills, staff and shared values - are the “software”. The relevance of these elements to internal marketing and organisational structure can be deducted from the following brief explanation of the “software” elements:

- **Style** – Employees of the organisation share a common way of thinking and behaving.

- Skills – Employees have the skills needed to carry out the strategy of the organisation.
- Staffing – The organisation has hired able employees, trained them well and assigned them to the right jobs.
- Shared values – Employees share the same guiding values.

Superior performance over time depends on flawless execution of **systems**, on an organisational culture that is based on aiming high, on a **structure** that is flexible and responsive and a **strategy** that is clear en focused (Kotler & Keller, 2006:59).

Spiro *et al.* (2003:85) summarise the characteristics of a good organisational structure as follows:

- Organisational structure should reflect a marketing orientation – Management should focus on the market and the customer.
- The organisation should be built around activities, not around people – This goal is sometimes difficult to achieve because it may be almost impossible to avoid some organising around people, that is, making people adaptations in the structure.
- Responsibility and authority should be related properly – When you give someone a job to do, you must also give the person the tools to do it. Responsibility for each activity should be clearly spelt out and assigned to a specific employee and the necessary authority should then be delegated to that employee.

- Span of executive control should be reasonable – The number of subordinates who report directly to one executive must be reasonable.
- Organisation should be stable but flexible – Stability means having trained executive replacements available when needed and flexibility refers to situations like seasonal fluctuations in the number of employees needed.
- Activities should be balanced and co-ordinated – It means not letting one unit of a department become more important than another.

A healthy organisation is self-adjusting. According to Spiro *et al.* (2003:85) a formal organisation's well-being is maintained by the system known as the informal organisational structure. It represents how things actually get done in a company, not how they are supposed to be done according to a formal organisation chart.

Organisational structures in relation to internal marketing needs are a prerequisite for choosing the best internal distribution channel. The different organisational structures and their applicability to internal marketing will be discussed in the next section.

6.3.1.1 The line organisational structure

The line organisational structure is the simplest form of organisation and is characterised by the hierarchical flow of authority from top management to employees. According to Kroon (1996:244), the line organisation is established around the functions necessary to manufacture and distribute products. This structure implies direct control over the activities of employees with highly centralised authority, inflexibility and communication that flows downwards (Spiro *et al.*, 2003:87). Kroon (1995:246) lists the following advantages and disadvantages of the line organisational structure:

Advantages

- A simple and inexpensive organisation structure with unity of command is possible.
- The authority and responsibility lines are clear and strictly vertical.
- It is a stable organisation structure that ensures quick decision-making.
- Relationship problems are minimised.

Disadvantages

- It is an Inflexible organisation structure that impedes adaptation to change.
- There is a lack of specialist knowledge resulting in heads of departments being overloaded with a variety of skills.
- There is dependence on multi-faceted heads of department that are difficult to replace.
- There are too many management levels, impeding communication.

Hellriegel *et al.* (2005:211) view this structure as bureaucratic because it does not foster creativity, innovation and interactive communication. This structure is therefore unacceptable for internal marketing because innovation and creativity are part of the internal product elements that presents the internal marketing mix.

6.3.1.2 The line and staff organisational structure

Specialists in various areas are added to the line organisation. The specialist is responsible for all planning connected with a specialised activity, but only in an advisory relationship and with no power (Spiro *et al.*, 2003:159).

Decision-making is slower and strong staff executives may want to assume line authority instead of staying in an advisory role. This could result in negative relationships among employees that will hamper the execution of effective internal marketing strategies. Employee empowerment and ownership are an

important component of internal marketing, which is hampered by this structure (Otto, 2004:159).

6.3.1.3 The functional organisational structure

Employees with the same skills and who perform the same tasks are formally grouped together into work units. Members of functional departments share technical expertise, interests and responsibilities (Schermerhorn, 2002:259). Kotler and Keller (2006:697) argue that the main advantage of a functional structure is its administrative simplicity. Schermerhorn (2002:260) adds the following advantages:

- Economies of scale with efficient use of resources;
- task assignments consistent with expertise and training;
- high-quality technical problem solving;
- in-depth training and skill development within functions;
- clear career paths within functions.

Hellriegel *et al.* (2005:200) agree and add that this structure keeps administrative expenses low because everyone in the department shares training, experience and resources. Job satisfaction may increase if employees can improve their specialised skills by working with others in the same functional area.

However, the disadvantages of this structure do not make it beneficial for the practice of internal marketing in the organisation. According to Hellriegel *et al.* (2005:200), an important disadvantage of the functional organisational structure that can be detrimental to internal marketing, is that it tends to de-emphasise the goals of the entire organisation. Employees may focus on departmental goals such as meeting their own budgets and schedules and losing sight of the entire organisational picture. Another concern for internal marketing with this structure is that employees may develop such a loyalty to their own departments that it can

erect barriers instead of encouraging identification and co-ordination with their counterparts in other departments (Hellriegel *et al.*, 2005:200).

Schermerhorn (2002:260) identifies the functional chimney problem as another important concern that can be a barrier to effective implementation of internal marketing. The functional chimney problem refers to the lack of communication, co-ordination and problem solving across functions. The functions become formalised in the mindsets of the employees and the sense of co-operation and common purpose breaks down so that employees lose the total-system perspective. The functional chimney problem may erect barriers instead of encouraging identification and co-ordination. This structure is therefore not beneficial for internal marketing.

6.3.1.4 The horizontal/team organisational structure

Luthans (2005:103) sees the horizontal organisational structure as replacing the traditional vertical, hierarchical organisation. The entire organisation is made up of work groups or teams that perform the organisation's work. In a team-based structure, employee empowerment is crucial (Robbins & Coulter, 1996:358). Robbins and Judge (2007:530) argue that when management uses teams as its central co-ordination device, the organisation has a horizontal or a team structure.

The horizontal structure is beneficial to internal marketing in the sense that it facilitates co-operation, teamwork and a customer rather than a functional orientation. Organisations use team structures to mobilise employee teams extensively to solve problems, complete special projects and accomplish day-to-day tasks (Schermerhorn, 2002:260).

The following guidelines are offered by Luthans (2005:103) to define the horizontal organisational structure that shows its relevance to internal marketing

and the elements of the internal marketing mix:

- Organisation revolves around the process, not the task – Instead of creating a structure around the traditional functions, the organisation is built around its three to five core processes. Each process has an “owner” and specific performance goals.
- The hierarchy is flattened – To reduce levels of supervision, fragmented tasks are combined. Work that fails to add value is eliminated and activities within each process are cut to the minimum.
- Teams are used to manage everything – Self-managed teams are the building blocks of the organisation. The teams have a common purpose and are held accountable for measuring performance goals.
- Customers drive performance – Customer satisfaction, not profits or stock appreciation, is the primary driver and measure of performance.
- Team performance is rewarded – The reward systems are geared toward team results, not just individual performance. Employees are rewarded for multiple-skill development rather than just specialised expertise.
- Supplier and customer contact is maximised – Employees are brought into direct, regular contact with suppliers and customers. Where relevant, supplier and customer representatives may be brought in as full working members of in-house teams.
- All employees need to be fully informed and trained – Employees should be provided with all information, not only information on a “need to know” basis. They also need to be trained how to analyse and use the information to make effective decisions.

The horizontal organisational structure enhances relationships among employees and fosters a culture of common purpose. Schultz *et al.* (2003:237) and Luthans (2005:104) identify the following elements and principles of the horizontal organisational structure, which shows that it is a positive structure for internal marketing:

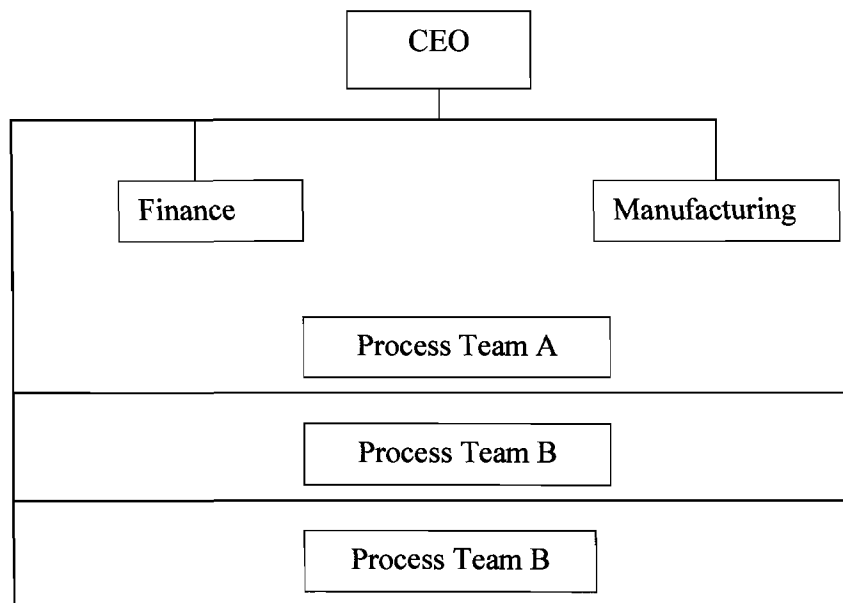
- Make teams, not individuals, the corner-stone of organisational design and performance.
- Process owners take responsibility for an entire core process.
- Decrease hierarchy by eliminating non-value-adding work and by giving team members the authority to make decisions directly related to their activities within the process flow.
- This structure uses information technology to help reach performance objectives and deliver value to customers.
- It lets customers' satisfaction drive performance.
- It rewards workers for their team-related performance.
- It emphasises multiple competencies and train people to handle issues and work in cross-functional areas.
- Top management continuously informs and trains all employees to help develop multiple competencies.
- It maximises contact with suppliers and customers.

- Measure for end-of-process performance objectives, as well as customer satisfaction, employee satisfaction and financial contribution.
- Build a corporate culture of openness, co-operation and collaboration; a culture that focuses on continuous performance improvement and values employee empowerment, responsibility, and well-being.

Team assignments help to break down barriers between operating departments and can boost morale as employees from different parts of the organisation get to know more about one another. This structure allows employees to focus on shared knowledge and expertise on specific problems and can therefore improve the speed and quality of decisions in many situations. Employees working in teams experience a greater sense of involvement and identification with the organisation, which is an all-important prerequisites for internal marketing. This involvement and identification will increase their enthusiasm for their job/the internal product (Schermerhorn, 2002:265). All organisational structures should harness the full talents of the workforce. Within the horizontal/team structure employees work together through co-operation, shared commitments to a common purpose and consensus.

The horizontal structure is recommended as a beneficial structure for internal marketing. An example of this structure is depicted in Figure 6.2.

Figure 6.2: The horizontal organisation



Source: Adapted from Schultz *et al.* (2003:237).

6.3.1.5 Other organisational structures

Divisional organisational structure - A divisional structure groups people together who work on the same product, in the same area, with similar customers or on the same processes. Robbins and Coulter (1996:358) explain that the strength of the divisional structure is that it focuses on results, while the major disadvantage is the duplication of activities and resources. Since each division has its own functional departments, the duplication of functions increases the organisation's costs and reduces efficiency. This structure is not recommended for internal marketing.

Matrix organisational structure – The matrix structure combines two forms of departmentalisation: functional and product. This structure breaks the unity-of-command concept. Employees in the matrix structure have two managers - their functional department managers and their product managers. The matrix has a

dual chain of command. The strength of the matrix is the ability to facilitate co-ordination when the organisation has a multiplicity of complex and interdependent activities and it facilitates the efficient allocation of specialists (Robbins & Judge, 2007:549). The major disadvantages are the confusion and conflict it creates. It could also foster power struggles and places stress on the employees (Pearce & Robinson, 2003:317). This structure could contribute to negative feelings among employees that are not beneficial for internal marketing.

Project organisational structure – This structure is a temporary structure with a specific aim that must be achieved. It comprises a one-time, extensive task for which various levels and kinds of skills and resources are necessary for its successful performance. This structure cannot be used in organisations that want to apply internal marketing, because internal marketing requires permanent structures (Kroon, 1996:250).

Adhocracy organisational structure - This organisational structure is also characterised by temporary teams of employees who move from one project to another. This structure is recommended for internal marketing because of its temporary nature (Kroon, 1996:255).

The free-form organisation structure – The free-form organisational structure is based on the assumption that the aim of the structure is to make management of change possible. To achieve this goal, the structural arrangement of the organisation must be exceptionally adaptable. It is difficult to organise and is counter-productive.

Boundary-less organisational structure – This type of structure eliminates vertical and horizontal barriers and break down external barriers between the company and its customers and suppliers. The boundary-less organisational structure eliminates the chain of command, have limitless span of control and replaces departments with empowered employee teams (Robbins, 2004:438).

Network/virtual organisational structure – This is a small, core organisation that out-sources major business functions and the virtual organisation is highly centralised, with little or no departmentalisation (Robbins, 2004:436). This organisational structure is in contrast with the bureaucracy structure that has many vertical levels of management and where control is sought through ownership. Luthans (2005:107) identifies the key attributes of the virtual organisational structure as:

- Technology – Informational networks will help far-flung organisations and entrepreneurs link up and work together from start to finish.
- Opportunism – Partnership will be less permanent, less formal and more opportunistic.
- No borders – This new organisational model redefines the traditional boundaries of the organization.
- Trust – These relationships make organisations far more reliant on each other and require far more trust than ever before. They share a sense of “co-destiny”, meaning that the fate of each partner is dependent on the other.
- Excellence – Because each partner brings its “core competence” to the effort, it may be possible to create a “best-of-everything” organisation. Every function and process could be world class.

The most important advantage of the virtual organisation is its flexibility and the primary drawback is that it reduces management’s control over key aspects of the organisation (Robbins, 2003:436). However, this type of structure can contribute to the right organisational culture that can be beneficial for internal marketing.

Based on the discussion of the different organisational structures, it is suggested that the horizontal, the boundary-less and the network/virtual organisational structures can be beneficial for the practice of internal marketing. Factors such

as employee empowerment, participation, empowerment, two-way communication, responsibility, creativity and innovation are important characteristics of these structures, which are also important aspects of internal marketing.

According to Robbins and Judge (2007:554), an organisation's structure is a means to help management achieve the objectives of the organisation. Objectives are derived from the organisation's overall strategy; therefore the strategy and structure should be closely linked. When management makes a significant change in the strategy of the organisation, the structure of the organisation will need to be modified to accommodate and support this change. It can be said that when management decides to embrace an internal marketing perspective and the structures of the organisation does not support this, the structure will need to be adapted to accommodate the new strategy.

6.3.2 Stakeholders in internal distribution

Barber and Strack (2005:81) argue that it is no secret that the success of organisations resolves largely around people, not capital. In most industries, people costs are much higher than capital costs. People in the organisation often drive corporate performance. Nickels and Burk-Wood (1997:4) argue that the role of internal marketing is to facilitate the building of a relationship with employees. It is actually selling inside the organisation.

People are the key to the success of an organisation and play different roles in the organisational unit. Employees need to work with their internal customers/colleagues, suppliers and customers to add value to the organisation. These groups are part of the organisational structure and the internal distribution channel through which the internal product passes (Otto, 2004:168).

According to Analoui (2007:92), employees are considered to be strategic assets of an organisation. Organisations that are better able to create and integrate knowledge through their internal distribution channels than their competitors are likely to gain a competitive advantage. The internal distribution effort must be integrated with win-win relationships among employees as a goal of all stakeholders working together to achieve the common goal of the organisation.

The internal distribution element represents the visible and tangible, as well as the invisible and intangible aspects of work and the work environment. It is the setting within which transactions/exchange between parties, i.e. the organisations and its employees occur. It includes the cultural, symbolic and metaphoric aspects of the organisation, from and within which setting employees form allegiance to the organisation (Ahmed & Rafiq, 1995:40).

Ahmed and Rafiq (1995:40) argue that distribution can be used to implement aspects of the process, such as with whom power resides, what level of power within particular groups of segments of employees and how this needs to be altered and or adapted to allow for effective strategy implementation. Employees can belong to more than one stakeholder group and in so doing play different roles. These internal roles, the communication and conflict in the organisation structures and technological development influence the way that activities are executed in the organisation. It is therefore important to have correctly co-ordinated and dove-tailed channel strategies through apt steering and co-ordination via channels captaincy, structure and power manipulation. According to Otto (2004:168), the internal product supplier is also the internal final consumer. Different routes of the internal distribution channels are therefore important.

The internal distribution channel consists of leaders, top, middle, first-line management and all employees. Leaders build teams, generate cohesion, resolve conflict, offer mentoring, coaching and inspire and motivate employees.

They build culture and generate change (Kreitner & Kinicki, 2004:595). Employees want leaders to create feelings of *significance* (what one does as work is important and meaningful), *community* (a sense of unity encourages people to treat others with respect and dignity and to work together in pursuit of organisational goals) and *excitement* (people are engaged and feel energy at work). The difference between leaders and managers are that managers perform functions associated with planning, investigating, organising and control, while leaders deal with the interpersonal aspects of a manager's job.

According to Kreitner and Kinicki (2004:596), leaders inspire others, provide emotional support and try to get employees to rally around a common goal. They also play a key role in creating a vision and strategic plan for the organisation. Management is responsible for the implementation of the vision and strategic plan. In the internal marketing context, managers will therefore be responsible for the implementation of the internal marketing strategy, which includes the distribution of the internal product. Hellriegel *et al.* (2005:17) argue that in many organisations only top-level managers have responsibility for making decisions about how to design jobs and which policies to adopt. Middle and first-line managers then work within the framework created by those decisions. Middle and first-line managers can directly motivate employees through more personal internal distribution channels. Expectations of employees and their motivational instruments will vary, based on the nature of their work and their positions within the organisation. Belding (2005:10), however, argues that there are four common expectations among all employees, namely direction, appreciation, respect and tools (DART). These are the absolute basics of people management and need to be applied by using effective internal distribution channels:

Direction – The clearer and more accurate the directions that managers give to employees the better results and happier everyone in the organisation will be.

Appreciation – A simple “thank you” can be very powerful and motivational. Employees need to be recognised for their efforts.

Respect – Employees want to be treated with dignity and respect.

Tools – Give employees the intellectual tools to help them do their jobs better.

Strydom *et al.* (2000:491) see leadership as an integral part of the implementation of strategies. Leadership is the driving force within an organisation. It includes the delegation of authority to subordinates, co-ordinating tasks and activities, communication on all levels of the organisation and the establishment of a corporate culture that is conducive to the achievement of the internal marketing objectives and the overall objectives of organisation.

Leaders and managers are part of the internal distribution channel in internal marketing and have the responsibility of communicating with employees and motivating them. Other responsibilities include knowledge of the work situation, responsible management, management by objectives, management of emotions of employees, to create a desire for learning, to involve the whole organisation, the use of responsible power and authority. Effective leadership implies that managers communicate with employees to ensure effective use of the internal distribution effort for internal marketing to be implemented successfully (Covey, 2004:5).

The following factors were identified by Analoui (2007:227) as motivational factors, that need to be practiced, by management, namely a) a meaningful job b) recognition for good work, c) challenging job (personal growth), d) participation in decision-making, e) personal responsibilities and, f) advancement and promotion. The ideal motivational and leadership styles for internal marketing are the participative and motivational leadership style (Otto, 2004:175).

Employees who are not part of management are very important in the internal distribution channel, because they are responsible for the production of products, they service consumers, and are responsible for many other functions in the organisation. The management of internal distribution channels consisting of leaders, different levels of management and employees are very important for the implementation of the internal marketing strategy.

6.4 INTERNAL PHYSICAL DISTRIBUTION

According to Strydom *et al.* (2000:296), physical distribution can be described as the set of activities needed to manage the physical flow of products from the manufacturer through the intermediaries to the customer. Physical distribution concentrates on the handling and movement of outbound products from the organisation to the consumer. This includes activities such as order processing, warehousing, inventory management and transportation. Internal marketing uses internal distribution channels for these activities. Channels are influenced by physical influences such as internal climate and technology (Otto, 2004:185).

Strydom *et al.* (2000:271-284) explain the elements of the physical distribution systems as follows:

- Stocktaking – to determine the effectiveness of the information distribution effort and the internal market research effort;
- transportation – the use of internal forms of communications and distributions channels in the internal marketing context,
- warehousing – the information management activities to ensure successful communication and internal transactions; and
- communication – communication about the effectiveness of internal distribution channels.

6.4.1 Influence of internal organisational climate and culture

The internal climate can influence decision-making of employees that could have a negative effect on the success of the organisation. The behaviour of employees has an effect on the internal climate and culture of the organisation. Gerber *et al.* (1998:43) see organisational climate as an encompassing concept that could be regarded as the result of all the elements contained in the job context environment. The climate within an organisation is the result of the management philosophy of that organisation as shown in the style of management practised in the organisation. The emotions of the employees need to be managed. Some of the situations that could contribute to a negative climate are unrealistic workloads, poor management, role conflicts, and poor balance between efforts and rewards (McKay, 2007:70). Negative situations will have an influence on the motivation, loyalty and productivity of the employee.

Drafke and Kossen (1998:334) argue that the overall organisational culture could increase or decrease job satisfaction. An organisational culture and climate that give recognition to employees, promote interactive communication, embrace a supportive culture among employees, and enhance creativity and innovation will create the right atmosphere for the successful implementation of internal marketing.

Effective internal distribution requires an applicable internal climate and culture in the organisation. The physical environment of the organisation will be discussed the next section as it is important for internal distribution decision-making.

6.4.2 Physical organisational environment

Gerber *et al.* (1998:44) explain that working conditions are created by the interaction of employees with their physical work environment. The physical environment appeals to the employees' senses and is related to their lower-order

needs, which in turn affect their physiological functioning. The way that the physical environment is structured and distributed to the internal marketing will influence employee satisfaction and loyalty. Sub-elements of working conditions can be distinguished:

- Physical working conditions – This refers to the amount of work and the availability of facilities and the aspects of the physical environment in which the employee works. It refers to the aids that enable employees to function effectively and to the attractiveness of the work environment.
- Psychological working conditions – It refers to the psychological effect of work pressure on individuals and groups. It includes the psychological expectations of employees in the psychological contract in respect of their working conditions as compared to what they actually experience;
- Physical layout of the job – It refers to the neatness, organisation, convenience, attractiveness and stimulus value of an employee's personal micro-environment. This affects the employee's physical interaction with these work aids and this interaction affects physical and sensory functions.

Employee motivation and performance are either positively or negatively affected by the employee's job context environment. The management and leadership style is the primary factor that influences employee functioning and performance. Structures, processes and distribution channels within an organisation must promote and enhance the achievement of the goals of the employee within the framework of the psychological contract with the final result the achievement of the goals of the organisation (Gerber *et al.*, 1998:45).

6.4.3 Technological influence on physical distribution

According to Kotler and Keller (2006), one of the most dramatic forces shaping people's lives is technology. The same is true in organisations today. The way in

which organisations are managed has changed because of the technological explosion.

Technology has important implications for employees. Employees' skills requirements have increased. Employees need to be able to read and comprehend software and hardware manuals, technical journals and detailed reports. Another implication is that technology tends to level the competitive playing field. It provides organisations with the ability to innovate, bring products to the market rapidly and respond to customer requests (Robbins & Decenzo, 2004:50).

The intranet and other technological communication structures play an important role in information and internal distribution. It is possible to involve all employees in decision-making and to promote customers satisfaction. Organisations need to use communication channels on physical en technological level to ensure the maximum impact of the internal marketing effort (Gronstedt, 2000: 35).

Technology, the physical environment of the organisation and internal organisational climate and culture influence the physical internal distribution effort. Otto (2004:190) argues that these influences need to be managed to ensure successful internal distribution.

6.5 CONCLUSION

Internal distribution is concerned with the choice of internal distributions channels and the physical distribution of the internal product to the internal target market. The internal organisational structures and systems need to support the internal distribution effort. Internal distribution was discussed as part of the internal marketing mix. The internal marketing communication elements of the internal marketing mix are discussed in Chapter 7.

CHAPTER 7

INTERNAL MARKETING COMMUNICATION

7.1 INTRODUCTION

According to Piercy and Morgan (1991:85), the most tangible aspect of the internal marketing programme is the communications media used to inform and to persuade, and to work on the attitudes of the key employees in the internal market place. Marketing communication (promotion) within the internal marketing mix involves the sharing of information among employees and refers to communication within the organisation (Varey & Lewis, 2000:240).

Otto (2004:204) argues that two ingredients of effective communication with employees are important: *what* the message consists of and *how* it is transferred. Internal marketing is concerned with the contents (*what*) of the marketing concept message and the internal product elements that the organisation wants to market to the employees. *How* this message is transferred is by using the internal marketing communication elements, namely internal advertising, internal sales promotion, internal personal selling, internal public relations and internal direct marketing. The internal marketing communication message is transferred via the internal marketing communication elements with the support of the internal distribution channel. An internal marketing strategy cannot be implemented without effective internal communication. The role of internal marketing communication to the implementation of the internal marketing strategy is therefore crucial.

The internal marketing communication elements (promotion) are part of the internal marketing mix. The different elements of the internal marketing

communication mix, as well as a discussion on communication will follow in this chapter.

7.2 DESCRIPTION OF INTERNAL MARKETING COMMUNICATION

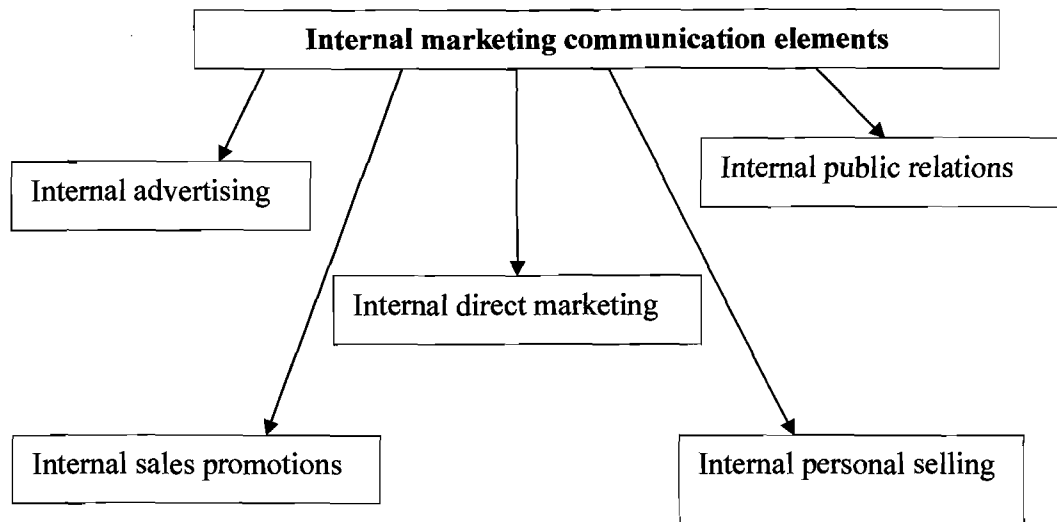
According to Ahmed and Rafiq (1995:39), operationalisation of marketing communication in the internal context can be achieved by examining how the range of marketing communication devices can be used to increased knowledge, skills and awareness among employees of strategic change issues. Piercy and Morgan (1991:85) suggest that the full range of communication elements and associated goals must be considered, as with external customers. The time and financial costs associated with these activities also need to be considered.

Marketing communication activities, whether communications such as internal advertising or other internally directed promotional devices to elicit a response, can be used to aid the “buying into the programme” process by employees. Marketing communication in this sense can, according to Ahmed and Rafiq (1995:39), be a skills- and knowledge-generation function. Internal communications, presentations and training via demonstrations can all be used to raise awareness and skills and to sensitise employees to activities required of them. Marketing communication can be an extremely effective vehicle for letting employees know what to do, when to do it and exactly how to do it, and thereby serves to clarify their role in the enactment of strategy.

Communication and marketing communication are applied to the internal marketing environment for the goal of this study. Armstrong and Kotler (2005:399) explain that the marketing communication mix of an organisation consists of a combination of advertising, sales promotion, public relations, personal selling and direct-marketing tools that the organisation uses to pursue its advertising and marketing objectives. The same elements of the internal

marketing communication mix decisions can be applied to the internal market as illustrated in Figure 7.1. These different elements are discussed in section 7.4.

Figure 7.1: Internal marketing communication elements



Source: Adapted from Armstrong and Kotler (2005:399).

Internal marketing communication is used to create awareness among employees of the internal product (Otto, 2004:206). A discussion of marketing communication is, however, incomplete without a discussion of communication.

7.3 INTERNAL COMMUNICATION

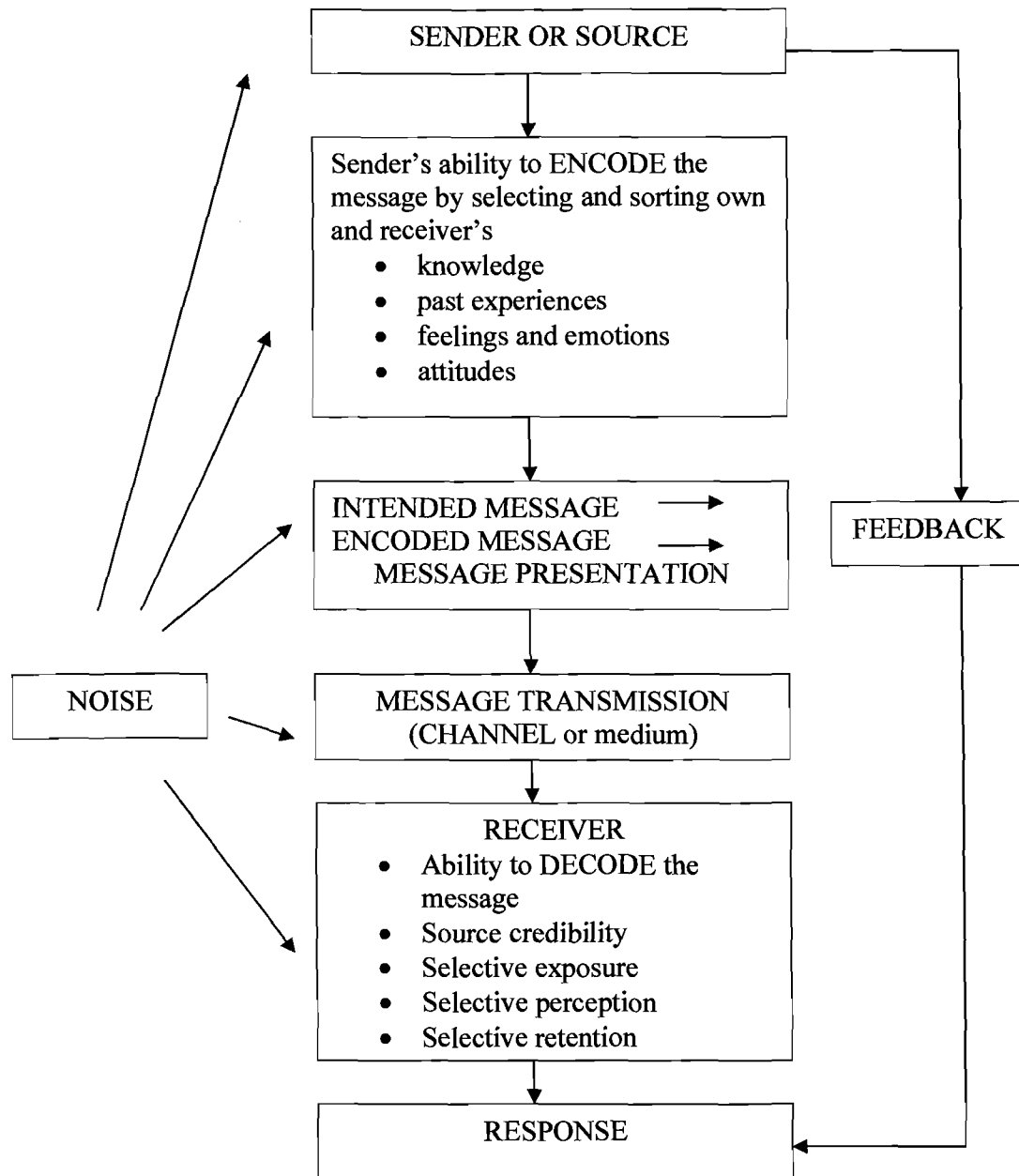
Communication is the key to success in organisations (Scholes, 1997:25). Maggs (2006) agrees with this and argues that everyone knows how important employees are to an organisation in delivering on organisational objectives. However, internal communication in most organisations falls very near to the bottom of the priorities list and gets less attention and focus.

According to Maggs (2006), organisations need to strategically think through and creatively execute their internal communications. It is more beneficial to the organisation to approach employee communication with the same respect, rigour and passion that the organisation has for their external customer communication.

Internal communication is the pattern of messages shared by workers. This is human interaction that takes place within organisations and among employees (Rensburg & Bredenkamp, 1991:13). According to Cohen (2007:8), the secret to winning in politics, business and life in general is through building strong relationships. Communication is needed to build these strong relationships and create the right organisational climate and culture in the organisation. The right organisational climate with the right internal communication is important for the effective implementation of an internal marketing strategy.

Organisations wishing to communicate effectively must understand the fundamental elements that underlie effective communication. The communicator needs to understand the elements of the communication process, namely the sender and receiver, the message and media, encoding and decoding, the response and feedback, to communicate effectively in the organisation (Kotler, 2000:550). These elements are summarised and illustrated in Figure 7.2. Successful communication are according to Koekemoer (2004:42) accomplished when the organisation selects an appropriate source, develops an effective appeal and then selects the media that will best reach the target market and effectively deliver the message.

Figure 7.2: Model of communication



Source: Adapted from Koekemoer (2004:42).

According to Hartline and Bejou (2004:49), communication in the organisation has two important aspects: structure and content. There is also a third aspect,

namely the mode of communication (i.e., formal versus informal). The effectiveness of communication depends on the nature of the message and the medium/channel through which the message is conveyed. Rensburg and Bredenkamp (1991:18) explain that the message can be informative or persuasive by nature. An employee could be informed about something or be requested to do something. Each organisational message therefore has content. It also has quality and structure, which determine the impact of the message.

Organisations wishing to communicate successfully with employees, must take more note of the communication and media used internally. The employee's tone of voice; his/her non-verbal communication; the circumstances in which the message is conveyed (or in which it is received); the choice of words; the audio-visual apparatus to be used and many other factors determine how communication can succeed/fail and be effective/ineffective in organisations (Rensburg & Bredenkamp, 1991:18).

Internal communication helps employees do their jobs, develop a clear sense of the mission of the organisation and identify and react quickly to potential problems. To maintain a healthy flow of information within the organisation, effective communicators use both formal and informal channels (Thill & Bovée, 2005:12). The formal and informal flow of communication in the organisation is also part of the internal marketing communication effort (Otto, 2004:207). Nieman and Bennett (2006:268) explain that **formal** communication flows in four directions, namely:

- **Downward** – from managers to subordinates. Downward communication includes instructions (e.g. assigning a specific task to an employee or groups of employees), providing information, (e.g. informing subordinates of the objectives, strategies, policies and practices of the organisation) and providing subordinates with feedback on their performance.

- **Upward** – from subordinates managers. Upward communication includes informing managers of problems, making suggestions so solve problems and improve performance, informing managers of employee grievances or minor irritations, and reporting on the performance of the organisation through sales reports, production statistics and so on.
- **Horizontal** – between peers and co-workers. This kind of communication is very important as organisations have come to realise the importance of communication between different departments and divisions to ensure effective co-ordination and synergy between organisational functions.
- **Diagonal** – between employees from different departments and at different levels in the organisation. Diagonal communication does not follow normal authority paths.

The increased need for horizontal communication and communication with external stakeholders has resulted in the emergence of “boundary-less” organisations. These organisations have broken down the traditional barriers between the organisation and its external environment, as well as the internal barriers between functional areas, divisions and departments (Nieman & Bennett, 2006:268). This type of organisation creates the right climate and culture for internal marketing.

According to Thill and Bovée (2005:13), the **informal** internal communication network does not follow formal channels and is not sensitive to authority levels within an organisation. Internal marketing, however, can influence and can be influenced by these informal networks. The grapevine and “management by wandering around” (MBWA) are two types of informal communication that is relevant to internal communication:

- ***Grapevine*** – This is the personal informal communication network between employees within an organisation. Any employee, regardless of position or rank, can form part of this network. Communication through the grapevine is often referred to as gossip. The grapevine can be used to the advantage of internal marketing in the organisation. Important information can be communicated quickly to employees and positive messages can be filtered through the organisation in a relatively short period of time. Thill and Bovée (2005:13) explain that although much of the information communicated through the grapevine deals with personal matters. About 80% of the information that travels along the grapevine pertains to business and 75% – 95% of it is accurate.
- ***Management by wandering around” (MBWA)*** – This is an informal communication technique that managers use to communicate with employees on an informal basis. Managers walk around the workplace and informally discuss work-related issues with subordinates. This type of communication is important, as it provides valuable information and fosters good relationships between managers and employees. MBWA builds relationships with employees, breaks down barriers between management and employees and positively influences the motivation, commitment and morale of employees. It creates a feeling of importance and self-worth in employees, because managers show an interest in the opinions and suggestions of employees (Nieman & Bennett, 2006:269). The important relevance to internal marketing is illustrated in the fact the employees feel part of “the team” and the objectives of the organisation become their objectives, which is all part of the different dimensions of internal marketing.

Harding (2007:21) identifies the following benefits of good internal communication to the organisation:

- More effective use of money;
- improved perception of the organisation and management;
- reduced absenteeism;
- reduced clutter;
- reduced stress levels;
- improved clarity; and
- improved productivity.

Harding (2007:21) emphasises that internal communication needs to be creative, not with the message, but also with the medium that is used to deliver these internal messages. Harding (2007:21) suggests that the intranet of the organisation needs to be exciting, engaging and dynamic. As with external marketing, the type of message and the medium that is used to send the message must fit the target market. It is important to treat employees with as much respect as the organisation treats its customers. Treat the message that the organisation gives to the employees with as much care as those sent to customers outside (Harding, 2007:21).

7.3.1 Barriers to effective communication

A number of barriers can sabotage effective communication. Successful interpretation of internal marketing relies on effective communication. It is therefore important to understand how the principal communication barriers can assist the organisation in avoiding or overcoming these negative barriers. Dafke and Kossen (1998:90) identify the following barriers:

- Lying – the deliberate deception of; to their detriment or your gain; not telling the truth
- Perceptions – past experiences, present moods, attitudes, peers and other factors significantly influence how we interpret a given message
- Emotions – a subjective reaction or feeling, the sender's and receiver's feelings affect the message and the nature of the response
- Over-eagerness to respond – the need to show others that they are not telling us something we do not already know
- Snap judgements – drawing a conclusion instantly or with insufficient data
- Closed words – all-inclusive words that eliminate the possibility that exceptions exist
- Attacking the individual - involves discussing people or their appearance rather than the real issues
- Judging – forming an opinion, judging is a barrier to communication when it replaces a statement of facts
- Rank – a person's relative status in an organisation is frequently a major barrier to communication
- Credibility gaps – these gaps are quite common between managers and employees in an organisation
- Gatekeepers – people or devices that control access to another person. It is individuals who determine what information is received by key decision makers
- Noise – anything in the sender, the medium, or the receiver that hinders communication
- Wasting the thought-speech rate differential - Because we think faster than people speak, we have time during a conversation to contemplate on things
- Poor listening – People misinterpret others because of ineffective listening habits

- The verbal cocoon – This is a condition of not receiving information or receiving incorrect or partial information.

Koekemoer (2004:59) adds the following barriers:

- Failing to listen well;
- failing to use the “you” approach;
- sending the wrong non-verbal signs;
- failing to write to be understood;
- lacking knowledge of audiences;
- failing to realise that communication is a two-way process;
- failing to observe common courtesies;
- differing perceptions;
- language usage;
- inconsistencies in communication;
- distrust;
- apathy;
- resistance to change;
- cross-cultural barriers.

7.3.2 Guidelines for effective communication

An understanding of the process of communication as well as guidelines for effective communication is important for successful internal communication. Hellriegel *et al.* (2005:329) list the following guidelines:

- Clarify your ideas before communicating – Analyse the topic or problem to clarify it in your mind before sending a message. Communication is often ineffective because the message has been inadequately planned. Part of

good message planning is to consider the goals and attitudes of those who will receive the message.

- Examine the true purpose of communication – Before sending a message, make sure that you know what you want to accomplish. Decide whether it is to obtain information, to convey a decision or persuade someone to take action.
- Consider the setting in which the communication will take place – Meanings and intent are conveyed not only by words.
- Consult with others, when appropriate, in planning communications – Encourage the participation of those who will be affected by the message. They can often provide a viewpoint that you might not have considered.
- Be mindful of the non-verbal message you send – Tone of voice, facial expressions, eye contact, personal appearance and physical surroundings all influence the communication process.
- Take the opportunity to convey something helpful to the receiver – Considering the other person's interests and needs often presents opportunities to the sender. Effective communicators try to understand the message from the listener's point of view.
- Follow up the communication – Also ask for feedback to find out whether you have succeeded.
- Be sure that actions support the communication – The most effective communication is not what you say, but what you do.
- Regulate the flow of information – Too much information results in information overload.
- Simplify the language of the message – Choose words that others understand.
- Listen actively – Be a good listener and a good message sender.
- Restrain negative emotions – These could distort the content of the message.

- Use non-verbal cues – This can be done to emphasise points and express feelings.
- Use the grapevine – It can be used to counteract the negative effect by being sure that relevant, accurate, meaningful and timely information reaches others.

Effective internal communication is a prerequisite for good relationships among employees, for internal marketing communication and therefore for internal marketing. Scholes (1997:22) emphasises the importance of good internal relationship marketing in an organisation and explains the importance of transferring the following messages:

- *Illustrate commitment to employees.*
- Develop continuous contact with employees.
- Focus on the benefits of co-operation.
- Make employee satisfaction a priority.

Organisations need to personalise their internal marketing communication effort. They need to communicate on the level of the employee and ensure that the employee understands and associates with the message (Scholes, 1997:23). Gummesson (1999:164) agrees and emphasises that internal marketing and internal marketing communication needed to be interactive.

The importance of effective communication as a prerequisite for internal marketing communication and internal marketing were emphasised in this section. The different elements of the internal marketing communication mix are discussed in the next section.

7.4 THE INTERNAL MARKETING MIX ELEMENTS

According to Armstrong and Kotler (2005:402), organisations need to use an integrated marketing communication concept. Under the internal integrated marketing communication concept, the organisation integrates and co-ordinates its many internal communication channels to deliver a clear, consistent and compelling message about the organisation and its internal products.

Integrated internal marketing communications involves identifying the internal target audience (employees) and shaping a well-co-ordinated marketing communication programme to elicit the desired response by the employees. Armstrong and Kotler (2005:403) argue that marketing communication programmes are sometimes short-sighted and focus on creating immediate awareness or overcoming image or preference problems in the market. Armstrong and Kotler (2005:403) emphasise the importance of viewing internal communications as managing the internal customer relationship continuously and using an integrated marketing communication approach to reach these internal customers.

- Varey and Lewis (2000:142) argue that when applying the marketing concept internally, several target groups and various marketing instruments can be considered. The target group of employees and the instrument of communicating policy are the most relevant. Employee communication denotes the planned use of communication actions to systematically influence the knowledge, attitudes and behaviour of current employees.

Kotler and Armstrong (2005:399) define the elements of the marketing communication mix as follows. The different elements will be applied in the different sections of this chapter to the internal marketing context:

- Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.
- Sales promotion is short-term incentives to encourage the purchase or sale of a product or service. Public relations is the building of good relations with the various publics of the organisation by obtaining favourable publicity, building a good corporate image, and handling or heading off unfavourable rumours, stories and events.
- Personal selling is the personal presentation by the sales force of the organisation for the purpose of making sales and building customer relationships.
- Direct marketing is direct connections with carefully targeted individual consumers to both to obtain an immediate response and cultivate lasting customer relationships. The use of the telephone, mail, fax, e-mail, the internet and other tools are used to communicate directly with customers.

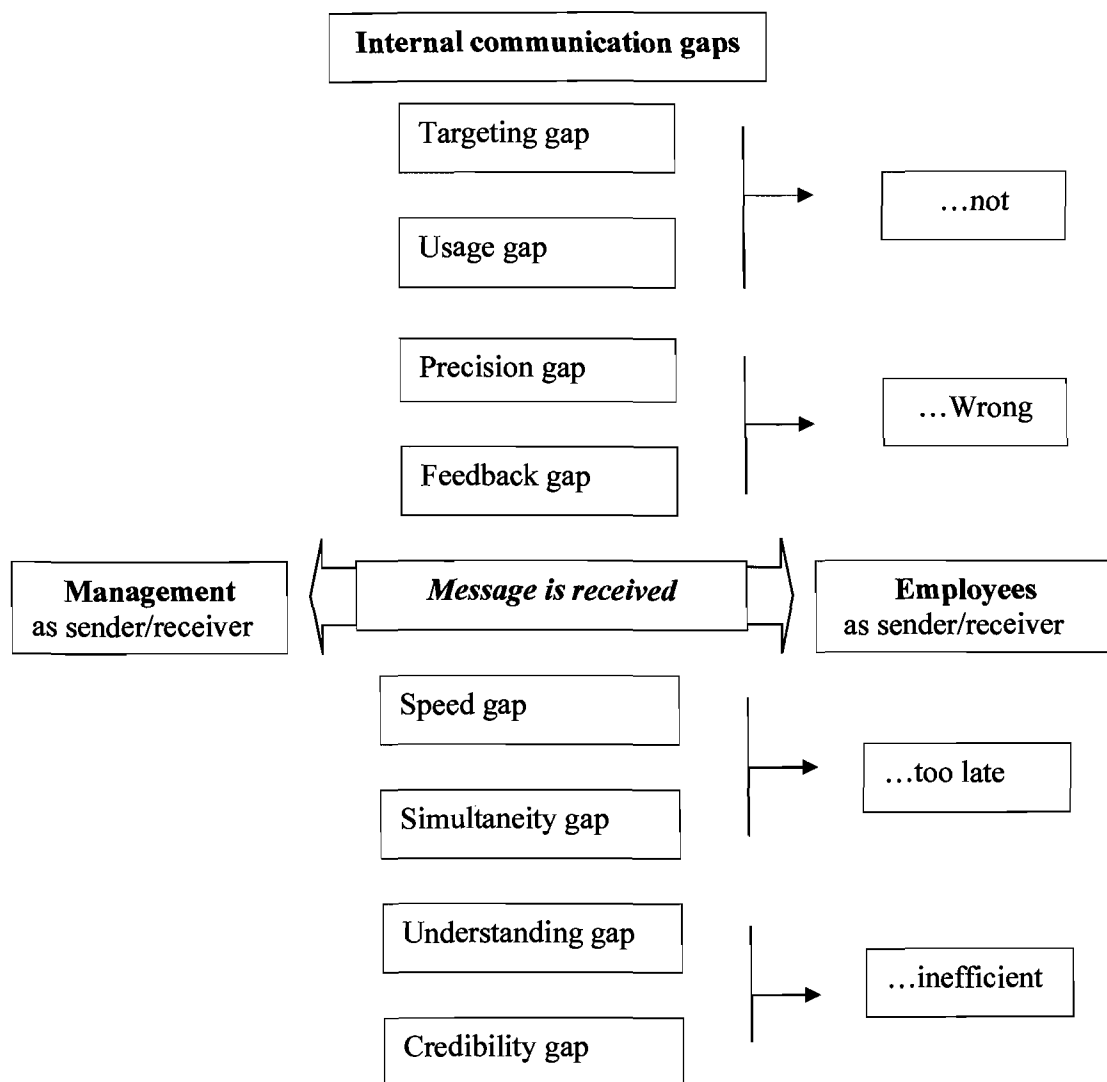
Koekemoer (2004:21) emphasises the importance of proper planning and managing of the internal marketing communication effort and identifies the following six steps:

- Step 1 – situation analysis
- Step 2 – setting marketing objectives
- Step 3 – determining the marketing communication budget
- Step 4 – management of the marketing communication mix –
- Step 5 – co-ordinating and integrating efforts
- Step 6 – evaluating, controlling and follow-up

Employees have a constant need for more information and require more efficiency of information dissemination. They also have requirements with regard to the quality of the information and possibilities for direct interaction. The traditional application of employee communication is no longer sufficient for the

new demands of the system. As major deficits in the application of media, eight internal communication gaps were identified and are shown in Figure 7.3 (Varey & Lewis, 2000:146).

Figure 7.3: Potential internal communication gaps



Source: Adapted from Varey and Lewis (2000:146)

A discussion of these potential internal communication gaps shows that an organisation needs to take cognizance of these gaps when executing the internal marketing communication campaign:

- **The targeting gap** – This gap occurs if the media applied do not, or insufficiently, allows for target-group-specific addressing.
- **The usage gap** – Employees do not used the media.
- **Messages reach recipients falsely: precision gap and feedback gap** – The contents of communication are passed on falsely or selectively.
- **The precision gap** – Information that passes through hierarchy levels can lead to information distortion by filtering and selection.
- **The feedback gap** – Recipients do not or at least do not properly understand the message with no option for feedback.
- **Messages reach the recipient too late: speed gap and simultaneity gap** – A lot of information is time-sensitive.
- **The speed gap** – This is the inability of media to inform employees at short notice about acute events or changes.
- **The simultaneity gap** – A lot of media have only a limited capacity of reaching all employees at the same time.
- **Messages reach recipient inefficiently: understanding gap and credibility gap** – Information may reach the employee in an inefficient manner.
- **The understanding gap** – The media must be able to fulfil the respective communication goals efficiently and create the optimal conditions for fast and correct message reception by the employees.
- **The credibility gap** – Efficiency of communications also concerns the extent to which a message is seen as true, reliable and trustworthy.

Internal advertising cannot be applied without good internal/employee communication and will be discussed in the next section.

7.4.1 Internal advertising

Given the definition of advertising already discussed, it can be seen as creating employees' awareness of the internal product in an impersonal way. Internal advertising consists of internal notes, reports, summaries, projects, awareness messages, notices and the internal newsletters (Sutherland & Cranwell, 1997:183 and Otto, 2004:208).

According to Ahmed and Rafiq (2002:31), the use of mass media advertising, i.e. newspapers and television) to communicate with employees (in order to motivate them) is rare. It is only used in special circumstances such as strikes where normal workplace methods of communications methods would be ineffective. However, with the emergence of narrow-casting technology, organisations can now use live television to communicate with large numbers of employees simultaneously in diverse locations, in more targeted and cost-effective ways.

The following list provides examples of employee communication that is the responsibility of internal public relations, discussed in section 7.4.4, but can also be seen as internal advertising. These internal messages are used to advertise the organisation's mission, objectives and job environment to employees.

Skinner, Von Essen and Mersham (2004:102), Otto (2004:206) and Kreitner and Kinicki (2004:547) identify the following list of internal advertising as deducted from the internal communication forms as provided by Scholes (1997:98):

- Written/graphic communication – management letters to employees, bulletin boards, product exhibits, employee handbooks and manuals, payroll-envelope inserts, reading racks, suggestion schemes

- Electronic communication – audio-visuals, videos and films, internal television programmes, public address systems, audio and video conferencing, telephone and voicemail
- Computer-related communication in advertising format – document/computer conferencing, internet/intranet/extranet, electronic mail, collaborative computing, telecommuting
- Organisational communication – corporate identity, symbolic communication, participative structures, work environment, exhibitions, long-service award events, focus groups, surveys and research projects, grapevine and networks. All these forms of communication are combined to advertise the internal product.

Gronstedt (2000:110) agrees and explains the following:

- Employee magazines and house journals consist of the internal marketing communication message – educational and informative advertising objective;
- internet- and intranet messages to advertise internally;
- daily meetings to advertise the internal product elements of the organisation; and
- posters to advertise the mission and objectives of the organisation.

The main objective of internal advertising is to advertise the internal product and the organisation to the employees by using the discussed forms on internal advertising.

7.4.2 Internal personal selling

Internal personal selling is personal contact with employees to enhance their understanding of and belief in the internal product. Payne (1993:155) argues that

internal personal selling has the advantages of personal contact, enhancement of relationships and cross-selling over the other internal marketing communication elements. Based on the advantages identified by Shimp (1997:194), the following advantages can be contributed to internal personal selling:

- Internal personal selling contributes to a relatively high level of internal customer attention, since in face-to-face situations it is difficult for a potential “buyer” to avoid the direct internal message.
- The internal “sales” message can be customised to the internal customer’s specific interests and needs. The two-way communication characteristic of internal personal selling yields immediate feedback, so that an alert internal “salesperson” can know whether or not his or her sales presentation is working.
- Personal selling enables the communication of a larger amount of technical and complex information than other promotional methods.
- In personal selling, there is a greater ability to demonstrate the internal product functioning and performance characteristics.
- Frequent interaction with an internal customer provides the opportunity for developing long-term relations.

Internal personal selling can be more costly and time-consuming, but is generally more effective than other internal marketing communication elements (Shimp, 1997:194). Face-to-face presentation to employees can be even more effective than external marketing, because the presenter (supervisor or manager) has implicit authority behind what he/she is saying. This is evident from the fact that face-to-face communication is regarded as having a greater impact than other communication methods (Ahmed & Rafiq, 2002:31).

Group and individual meetings are crucial for continuous communication between managers and employees (George, 2005:327). Meetings provide a

dialogue (two-way communication) and must be used to inform, motivate, persuade and empower employees.

Internal personal selling includes personal contact with employees, meetings, events, recruitment and exit interviews, feedback sessions, small-group training and development seminars, work teams and open-door initiatives of management to encourage interpersonal communication. It is any situation where there is direct “selling” contact with employees and opportunities for feedback (Scholes, 1997:98 and Grondstedt, 2000:107).

7.4.3 Internal sales promotion

According to Ahmed and Rafiq (2002:31) internal sales promotion can be seen as incentives to purchase. Employees must be offered some benefits to change their behaviour. Motivational incentives such as cash bonuses, awards, recognition programmes, prize draws and competitions directed at employees can be used to overcome short-term resistance or to motivate employees toward consistent behaviour or to increase productivity. Koekemoer (2004:298) argues that rewards will only lead to greater motivation if the rewards are valued by the employees.

The following internal sales promotion techniques are suggested by Gronstedt (2000:107), George (2005:327) and Otto (2004:215):

- Work rotation – This is aimed at creating understanding and awareness among employees of the different aspects of the organisation. Knowledge of all the operational aspects of the organisation is created by means of internal sales promotion.

- Long-term work security can help employees feel free to raise their opinions. The internal customer can see this as a special offering not found in other organisations.
- Physical changes of the work environment enable better employee contact and communication, i.e. open work stations.
- Reward and recognition programmes honour employees who perform well.

Internal sales promotion is any incentive that motivates the internal customer to purchase the internal product and “buy into” the organisation’s mission and objectives.

7.4.4 Internal public relations

Internal public relations deal with groups concerned about or involved in the internal workings of the organisation, such as the employees and use personnel policy, employee communication, employee relations and intranet as internal public relations (Koekemoer, 2004:433):

Personnel policy – The foundation of good employee relations should be a sound personnel policy that commits an organisation to provide regular work, good working conditions, fair compensation, opportunity for self-expression and desirable benefits to employees. Internal relations programmes should ensure that employees are kept informed about an organisation’s practices such as employment, working conditions, fringe benefits, sales, new products, research and development, corporation finance, wage negotiations, plant expansion, payroll, personnel, promotions and other matters affecting their work and welfare (Koekemoer, 2004:434).

Employee communication - Good two-way communication between management and employees is based on the following principles according to Skinner and Von Essen (1999:116) and Skinner *et al.* (2004:96):

- An internal communication policy is important (Varey & Lewis, 2000:142).
- Communication is a fundamental component of management.
- Commitment by top management is essential.
- A communication strategy is essential.
- Managers are the key conduits and catalysts for effective communication.
- Priority issues should form the content.
- Regular evaluation will ensure effectiveness.
- Repetition is essential.
- Written messages should be used to avoid the distortion of meaning.
- Messages should be expressed in familiar words consistent with employee education.
- Information should be timely, not misleading and should be communicated in small amounts.

Techniques of employee communication that can also be seen as internal advertising as mentioned in section 7.4.1:

- Induction or orientation programmes;
- printed and graphic communication;
- house journals
- annual reports to employees
- web page;
- management letters to employees;
- notice boards;
- product exhibits;
- employee handbooks and manuals;

- pay envelope inserts
- audio-visuals, videos and films;
- reading racks;
- suggestion schemes; and
- internal television programmes.

Employee relations programme - internal public relations

- Open days for employees and families;
- visits by senior executives to departments;
- interdepartmental or interorganisational liaison;
- public address system;
- management/employee meetings
- service awards; and
- social and sporting events.

Intranet

The intranet is an internal network that uses internet technology to improve communication within an organisation. The intranet enables the refining of corporate communication, the flow of information in an organisation and is also saves the organisation time and money (Koekemoer, 2004:439). It is a network only accessible to those working within a formally defined organisation. Varey and Lewis (2000:38) argue that when internal marketing is used in major changes and to maintain operating quality in an organisation, personal contact is still crucial. "High tech will never make the need for high touch obsolete" (Varey & Lewis, 2000:38).

The role of internal public relations is to create and maintain mutually beneficial relationships between the organisation and its employees. The objective is to achieve internal marketing effectiveness, which will contribute to the success of the organisation.

7.5 CONCLUSION

Nieman and Bennett (2006:270) explain that communication plays a critical role in employee relations and therefore in the internal marketing communication mix. Building a motivated and committed workforce can only be achieved by communicating effectively with employees, not only through formal communication channels, but also informally and non-verbally through the actions of top management and organisation representatives. Modern-day employees expect to be acknowledged for the contribution that they make to the success of the organisation and expect to be informed and to participate in decision-making processes.

This chapter has focused on the role of internal communication and the internal marketing communication elements as part of the internal marketing mix. Internal customer service will be discussed in Chapter 8.

CHAPTER 8

INTERNAL CUSTOMER SERVICE

8.1 INTRODUCTION

The notion of customer service applies equally well to workflows within the organisation as to the relationship between the organisation and its ultimate consumers in the external environment (Schermerhorn, 2002:43). According to Jordaan and Prinsloo (2004:145), the employees of an organisation and its customers have a direct influence on one another because of the nature of the service delivery process. Organisations should understand this influence and manage internal customer service to avoid problem situations arising from this close proximity.

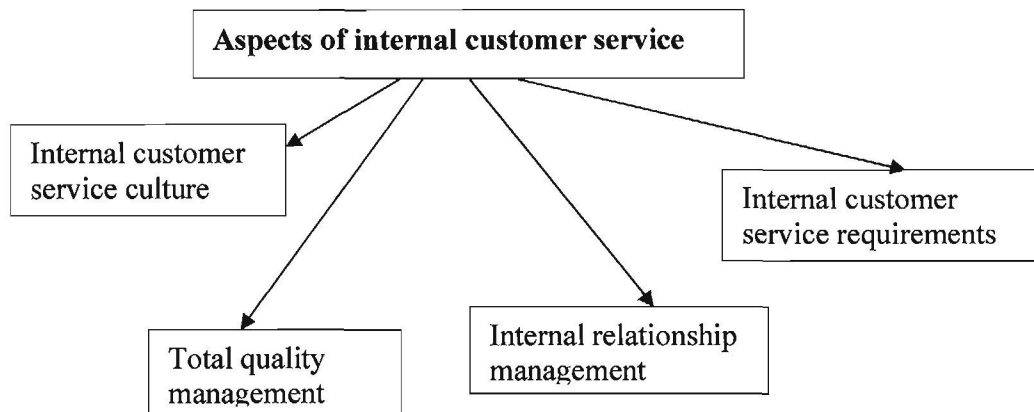
Varey and Lewis (2000:126) argue that much of the information on internal marketing suggests that the organisation is a market place consisting of a heterogeneous group of suppliers and considers employees as internal customers. Where transactions and exchanges take place between employees and the organisation, employees can be considered to be customers of the organisation (Riddle, 1988:15).

Fisk, Brown and Bitner (1993:80) identify two important aspects of internal marketing, namely a) the idea of the employee as the internal customer and b) the organisational need to satisfy the internal customer or employee so that he is best prepared to serve the external customer.

This chapter offers a discussion on internal customer service that can be seen as a prerequisite for excellent external customer service. Figure 8.1 illustrates the

different aspects of internal customer service that will be discussed in this section.

Figure 8.1: Aspects of internal customer service



Source: Adapted from Adcock (2000:356) and Otto (2004:282).

8.2 EMPLOYEE AS CUSTOMER IN THE INTERNAL MARKET

Varey and Lewis (2000:127) argue that the concept of the internal customer is well established in the marketing and organisational behaviour literature.

“Internal customers are found within the organisation, they are individuals and groups who use or otherwise depend on the results of others’ work in order to do their own jobs well” (Schermerhorn, 2002:43). Any job or function is both a supplier and a customer. Internal customers have the right to expect high-quality and on-time inputs from the earlier points in the workflow. Internal suppliers in turn, have the responsibility to deliver high-quality and on-time inputs to the next point. Harding (2007:21) emphasises that organisations need to treat employees with as much respect as they treat external customers.

Organisations that nourish strong relationships will create the right organisational climate for internal customer service and internal marketing. Cohen (2007:8)

suggests that better relationships through communication that will create better internal customer service can be built by:

- Expressing appreciation to employees;
- making employees feel important;
- listening to employees;
- knowing what the needs of employees are;
- being polite, patient and consistent
- respecting the free will of employees;
- expressing positive expectations about employees;
- focusing on making it right rather than being right; and
- doing what is said.

Appiah-Adu *et al.* (2000:106) argue that internal communication and interpersonal relationships are important determinants of customer retention. Employees have to be treated as an important and integral part of the organisation. They should be offered a working environment and atmosphere where the organisation is considerate about their feelings and where they can gain access to management's time and thinking. It is also important to develop employees and enhance their commitment to be customer-focused.

To create an ongoing development of an internal marketing culture in the organisation, several factors are important. : Employees should be empowered by sharing information with them. There should be a general understanding and widespread acceptance of the organisation's mission as well as effective training and motivation of all employees.

Hudson (2007:22) argues that if the management of an organisation builds positive emotional bonds with employees and fully empowers them to deliver legendary service; they in turn will build a positive emotional bond with customers and provide them with a service experience they believe they will not get

anywhere else. Internal customer service therefore creates loyal, passionate internal customers. These internal customers will be more committed to the organisation and will deliver exceptional service to external customers that will create a sustainable high-margin organisation.

Innovativeness, the ability to create and maintain a culture whereby employees are receptive to ideas for change is a key contributor to the achievement of high customer retention levels by tourism organisations (Appiah-Adu *et al.*, 2000:106).

According to Varey and Lewis (2000:142), internal customer-focused employee behaviour becomes a goal of internal marketing. Contact employees that are to behave in a customer-oriented fashion need appropriate internal operating conditions and incentive structures. They must also be furnished adequately by their internal “suppliers”. Employee-oriented internal marketing is required for all organisations and employees and not only for customer contact employees and not only in service organisations. Internal customer service means that the organisation is sensitive to the aspirations, attitudes and concerns of employees (Varey & Lewis, 2000:188).

Internal customer service is derived from an internal service culture where total quality management (TQM) and good internal relationship marketing are essential to exceptional internal and external service delivery. An internal service culture and total quality management will be discussed in the next section.

8.3 INTERNAL SERVICE CULTURE

The internal culture is part of the internal system. The internal culture can be defined as the acquired knowledge that employees use to interpret experiences in the organisation and generate social and organisational behaviour (Luthans, 2005:44). Kotler *et al.* (1999:321) also define an internal culture as the pattern of shared values and beliefs that gives employees meaning, providing them with the

rules for behaviour in the organisation. Culture is learned and helps employees in their efforts to interact and communicate with other employees in the organisation. A strong culture directs the behaviour of employees, gives them a sense of purpose, and makes them feel good about their organisation (Kotler *et al.*, 1999:321). Gerber *et al.* (1998:13) see culture as the personality of the organisation and emphasise the importance that the individual employee's personality and the personality of the organisation should be in tune with one another. A mismatch between these two can hamper the achievement of both personal and organisational goals.

The central aim of internal marketing is to develop customer-conscious employees, treating employees as customers and using marketing techniques to achieve these aims. Internal marketing requires that customer orientation is central to all the organisation's activities and a core part of the organisational culture (Ahmed & Rafiq, 2002:63).

According to Kotler *et al.* (1999:320), the establishment of an internal service culture is part of the internal marketing programme. The other components in the internal marketing programme is the development of a marketing approach to human resource management, dissemination of marketing information to employees and the implementation of a reward and recognition programme. An internal marketing programme flows from a service culture and requires a strong commitment from management. Management must develop a service culture - a culture that supports customer service through policies, procedures, reward systems and actions (George, 2005:323).

All organisations have cultures, but not all cultures have an equal impact on employees. Strong cultures – organisations in which the key values are intensely held and widely shared – have a greater influence on employees than weak cultures do. The more those employees accept the organisation's key values and the greater their commitment to those values, the stronger the culture. The

acceptance of these values can be managed by the concept of values-based management. This is an approach in which managers establish, promote and practise an organisation's shared values (Robbins & Coulter, 1996:154). The shared organisations values form the culture of the organisation and influence the way in which the organisation operates and employees behave and deliver internal and external customer service. According to Pienaar (2007:21), the only factors that separate organisations from one another today are the skills, knowledge, commitment and abilities of the employees. A culture of internal customer service with shared values will nurture these factors.

According to Varey and Lewis (2000:197), an internal marketing programme should be seen as a cultural initiative in that it transforms the orientation of the organisation to focus upon a service orientation and culture. Such a culture demonstrates an appreciation of all customers. The organisation grows to value its employees through greater employee focus; employees treat their internal customers similarly, which is carried through to the external customer.

Employees provide services or information to other employees and units within the organisation. There is an exchange between an employee with a need and one whose role it is to meet that need. These transactions can be viewed as a chain of events that ultimately produces a service to customers at the end of the line (Varey & Lewis, 2000:200)

An employee-oriented approach is therefore a prerequisite for internal customer service. Organisations that are employee-oriented, emphasises interpersonal relations, take a personal interest in the needs of employees and accept individual differences among employees (Robbins & Decenzo, 2004:313). Varey and Lewis (2000:201) argue that as important as it is to recognise that satisfaction and loyalty must be engendered in the customer, it is also seen from this perspective that the same applies at employee level. The creation of service value within the context of the organisation and within the employment

relationship is important for internal customer service. Such efforts will support components of the service-profit chain, such as employee retention, productivity and satisfaction, thereby supplementing the creation of external service value.

Saville (2007:79) argues that because of the cost of hiring and then firing the wrong people, an increasing emphasis is placed on selecting the right kind of employee. Jobs are becoming increasingly customer service-oriented and organisations need to be employee-oriented and focus on effective internal customer service delivery. The finding, attracting and retaining of quality employees directly affect the competitiveness and sustainability of the organisation.

An internal customer service-oriented culture within an organisation is achieved through commitment from management, according to time and financial resources so that the other components of the internal marketing programme can be implemented. At the centre of internal customer service is commitment to total quality management (TQM) at all levels and departments within the organisation. Total quality management (TQM) is discussed in the next section.

8.4 TOTAL QUALITY MANAGEMENT AND INTERNAL CUSTOMER SERVICE

According to Ahmed and Rafiq (2002:112), internal marketing helps total quality management (TQM) in its search for quality improvement by motivating employees toward continuous improvement. When marketing is combined with TQM, it means that every employee in all parts of the organisation places top priority on customer-led continuous quality improvement. Internal marketing generates involvement and commitment to quality. Involvement concerns not only employees, but includes all organisational resources, such as systems, equipment and information.

Internal marketing helps focus the organisation toward a customer orientation, which works internally by facilitating the process and behaviour to deliver a quality orientation. Internal marketing, TQM and marketing, when used together, result in greater customer satisfaction and enables the organisation to sustain a competitive edge (Ahmed & Rafiq, 2002:114). The success of a quality programme depends on the partnership between the employee and the organisation. Ahmed and Rafiq (2002:114) explain that internal marketing works on getting quality by paying attention to:

- Quality of processes – Internal marketing plays a role in examining the activities of work and ensuring that the processes are effective in delivering maximum value for customer needs.
- Quality of infrastructure – Internal marketing assesses the quality of the internal structures and internal resources and activities are managed and co-ordinated.
- Quality of interaction – Internal marketing assesses and improves the quality of information exchange, financial and social exchange. Internal relationships can be improved and more effectively aligned to desired aims as a direct consequence of high “quality” exchange.
- Quality of environment – Internal marketing assesses the relationship and interaction process between the parties and the impact of the environment with which the interaction occurs. The quality of the environment determines how well employees co-operate and operate. A high “quality” environment involves high trust, commitment and reciprocity between employees and management.
- Quality of people – Internal marketing assesses the current capabilities and competencies of employees and identifies the gaps that need to be

filled to make strategies happen. Internal marketing assesses the competence, experience, know-how, internal relationships, motivation and attitudes necessary for embedding the quality philosophy throughout the organisation.

- Quality of plans – Internal marketing examines and helps the translation of strategies into tactical plans for operations.

Internal marketing realises the links and interdependencies between product/service quality, customer satisfaction, employee relationship and profitability. Internal marketing aids the process of assisting employees to see the linkage between what they do and its impact on the eventual customer relationship. The co-ordination of internal and external activities in a harmonious manner is essential to establish and quantify the requirements of internal customers (employees) and aids the delivery of external customer satisfaction (Ahmed and Rafiq, 2002:115).

Hoffman and Bateson (2006:354) identify the following key components that need to be built into every service quality system and is applicable to the internal service delivery system among employees and different departments:

- Listening – The customers define quality, it conforms to customers' specifications. Continuously listening and learning about the expectations and perceptions of the internal customer is a prerequisite for internal and external service quality.
- Reliability – It is the core of service quality. The service needs to be reliable every time.

- Basic service – Forget the fancy things if the basics cannot be delivered. Internal customers expect the fundamentals, not fanciness and performance, not empty promises;
- Service design – Reliably delivering the basic service that customers expect depends on how well various elements function together in a service system.
- Recovery – Customers' problems need to be resolved satisfactorily. Organisations that do not respond effectively to customer complaints compound the service failure, thereby failing twice.
- Surprising customers – To exceed customers' expectations, the element of surprise is needed. If service organisations can not only be reliable in output but also surprise the customer in the way that the service is delivered, they are truly excellent;
- Fair play – Customers expect service companies to treat them fairly and become resentful and mistrustful when they perceive that they are being treated otherwise.
- Teamwork – The presence of "team-mates" is an important dynamic in sustaining the server's motivation to serve. Service team building should not be left to chance.
- Employee research – Employee research is just as important to service improvement as external customer research is.
- Service leadership – Delivering excellent service requires a special form of leadership. Leadership must serve the services, inspiring and enabling them to achieve.

According to Fletcher (1999:111), organisations should realise that quality is ultimately the delivery of value to increasing value-conscious customers. An organisation's performance can be regarded as a direct result of how effectively the value-delivery system is structured and managed. This focus on internal issues will support external processes and equip the organisation with the ability to provide the customer with what was promised, which will lead to customer retention and loyalty.

According to Gummesson (1999:156), quality management can be approached externally from the market or internally from the organisation. Externally-oriented quality management is marketing-driven, in contrast to internally-oriented quality management, which is technology- or systems-driven.

Organisations that excel in service quality do so by avoiding potential quality gaps in their internal delivery systems. These gaps include knowledge, standards, service delivery and communication. Managerial, marketing and operational factors can influence the size of these gaps (Hoffman & Bateson, 2006:356). Internal marketing plays an important role in minimising these gaps.

Otto (2004:287) argues that the internal marketing strategy and total quality management must be implemented as a unit. Total quality management is an integrated effort of the organisation to satisfy the needs of the internal and external customers. Adcock (2000:168) identifies four important issues in TQM that are of significance to internal marketing:

- Quality must focus on customer needs.
- Everything is a process that can contribute to quality.
- Quality requires universal participation from everyone in the organisation.
- Quality is a journey, not a destination. There should be continuous quality improvement.

Adcock (2000:171) and Otto (2004:291) identify the following advantages of internal service quality:

- Internal customers will make more sacrifices for internal quality service.
- Organisations that provide quality will thrive.
- Employees in all parts of the organisation will become energised by the opportunity to provide a top quality product or service.
- This will contribute to continuous improvements with long-term advantages for the organization;
- Management's approach of focusing of quality will serve as a role model for employees and motivate them;
- This will contribute to more work satisfaction for employees;
- Employees will then be willing to participate and be more involved in all the activities of the organization and make more sacrifices;
- This will all contribute to creativity, innovation and higher standards.

An organisational structure that allows a quality culture and accommodating systems and standards based on the feedback from customers is a true marketing-oriented organisation. This will ensure that employees meet the expectations of internal and external customers. A true marketing orientation within the organisation will lead to a quality output founded on a quality culture, an appropriate structure and effective quality systems (Adcock, 2000:174). Quality and total quality management were also discussed in chapters 3 and 5. The requirements that will enhance internal customer service are discussed in the next section.

8.5 INTERNAL CUSTOMER SERVICE REQUIREMENTS

Willingham (2005:4) argues that an organisation will be effective to the degree that its employees can work together in a spirit of unity and harmony towards a

common goal. Managers need to harness their employees' energies and creativity. An internal marketing strategy with internal customer service as one of the elements will realise this goal. Willingham (2005:5) recommends the development of a customer-focused organisation. This model can be explained as follows:

- The purpose of any organisation is to serve its owners and stakeholders with growth and profitability. To do this, the organisation must get and keep loyal, profitable customers and loyal, productive employees.
- The point of contact includes anyone who touches the customers.
- The pillars of the organisation are the employees and systems that make up the different departments and divisions. They must view their jobs as supporting those who touch the customers.
- The foundation is the organisation's mission, vision and core values.

Organisations achieve growth and profitability goals to the extent to which all employees work together, synergistically, to help get and keep loyal internal and external customers. The service-profit-chain leads to growth and profitability (Willingham, 2005:6). The separate links in the service-profit-chain are:

- Growth and profitability are driven by
- customer loyalty, which comes from
- customer satisfaction, which is driven by
- value provided to customers, which comes from
- employee productivity, which is driven by
- employee loyalty, which is caused by
- employee satisfaction, which is driven by
- internal quality, which is a result of

- leadership.

The following is seen by Willingham (2005:18) as values-driven behaviour in an organisation and can be seen as requirements for internal customer service:

- Doing the right thing for employees;
- dealing fairly with employees;
- dealing honestly with employees;
- being above board on all actions;
- living so that employees believe that the organisation is honourable and above board;
- letting the attitude and actions of the organisation speak for themselves;
- never using "truth" to hurt an employee;
- talking straight with integrity; and.
- learning the needs, wants, problems and goals of employees.

The following requirements also apply:

- Equip employees with enough information, knowledge about the expectations and standards of the organisation as well as the equipment to perform (Law, 1999:157).
- Relationships with employees must be handled as internal relationship marketing and not as exchange transactions (Otto, 2004:292).
- Co-operation between the different departments to deliver quality internal service will allow the organisation to achieve a competitive advantage (Adcock, 2000:183);
- Trust is very important for the management of internal customer relationships (Chaston, 2000:136).

These requirements will ensure that internal customer service is executed to the advantage of the employee and ultimately to the organisation.

8.6 INTERNAL RELATIONSHIP MANAGEMENT

Because of the interactive nature and importance of customer service, the success of relationship marketing strategies is critically dependent on the attitudes, commitment and performance of employees (Ahmed & Rafiq, 2002:45). Hence, relationship marketing is highly dependent on an ongoing internal marketing programme for successful implementation. A relationship-marketing approach and techniques are also appropriate for internal marketing. Just as with external customers, the relationships *per se* and process are central to the building of relationships in internal marketing. Commitment and trust are generated by delivering on promises.

The objective of internal marketing within relationship marketing is to create relationships between management and employees and between functions. The employees can be viewed as the internal market and this market must be reached effectively in order to prepare the employees for external contacts. Efficient internal marketing becomes an antecedent to efficient external marketing. Internal marketing can be based on personal and interactive relationships as well as on a certain amount of mass marketing (Gummesson, 2001:161)

According to Gummesson (1999:164), internal marketing must be interactive. Employees are best motivated to demonstrate a service spirit and customer orientation if they are well informed. This is best achieved through an internal marketing approach.

The need for internal relationship management has emerged from the view that it is more expensive to acquire new customers than to keep present customers.

Organisations will also be more profitable when healthy relationships are part of the culture of the organisation (Otto, 2004:303). Healthy relationships are crucial for internal customer service.

8.7 CONCLUSION

It is commonly believed that the sole role of marketing is to sell products and services outwardly to customers. However, the first and most important job of marketing is often to sell inwardly toward an organisation's employees. Internal customer service where the employee is the centre of the long-, medium- and short-term planning is a prerequisite for external customer service. It is only when employees of the organisation fully understand and are committed to the value proposition of the organisation and its brands that external marketing can reach its full potential.

This chapter has stressed the importance of internal customer service as an important element of an internal marketing strategy. The findings and interpretation of the empirical research are discussed in the next chapter with the internal marketing strategy for the national parks of Botswana in Chapter 11.

CHAPTER 9

RESEARCH METHODOLOGY

9.1 INTRODUCTION

The marketing research process provides management with information regarding the internal and external environment and act as a tool for formulating new strategies. Kotler and Keller (2006:102) define marketing research as the systematic design, collection, analysis and reporting of data and findings relevant to a specific marketing situation that is facing the organisation. Malhotra (2007:10) explains that the marketing research process is a set of steps that defines the tasks to be accomplished in conducting a marketing research study. This chapter gives a brief overview of the marketing research process and an extensive summary of the methodology that was followed with regard to the empirical research of this study.

9.2 STEPS IN MARKETING RESEARCH

The marketing research process is a scientific approach to decision-making that maximises the chance of getting accurate and meaningful results (Lamb *et al.*, 2005:140). According to Lamb *et al.* (2005:155) and Kotler and Keller (2006:115), several criteria can be used to judge the value and quality of research projects:

- Scientific method – Effective marketing research implements scientific principles, including proper problem formulation, careful formulation of objectives and hypotheses, the choice of correct data collection techniques, proper sampling, appropriate data analysis, correct

interpretation of the empirical results leading to meaningful, factually-based recommendations.

- Creativity and originality - Some of the traditional methods can be changed to alternative data-collection techniques.
- Multiple methods – More methods can be used to increase confidence in the results.
- Value and cost of information – The value of research must always be seen in relation to the cost of generating the information.
- Healthy scepticism – Marketing research is only an aid to decision-making. Marketing managers must not ignore their own experience.
- Ethical marketing –Marketing research must always be conducted in an ethical manner.

The steps that need to be followed and were followed in this marketing research process are according to Lamb *et al.* (2005:141), as follows:

- **Step 1: Define the marketing problem - Chapter 1**
 - a) *Situation analysis*
- **Step 2: Formulate the research objectives – Chapter 1**
- **Step 3: Collect some secondary data - Chapter 2 - 8**
 - a) *Reconsider the objectives*
- **Step 4: Plan the research design – Chapter 9**
 - a) *Sampling – access, size, sampling technique*
 - b) *Data collection – field-work, technique, type of data*
 - c) *Questionnaire design*
 - d) *Data-analysis techniques*

- **Step 5: Collect the data – Chapter 9**
- **Step 6: Analyse and interpret the data – Chapter 10**
- **Step 7: Prepare and present the report – Chapter 11**
- **Step 8: Follow up - Chapter 11**

All the steps in the marketing process as suggested by Lamb (2005:141) were followed and applied in this thesis. Steps one and two were applied in Chapter 1 and step three was applied to chapters 2 to 8. This chapter will only pay attention to the research method used in the research marketing process and the collection of the data (steps four and five). Step six, namely the analysis and interpretation of the data, will be discussed in Chapter 10. The presentation of the final report (internal marketing strategy) will be done in Chapter 11.

9.3 RESEARCH METHOD AND DATA COLLECTION

9.3.1 Questionnaires

Questionnaires were used as measuring instrument for the employees and customers. Both questionnaires were divided into seven sections (main constructs), namely product, distribution, price, communication, process, physical evidence and people. The questions are labelled in the text according to the different constructs, e.g. B7 refers to question B7 in either the questionnaire for employees or the questionnaire for customers. These questionnaires are attached in Annexure A and C. The question labels are used in the confirmatory factor loadings output (see Table 9.3 and Table 9.4) and as needed in the rest of the thesis. The sections (main constructs) reflect the elements of the marketing mix that can be applied to the internal marketing mix. A four-point scale was provided to respondents with the following options to measure their views on the different questions:

1 – strongly agree, 2 – agree, 3 – disagree and 4 – strongly disagree

The questionnaires were evaluated by the Statistical Consultation Services of the North-West University to determine if it could be statistically processed.

9.3.2 Sampling

The empirical study used a descriptive research design that was conducted among the employees and customers of the six national parks of Botswana. The observed population of employees (a population of 113 employees) at the parks was surveyed in the quantitative study. The inclusion of all employees was important for the development of an internal marketing strategy. All employees need to be part of the process to ensure the successful implementation of such a strategy. Customers were selected by means of convenient sampling.

9.3.3 Statistical methods

The Statistical Consultation Service assisted in the data analysis. The Statistica and SPSS programmes were used for this purpose. The first objective was pursued by the literature study and objective two to five by the empirical study:

- Objective 1: To analyse the literature on internal marketing
- Objective 2: To determine which elements in an internal marketing strategy will ensure the commitment from the employee to a total customer-oriented approach
- Objective 3: To determine qualities needed for a customer-oriented employee of national parks
- Objective 4: To determine the differences between the customers' and the employees' perceptions in relation to the six marketing-mix elements as specified above with the exclusion of communication that was not comparable

- Objective 5: To recommend the development of a sustainable internal marketing strategy to the national parks of Botswana.

9.3.3.1 Factor analysis

The information obtained from the questionnaires was used to analyse the current level of employee commitment to a customer orientation. These elements need to be included in an internal marketing strategy to enhance and ensure a consistent delivering of exceptional service to the tourist (customer). The expectations of tourists (customers) to the parks have been analysed to identify gaps or similarities between the expectations of the tourists (customers) and the actual perception of the employee of the quality of his/her service delivery. This information is used to develop a sustainable internal marketing strategy.

To validate the seven constructs outlined above, a confirmatory factor analysis was performed that was based on the correlation matrix. According to Johnson and Wichern (1992:396), the essential purpose of factor analysis is to describe, if possible, the covariance relationships among many variables in terms of a few underlying, but unobservable random quantities, called factors. Thus, variables can be grouped by their correlations. All variables within a particular group are highly correlated among themselves but show relatively small correlations with variables in a different group.

Each group of variables represents a single underlying construct or factor that is responsible for the observed correlations (Johnson & Wichern, 1996:396). According to Malhotra (2007:611), factor analysis is when each variable is expressed as a linear combination of underlying factors.

The number of factors extracted was determined according to the method of Kaiser, i.e., extract all the factors with an eigen value larger than or equal to one. The varimax rotation was also performed to improved factor interpretation. It was

determined that the main constructs are indeed valid in the sense that the factors identified (using the method of Kaiser) measure different aspects of the main constructs. The percentage of variance declared by the extracted factors is summarised in Table 9.1 (employees) and Table 9.2 (customers).

Table 9.1: Percentage of variance explained: employees

<u>Constructs</u>	<u>Factors extracted</u>	<u>% Variance declared</u>	<u>Names of factors extracted</u>
Product	2	56.176	<ul style="list-style-type: none"> • Service offering • Management structure
Distribution	2	54.669	<ul style="list-style-type: none"> • Physical distribution • Effect on service delivery
Price	2	71.631	<ul style="list-style-type: none"> • Price structure • Perception of value
Communication	2	57.418	<ul style="list-style-type: none"> • Perception of colleagues • Perception of management
Physical evidence	2	56.522	<ul style="list-style-type: none"> • Physical appearance • Cleanliness/Maintenance
Process	2	54.085	<ul style="list-style-type: none"> • Implementation • Mechanism of execution
People	4	63.586	<ul style="list-style-type: none"> • Employee qualities • Self-esteem • Motivation • Appropriately qualified

Table 9.2: Percentage of variance explained: customers

<u>Constructs</u>	<u>Factors extracted</u>	<u>% Variance declared</u>	<u>Names of factors extracted</u>
Product	1	54.613	<ul style="list-style-type: none"> • Product
Distribution	2	59.938	<ul style="list-style-type: none"> • Physical distribution • Effect on service delivery
Price	2	73.020	<ul style="list-style-type: none"> • Price structure • Perception of value
Communication	2	59.629	<ul style="list-style-type: none"> • Corporate image • Communication Skills
Physical evidence	2	63.939	<ul style="list-style-type: none"> • Physical appearance • Cleanliness/Maintenance
Process	1	68.331	<ul style="list-style-type: none"> • Mechanisms of execution
People	2	65.908	<ul style="list-style-type: none"> • Employee qualities • Appropriately qualified

Table 9.3 (a-g) and Table 9.4 (a-g) contain the varimax rotated factor loadings for employees and customers respectively. To improve readability, factor loadings smaller than .35 was suppressed and variables were sorted according to their loading values. Since the factor analysis was performed on the correlation matrix, one may interpret the loadings as the correlation between the variables (e.g., B6, B7) and the factor extracted. Hence, these loadings will be utilised in Chapter 10 for further interpretation and achieve objective four, namely to devise an internal marketing strategy. Note that variables loading high on more than one factor are called complex variables and therefore contribute to more than one factor. These complex variables will also be interpreted. The negative symbols in Table 9.3 (a-g) and Table 9.4 (a-g) represent negative questions in terms of the construct that was changed using a five-question value. This was to done to improve the reliability of the scale and is discussed in section 9.3.3.2.

The proportion of variance of a single variable contributed by the common factors extracted is called the communality. The communalities for the factor analysis were also inspected. Finally, note that two additional factors were also identified, one sub-dimension of physical evidence, namely proudness (F45, F48) and one sub-dimension of people, namely confidence (H71, H72). However, these factors were not used to compare the perceptions of the two groups and will be discussed in Chapter 10. These sub-dimensions were unique with regard to the employees.

Table 9.3 (a-g): Rotated factor loadings: employees

Product			Distribution			Price		
Nr	Service offering	Management structure	Nr	Physical distribution	Effect on service delivery	Nr	Price structure	Perception of value
B6	.797		C17	.824		D23	.888	
B5	.768		C15	.761		D24	.859	
B9	.658		C16	.508		D22	.786	
B8	.580	.414	C20-		.898	D26		.851
B12		.844	C21-		.754	D27		.804
B10		.643	C18-		.460	D25		.789
B11		.601						
B7	.431	.531						
A			B			C		

Communication			Physical evidence			Process		
Nr	Perception of colleagues	Perception of management	Nr	Physical appearance	Clean/ Maintenance	Nr	Implemen- tation	Mech- anisms of execu- tion
E39	.895		F49	.863		G54	.835	
E38	.844		F47	.753		G60-	.768	
E37	.840		F41	.556	.440	G56	.694	.352
E31	.709		F44	.522		G53	.641	.444
E35	.638	.382	F51		.756	G61	.382	
E40	.619		F52	.408	.681	G58		.726
E32	.594		F43	.487	.671	G57		.714
E36	.546		F50-		.491	G59		.706
E29		.823				G55		.614
E28		.799						
E33		.728						
E30		.635						
D			E			F		
People								
Nr	Employee qualities		Self-esteem		Motivation	Appropriately qualified		
H75	.799							
H74	.735					.368		
H68	.657							
H82	.632				.425			
H69	.585				.396			
H73	.542					.538		
H77	.538				.440			
H78			.830					
H66			.766					
H80			.733					
H62			.542		.492	.379		
H79					.819			
H81	.395				.667			
H63			.390		.556	.398		
H64-						.722		
H65			.494			.599		
G								

Table 9.4 (a-g): Rotated factor loadings: customers

Product			Distribution			Price		
Nr			Nr	Physical distribution	Effect on service delivery	Nr	Price structure	Perception of value
B6		.904	C19	.792		D24	.901	
B11		.829	C16	.774		D25	.860	
B5		.828	C17	.716		D23		.857
B10		.782	C21-		.897	D22		.743
B8		.760	C20-		.838			
B12-		.760	C18-		.468			
B9		.760						
B7		.635						
B13		.634						
B14-		.352						
A			B			C		
Communication			Physical Evidence			Process		
Nr	Corporate image	Skills	Nr	Physical appearance	Maintenance /Cleanliness	Nr	Mechanism for execution	
E31	.845		F40	.797		G46	.867	
E32	.821		F35-	.770		G48	.834	
E26	.799		F34	.633	.399	G45	.832	
E27	.760		F42-	.617		G49	.828	
E28	.633		F39	.573	.502	G47	.769	
E33		.738	F37	.556	.471			
E29		.736	F43		.891			
E30		.592	F44		.853			
			F36	.458	.720			
			E					
D						F		
People								
Nr			Employee qualities			Appropriately qualified		
H61			.902					
H62			.898					
H58			.889					
H60			.857					
H59			.828					
H57			.806					
H55			.660					
H56			.563					
H51						.806		
H52						.802		
H53						.718		
H50						.709		
G								

9.3.3.2 Reliability analysis

Internal consistency (reliability) is used to assess the reliability of a summated scale where several items are summed to form a total score. In a scale of this type, each item measures some aspect of the construct measured by the entire scale. The items should be consistent in what they indicate about the characteristic. This measure of reliability focuses on the internal consistency of the set of items forming the scale (Malhorta, 2007:285).

Factor analysis was performed to validate the main constructs of the questionnaires and Cronbach alpha coefficient used to test the reliability of the scale used. According to Field (2005:666), reliability means that a scale should consistently reflect the construct that it is measuring. Hence, another way to look at reliability is to say that two people who are the same in terms of the construct being measured should get the same score. According to Malhotra (2007:285), the Cronbach alpha coefficient is the average of all possible split-half coefficients resulting from different ways of splitting the scale items. An important property of the alpha coefficient is that its value tends to increase with an increase in the number of scale items.

Kline (1999) notes that although the generally accepted value of .8 is appropriate for cognitive tests such as intelligence tests, for ability tests a cut-off point of .7 is more suitable. Kline (1999) argues further that when dealing with psychological constructs, values below even .7 can, realistically, be expected because of the diversity of the constructs being measured. Hence, after consultation with the Statistical Consultation Service, a Cronbach alpha value above .5 is still acceptable as this correlation corresponds to a large correlation effect size. The Cronbach alpha coefficients for the main constructs of employees, depicted in Table 9.5, and main customers constructs, depicted in Table 9.6, indicate moderate to high internal reliability.

Table 9.5: Cronbach alpha: Main constructs: employees

Constructs	Cronbach alpha
Product	.801
Distribution	.524
Price	.751
Communication	.867
Physical evidence	.779
Process	.791
People	.843

Table 9.6: Cronbach alpha: Main constructs: customers

Constructs	Cronbach alpha
Product	.902
Distribution	.650
Price	.561
Communication	.796
Physical evidence	.880
Process	.882
People	.843

Table 9.7: Cronbach alpha: Additional sub-dimensions: employees

Sub-dimension	Cronbach alpha
Proudness	.451
Confidence	.381

The Cronbach alpha coefficients for factors depicted in Table 9.7 indicate a low internal reliability. Variables of these two constructs will be discussed individually in Chapter 10.

The Cronbach alpha coefficients of the sub-dimensions (extracted factors) for employees and customers were also inspected and are depicted in Table 9.8 and Table 9.9. Most extracted factors indicate a moderate to high internal reliability, except for two extracted factors in Table 9.8 and one in Table 9.9 that will be discussed in more detail in Chapter 10.

Table 9.8: Cronbach alpha: Extracted factors: employees

Constructs : Extracted factors	Cronbach alpha
Product: Service offering	.737
: Management structure	.662
Distribution: Physical distribution	.531
: Effect of service delivery	.530
Price: Price structure	.815
: Perception of value	.763
Communication: Perception of colleagues	.766
: Perception of management	.881
Physical evidence: Physical appearance	.793
Cleanliness/Maintenance	.321
Process : Implementation	.737
: Mechanisms of execution	.707
People: Employee qualities	.754
: Self-esteem	.751
: Motivation	.782
: Appropriately qualified	.381

Table 9.9: Cronbach alpha: extracted factors: customers

Constructs : Extracted factors	Cronbach alpha
Product	.902
Distribution: Physical distribution	.650
: Effect of service delivery	.606
Price: Price structure	.465
: Perception of value	.733
Communication: Corporate image	.849
: Communication Skills	.536
Physical evidence: Physical appearance	.827
Cleanliness/Maintenance	.852
Process : Mechanisms of execution	.882
People: Employee qualities	.766
: Appropriately qualified	.925

9.3.3.3 Comparison of groups

For the comparison of the internal marketing mix, elements between the customers and employees - the main constructs - were utilised. A mean value for each of these constructs was calculated for each respondent. These summary values were then utilised to compare the two groups. Hence, the following

hypothesis is tested: $H_o : \mu_1 = \mu_2$ vs $H_A : \mu_1 \neq \mu_2$ for each of the main constructs.

The population means are represented by μ_1 and μ_2 . Cohen's d (effect size) was calculated for this purpose since sampling was not random. Define

$d = \frac{|\bar{x}_1 - \bar{x}_2|}{s_{\max}}$ as the effect size where \bar{x}_1 is the main construct mean of group one

(employees) and \bar{x}_2 is the main construct mean of the second group (customers).

The maximum standard deviation of these two groups is given by s_{\max} . The value of d is interpreted as follows:

small effect: $d = 0.2$

medium effect: $d = 0.5$

large effect: $d = 0.8$

The output of these results is discussed in Chapter 10. In addition, box plots will be presented to give a graphical view of these main constructs.

9.4 CONCLUSION

This chapter has given a description of the research methodology that was used for the empirical research of this thesis. Additional descriptive statistics that will be used in Chapter 10 for the interpretation of the empirical research are clustered box plots, bar charts, histograms and frequency tables. These will illustrate, explain and summarise the findings of the empirical research in the next chapter. The interpretation of the findings will be discussed in Chapter 10.

CHAPTER 10

FINDINGS AND INTERPRETATION OF THE EMPIRICAL RESEARCH

10.1 INTRODUCTION

The aim of this chapter is to reflect on the results of the empirical study, its findings and interpretations. The chapter focuses on the information concerning internal marketing mix factors in relation to customers and employees of the national parks of Botswana and the elements that need to be included in a sustainable internal marketing strategy for the parks.

The interpretation will be done in terms of the seven constructs, namely product, place/distribution, price, promotion/marketing communication, physical evidence, process and people identified from the statistical analysis of the empirical results.

Examples of the questionnaires (employees – Annexure A and customers – Annexure C) and a summary of the results of each question of both questionnaires are presented in frequency tables. The frequency tables and bar charts are attached in Annexure B (employees) and Annexure D (customers).

10.2 RESULTS OF THE EMPIRICAL STUDY

The mean values of the main constructs and the standard deviations of these constructs are presented in Table 10.1. Note that for the construct, marketing communication only offers a graphical comparison between the employees and customers, presented in Figure 10.1. This construct could not be compared in terms of Cohen d , because the sub-dimensions of the communication construct

were different. In addition to this, the two additional employee factors, i.e., proudness (F45, F48) and confidence (H71, H72), are interpreted separately. These sub-dimensions were unique to employees.

Table 10.1: Mean values and standard deviations of main constructs

Main constructs	\bar{x}_1 (Employees)	s_1 (Employees)	\bar{x}_2 (customers)	s_2 (customers)	Cohen d
Product	2.27	0.54	2.77	0.52	0.93
Distribution	2.46	0.49	2.99	0.44	1.08
Price	2.25	0.60	2.67	0.57	0.70
Physical evidence	2.79	0.58	3.02	0.62	0.37
Process	2.73	0.51	3.17	0.61	0.72
People	1.72	0.42	1.85	0.45	0.29

where \bar{x}_1 and \bar{x}_2 are the expected construct values, and s_1 , s_2 are the standard deviations for the groups. Using the scale presented in Chapter 9, it can be concluded that product and distribution have a large effect, price and process have a medium to large effect, and physical evidence and people have a small to medium effect. Hence, the larger the effect size, the larger the mean difference between the employees and customers in terms of the constructs. For a discussion of the Cohen's d (effect size) and the calculation of the mean values for each construct, the reader is referred to section 9.3.3.3.

This means that there is a practically significant difference in the perception of the two groups concerning product, distribution, price and process. However, there is no evidence that the respondents differ in their perception concerning physical evidence and people. Next, a visual comparison of the constructs will be presented, using box-plots and histograms.

Figure 10.1: Clustered box-plot comparison between perceptions of employees and customers

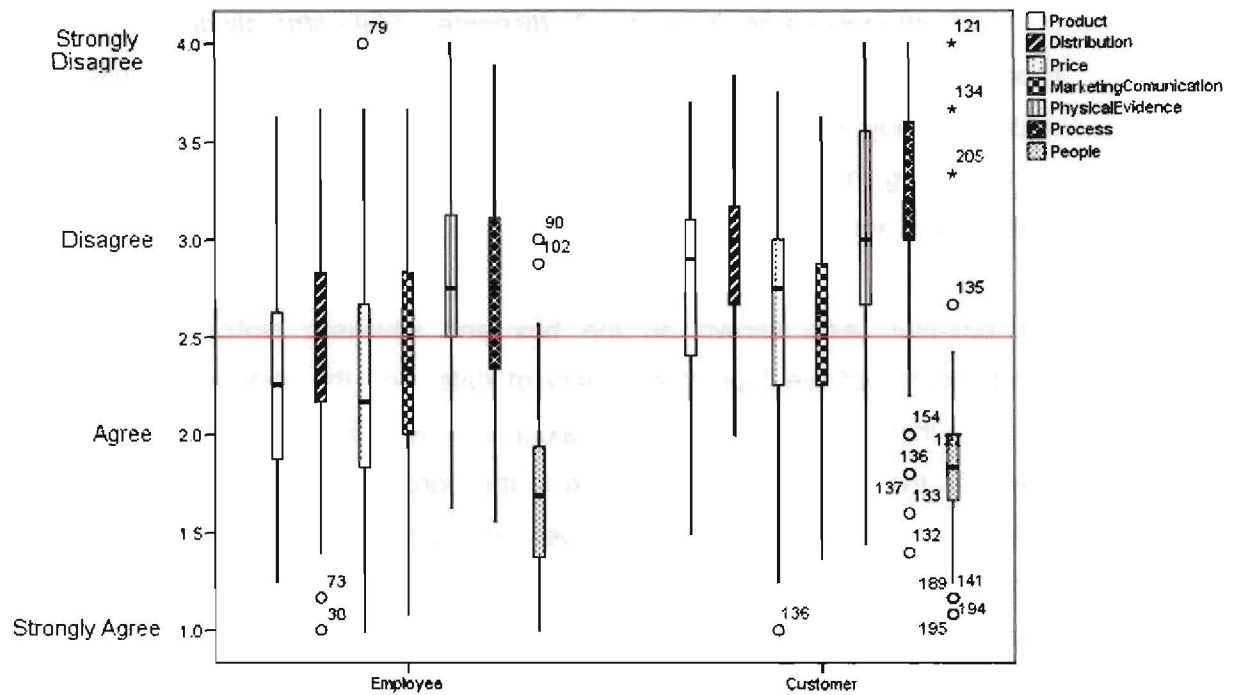
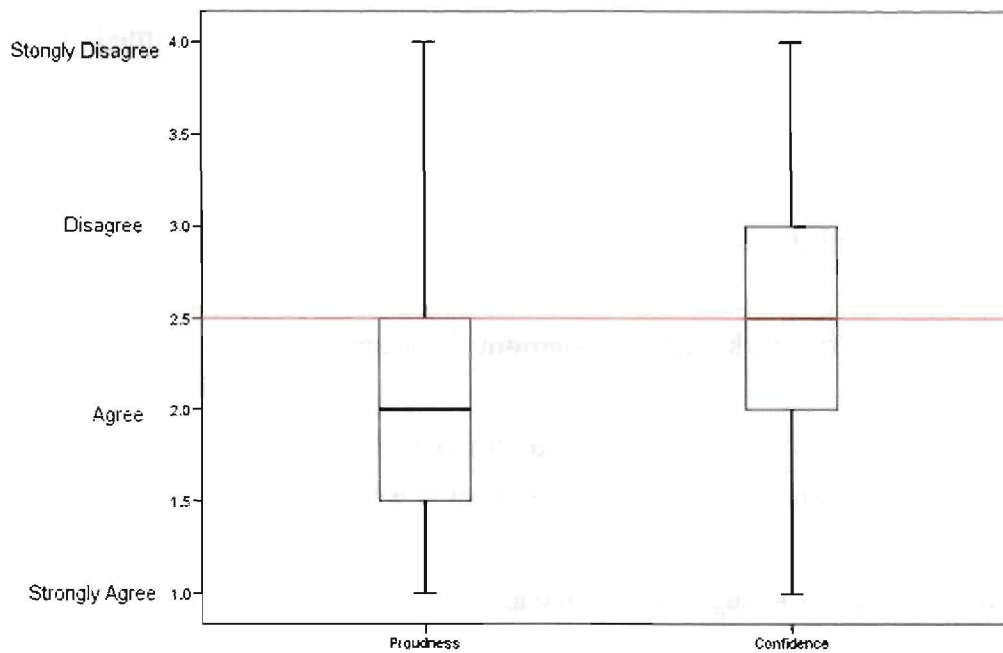


Figure 10.2: Box-plot of sub dimensions unique to employees



It is important for interpretation to note that the Likert scale used a four-point scale where:

1- strongly agree, 2 - agree, 3 - disagree and 4 - strongly disagree

Therefore, 1 is the most positive point and 4 the most negative. The results of the empirical study are interpreted in terms of the main constructs/the elements of the marketing mix, with separate discussions of some individual questions that need special attention.

The box-plot (also known as the box and whiskers plot) is a graphical representation of the 5-point summary of data, i.e., the minimum value, first-, second-, third- quartiles and the maximum value. The second quartile (also known as the median) is represented in the horizontal line within the box. The minimum and maximum response values are represented by the horizontal lines at the end of the whiskers. The first- and third quartile are represented by the horizontal lines at the beginning and end of the box respectively. Outliers are represented by circles and extreme outliers by stars.

The box-plot is suitable to represent the distribution of various variables in a condensed manner. Also, group comparisons of central location (medians) and spread is represented visually (see figure 10.1 and figure 10.2). As an example, in figure 10.1 it is clear that the median values for product differs (i.e., customers disagree more than employees), whilst the spread of the response to this construct is almost similar between customers and employees.

10.2.1 The marketing mix element: Product

The organisation's internal product was discussed in Chapter 3 and is described as the job itself and the internal environment in which this job must be executed, including the practices that will enable the employee to satisfy his/her needs and in doing so deliver exceptional service to customers. The service offering/product

delivered to the customer is influenced by the perception of the employee of the internal product, namely his job and the internal environment.

The clustered box-plot in Figure 10.1, the histogram in Figure 10.3 and the attached frequency tables Annexure B and D, show that there is a difference in the perception of the employees of the service offering/product that they deliver to customers and perception of the service offering that customers receive from the employees.

Figure 10.3: Histogram comparison for the perceptions of employees and customers in terms of the product construct



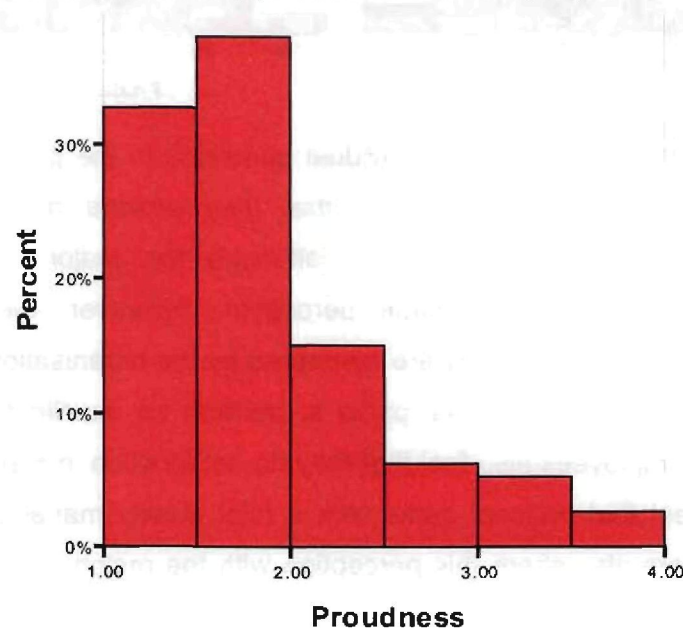
It is important to pay attention to individual questions in the product construct. Most (76.1%) of the employees feel that they provide a quality service offering/product to the customer (B5), although the majority (68, 3%) of customers do not share the same perception. However, the majority of employees (84, 1%) feel that they are hampered by the organisational structures and management style of national parks to perform an excellent service. Half (50, 4%) of the employees also feel that they do not function in a service culture, while 62, 8% feel that national parks lack a total quality management system (TQM). Customers also share this perception with the majority (71, 2%) feeling that national parks lack a service culture and that the structures at national parks

are not designed to enhance total quality management (82, 2%). The majority of customers (82, 2%) indicate that the organisational structures make it difficult for employees to act immediately in a crisis.

A very positive result of the empirical research is that the majority of employees (77%) are proud to be employed by national parks. This also relates to the sub-dimension of proudness (Figure 10.2 & Figure 10.4) that was identified as being unique to employees.

Employees (85, 8%) are very excited about the role and future of national parks as part of Botswana tourism. However, there are still a significant number of employees that lack confidence (Figure 10.2) to perform their jobs. This can be contributed to a lack of training (H72), because the majority of employees (69%) feel that they do not attend enough training programmes to equip them for their jobs. The perception of the majority of customers (71, 2%) are that employees are not qualified for their jobs (H51) and are not equipped and empowered (H52) to find a solution to a crisis (86, 1%).

Figure 10.4(a): Proudness of employees



The extracted factors identified in the product construct, namely service offering and management structure, show that the management structure and style influence the way that the employee perceive and execute his job and this in turn influences the quality of the service offering to the customer. The influence of this complex variable (B8) is noticed in Table 9.3, where these variable is loading high on both the extracted factors of service offering and management structure in the product construct.

From the above discussion, it can be concluded that employees are loyal to national parks and proud of the service offering that they deliver to the customers. However, they lack efficient organisational structures, management style, training and employee support (E38 & E39) to deliver a good service offering to the customer. Customers perceive the management structures and styles as hampering the effective delivery of the service offering. It is important to look at the internal product and its role in the implementation of the internal marketing strategy. These problem areas will be addressed in Chapter 11 as part of the internal marketing strategy.

10.2.2 The marketing mix element: Place/Distribution

Distribution was discussed in Chapter 6. The distribution element in the external context is concerned with distribution channels and reaching targeted customers and its focus is centred on the actual exchange and its environmental setting. In the internal context, the place element represents the visible and tangible as well as the invisible and intangible aspects of work and the work environment. These are the channels through which the internal product is communicated.

Two factors were extracted from the internal distribution element, namely physical distribution and effect of service delivery (see Table 9.3). The difference in perception between the employees and customers can be seen in Table 10.1, Figure 10.2 and Figure 10.5. Special attention need to be paid to questions C16

(customers and employees), where the majority of employees and customers feel that the conditions of the roads in the parks are not good. The majority of customers (65, 4%) also feel that is difficult to find their way around the parks, while the employees do not share the same feeling. The perception of customers can be contributed to a lack of readable and understandable road signs.

Figure 10.5: Histogram comparison between the perceptions of employees and customers for the distribution construct

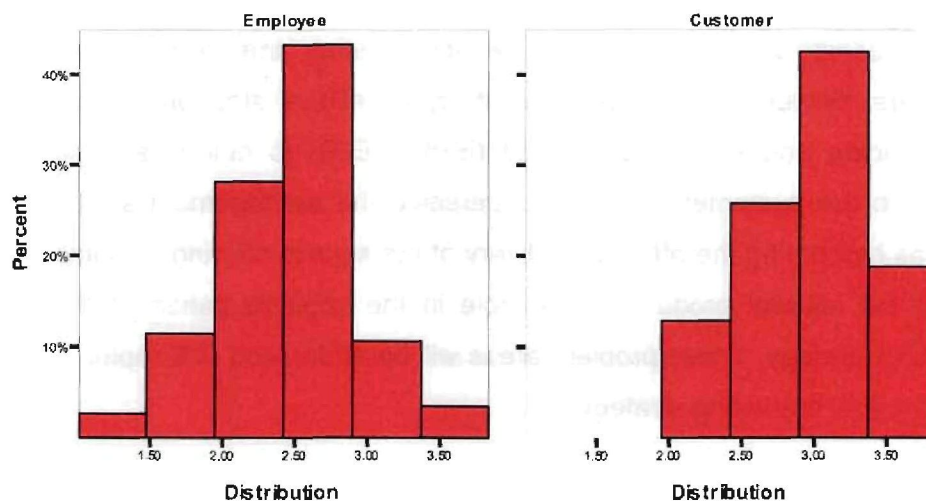
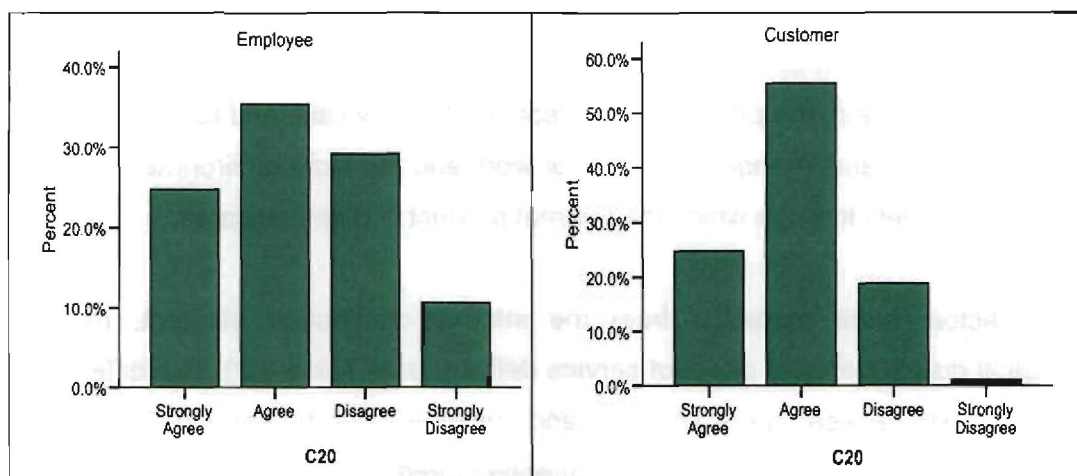


Figure 10.6 Bar chart of internal distribution (C20) for employees and customers



It can be concluded that both employees and customers feel that they are hampered by the internal distribution channels to deliver and receive good service. However, the perception of the customers (Figure 10.6) is much more negative than those of the employees.

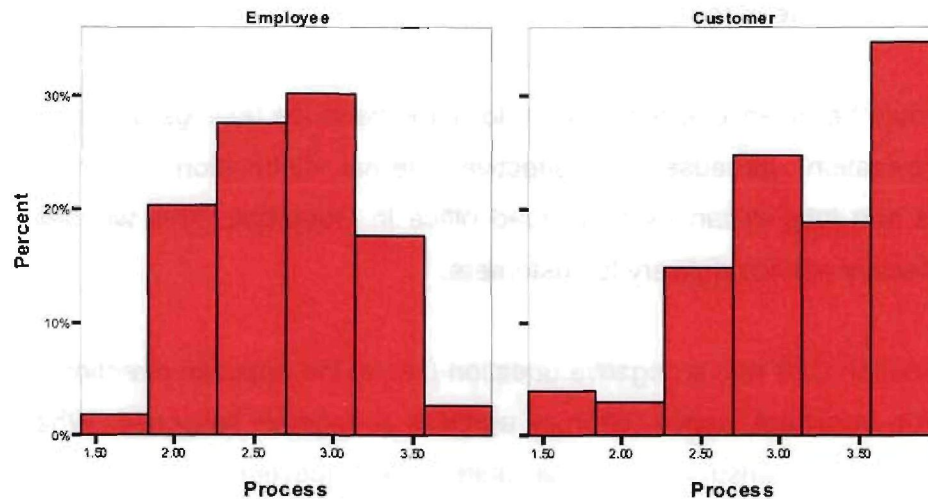
Care should be taken that employees do not experience feelings of “not part of the organisation” because of ineffective internal distribution channels and vastness and long distances from head office in Gaborone. This will definitely affect effective service delivery to customers.

Note, question C20 was a negative question (i.e., in the opposite direction) to the distribution construct, hence, strongly agree is a negative response. When the averages of the construct were calculated, this question (as well as other negative questions) was transformed using 5-question value. This was done to improve the reliability of the scale (see Chapter 9).

10.2.3 The marketing mix element: Process

The process element is closely interlinked with the people/participants element and was discussed in Chapter 5. It defines the context and mechanisms through which the price, promotion and place elements are structured. The process element includes mechanisms and systems involved in the structuring of issues such as power, authority and resources.

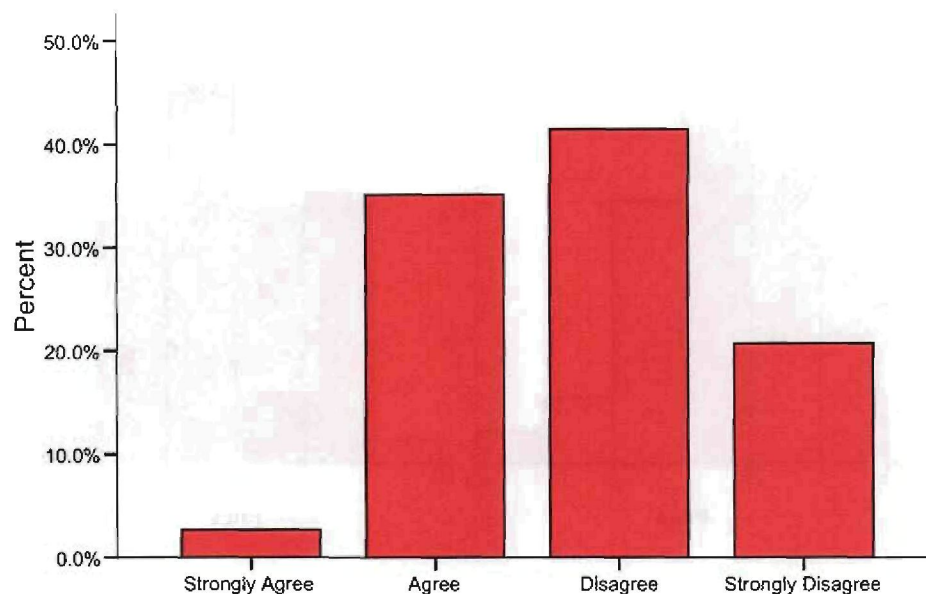
Figure 10.7: Histogram comparison between the perceptions of employees and customers of the process construct



Two factors, namely implementation and mechanisms of execution, were extracted from the process element. It can be argued that the mechanisms of execution influence the implementation of the process to deliver the service offering to the customer.

From the histogram in Figure 10.7 and attached frequency tables in annexures B and D, it is clear that the customers and employees feel that structures, processes, and lack of technology used in national parks affect the service delivery of employees negatively (G53-G61: employees and G45-G49: customers). This is also confirmed by the individual question G56 and is depicted in Figure 10.8 that shows that the perception of employees is that the structures at national parks do not contribute to a positive job experience.

Figure 10.8: Perception of employees on structures at national parks (G56)

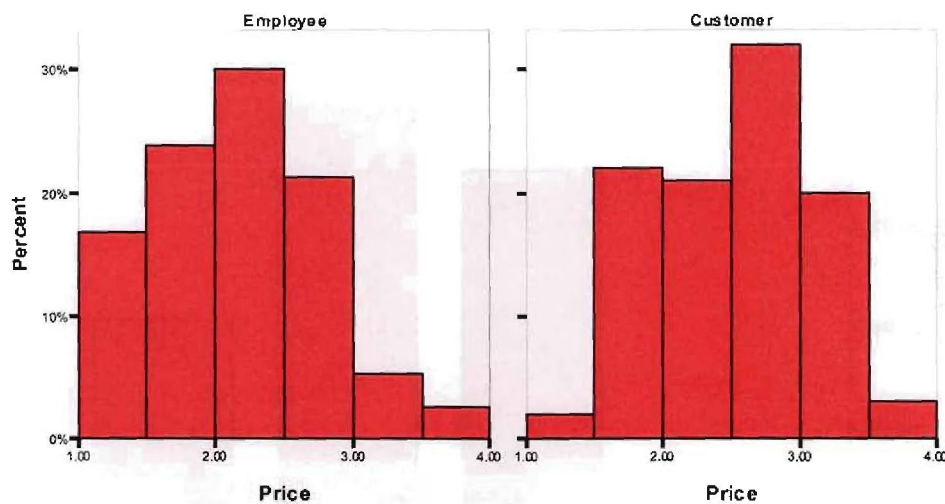


10.2.4 The marketing mix element: Price

Price is a key element of the marketing mix; it must be acceptable to the employee and must reflect the other elements of the internal marketing mix. External price represents the amount of money that the customer pays for a product and thus for the need satisfaction that is received.

The price element of the internal marketing mix is concerned with what the organisation is asking their internal customers to “pay” when they buy into the internal product (the job) and the internal marketing plan.

Figure 10.9: Histogram comparison between the perceptions of employees and customers of the price construct



The majority of customers (69, 4%) do not view the tariffs of national parks as value for money. Half of the employees (50, 4%) also share this perception. This can be contributed to the fact that many customers complain to employees about the tariffs. It is clear from Figure 10.9 that customers perceive the price element as more negative than employees do. The price structure and perception of value were extracted factors under this construct.

According to the literature study, however, the internal price element is the sacrifices (Chapter 4) that employees have to make to work for national parks. This was not tested under this construct but can be related to proudness of employees that has already been discussed. Employees are very loyal and proud, but lack motivation. This can be contributed to the negative outcome of the internal process and internal distribution elements.

10.2.5 The marketing mix element: marketing communication

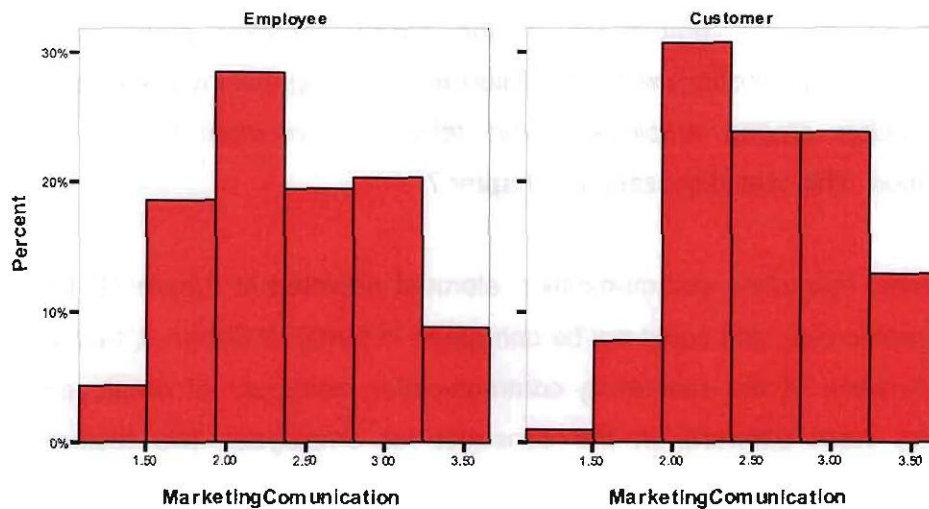
The most tangible aspect of the internal marketing programme is the communications media used to inform and to persuade and to work on the attitudes of the key employees in the internal market place. Marketing communication (promotion) within the internal marketing mix involves the sharing of information among employees and refers to communication within the organisation. This was discussed in Chapter 7.

The internal marketing communication element depicted in Figure 10.10 offers only a graphic view and could not be compared in terms of Cohen d , because the sub-dimensions of the marketing communication construct of employees and customers were different. In the construct for employees two factors were extracted, namely the perception of internal communication among colleagues and the perception created by the internal communication of management (Table 9.3).

In the construct for customers (Table 9.4) corporate image and the skills of employees when communicating with customers are identified. The results depicted in Annexure C shows that there is a lack of internal communication. The majority of employees do not feel informed about national parks' policies and promotional and advertising campaigns.

Employees experience a lack of continuous communication from head office. However, the majority (63, 7%) know that they can communicate freely at meetings and that colleagues can communicate freely with one another. The perception of customers is more negative in terms of external communication and can affect the corporate image of national parks.

Figure 10.10: Graphic view of the perceptions of internal marketing communication



However, the majority of customers (83, 8%) feel that employees treat customers with courtesy and respect and that their communication skills (59, 4%) are at a high level. The perception of the majority of customers (64, 4%), however, is that it is not always easy to contact national parks.

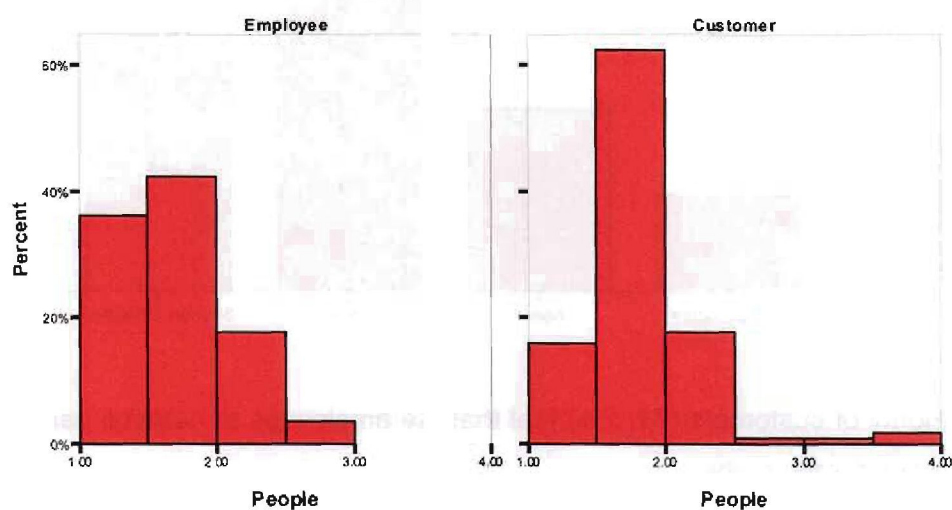
It is very important to pay attention to internal communication as part of the internal marketing strategy. Informed employees are crucial for the corporate image of national parks. It is also important that the mission and vision of national parks are displayed at entrance offices and that employees act according to the vision and mission of national parks.

10.2.6 Marketing mix element: People

People in the tourism industry are all human actors who play part in service delivery and thus influence customers' perceptions. The people element is part of

every other element of the internal marketing mix in the sense that people (employees) are the performers of the service and cannot be separated from the actual service delivery. The people construct attempts to identify the important qualities needed for a customer-oriented employee that is so crucial for a tourism organisation.

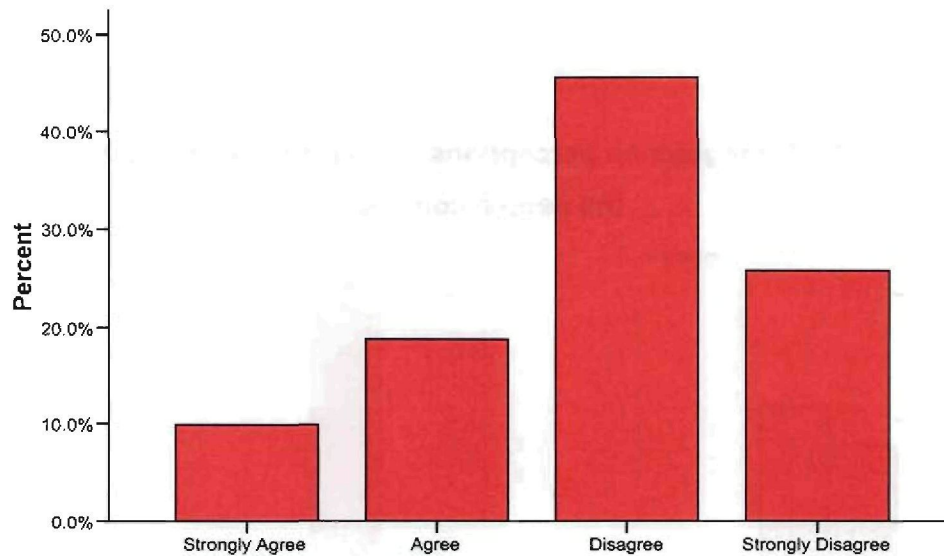
Figure 10.11: Histogram on perceptions of employees and customers on the people construct



Extracted factors for employees in the people construct are identified as employee qualities, self-esteem, motivation and appropriate qualification. In the customer construct, only two factors were extracted, namely employee qualities and appropriate qualification. It can be argued that the self-esteem and motivation of an employee depend of the qualities and qualifications needed. This will influence the perception of the customers of the appropriately skilled employee.

As can be seen from Figure 10.11, customers and employees did not differ in their perceptions of the qualities needed for an employee employed by national parks.

**Figure 10.12: Perceptions of customers concerning qualified employees:
H51**

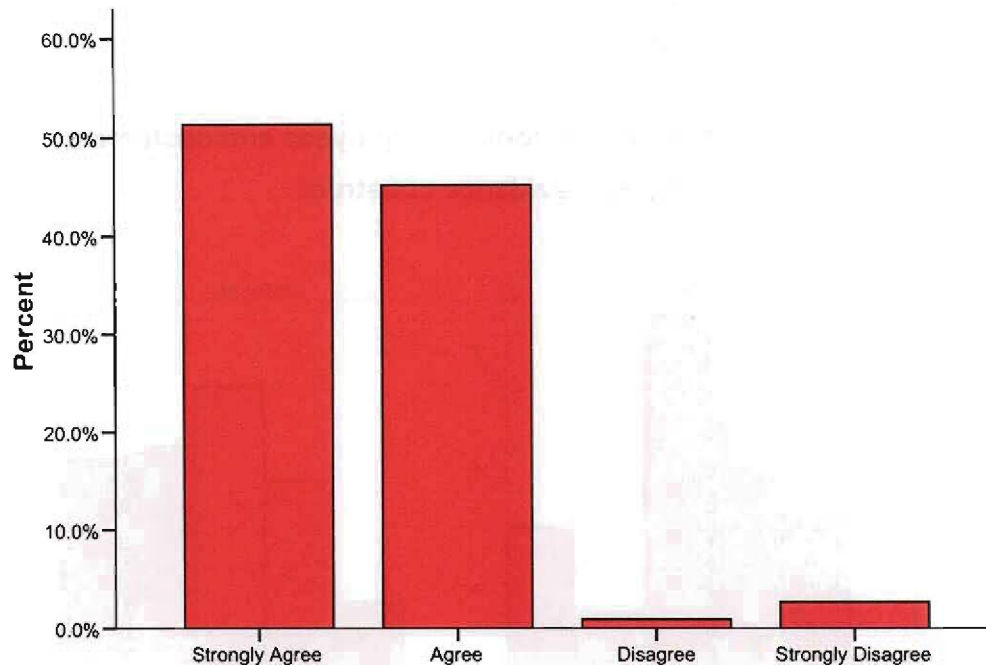


The majority of customers (71, 2%) feel that the employees of national parks are not qualified for their jobs.

The perception of the customers is that employees at national parks are not qualified for their jobs and not empowered and equipped to find solutions to a crisis (H51 & H52).

However, the majority of customers (66, 3%) feel that employees are happy to serve customers. Figure 10.12 shows the perception of customers concerning qualified employees employed by national parks. As already discussed, this can be contributed to lack of training.

Figure 10.13: Importance of rewarding programmes for employees (H73)



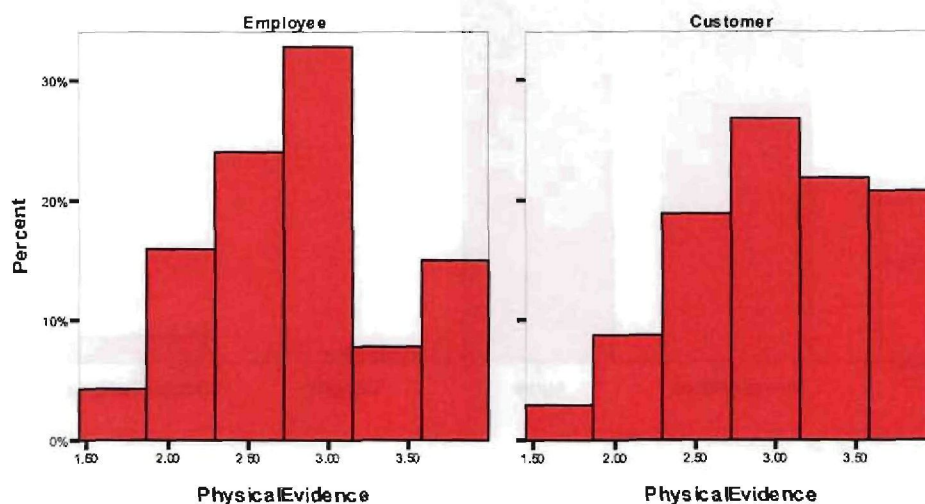
It can be concluded that confident, qualified employees (enhanced by various training programmes) with good communications skills, patience and friendliness that are equipped and empowered to find solutions in their job situations will be more motivated and will display customer-oriented behaviour and deliver outstanding customer service. An employee-rewarding programme for employees that perform well is important (Figure 10.13). This will contribute to a happy, motivated work-force that will be an important asset to national parks.

10.2.7 Marketing mix element: Physical evidence

In the tourism industry, the physical environment in which an offering is delivered is important, for it is where the customer and the organisation interact. Customers use physical evidence to assess their contentment with the offering during and after consumption. Physical evidence includes all tangible cues of the tourism organisation's physical facilities (service-scape), which can be divided

into interior cues (design, layout, decor) and exterior cues (landscape, signage) and consists also of tangible elements such as uniforms of employees and brochures (George, 2005:313).

Figure 10.14: Histogram of perceptions of employees and customers on the physical evidence construct



Two factors were extracted in the physical evidence construct, namely physical appearance and the maintenance/cleanliness of facilities. According to Figure 10.14, there is no significant difference between the perceptions of the employees and customers concerning the physical facilities of national parks. This can also be seen from the Cohen *d* values in Table 10.1 and the box-plots in Figure 10.1. However, customers display more negative perceptions concerning the facilities of national parks. The results of the physical evidence construct are depicted in frequency tables and bar charts in Annexure C (employees) and Annexure D (customers). The majority of customers (86,1%) feel that facilities of national parks are not kept in good condition, while 77,3% feel that broken facilities are not fixed immediately (91,1%). Customers (77, 2%) feel that the facilities of national parks can contribute to a negative experience for customers.

However, the majority (82, 2%) of customers feel that the appearance of employees is very neat.

The majority of employees (64, 6%) also feel that the facilities of national parks can contribute to a negative experience for customers. The majority of employees (82, 2%) feel that the facilities are not fixed immediately and (53, 1%) feel that it is not kept in good condition. Employees also feel that structures are not in place to ensure the cleanliness of the facilities.

It can be argued that this component of the internal marketing mix needs special attention and specific action needs to be taken to correct this negative perception among employees and customers. The environment in which employees execute their duties as just as important for internal marketing as for external marketing and need to be included in an internal marketing mix strategy.

10.3 CONCLUSION

The aim of the chapter was to reflect on the results of the empirical research in order to determine the elements that need to be included in a sustainable internal marketing strategy for the national parks of Botswana. The research attempted to identify the essential elements of an internal marketing strategy. The researcher personally visited all the national parks of Botswana and gained significant insight into work environment, and the perceptions and attitudes of employees when conducting the survey. The personal interaction with employees and the opportunity for employees to make recommendations and suggestions regarding their questionnaires provided additional information. Although not part of the empirical output, it put many results into context. These findings of the empirical results are therefore more meaningful because it was interpreted within a context of the personal experience with the employees. It provided a meaningful perspective on the work environment on the employees.

It became clear that although employees are proud and loyal, they share many frustrations that influence their motivational levels with a direct influence of the service delivery to the customer.

Using the scale presented in Chapter 9, it can be concluded that product and distribution have a large effect, price and process have medium to large effect, physical evidence and people have a small to medium effect. With Cohen's *d* (effect size) as reference, it can be argued that the internal product, internal distribution, internal price and internal process has a definite impact on employees and therefore need special attention as part of an internal marketing strategy.

The study concludes with Chapter 11, where a sustainable internal marketing strategy is recommended to the national parks of Botswana.

CHAPTER 11

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

11.1 INTRODUCTION

A strong internal marketing strategy is critical in achieving and sustaining competitive advantage as well as a major driver of change and enhanced performance in an organisation (Dunmore, 2002:265). This study examined and recommends the elements that need to be included in an internal marketing strategy for the national parks of Botswana. The internal marketing strategy is the external marketing strategy, applied internally. Internal marketing is an important implementation tool. It aids communication and help overcome any resistance to change, it informs and involves all employees in new initiatives and strategies.

This study explored and evaluated the elements that need to be included in an internal marketing strategy specifically for the national parks of Botswana. The previous chapter provided a discussion on the findings and interpretation of the research results. The major findings were presented and support was given to the research objectives, which were formulated in Chapter 1.

The aim of this chapter (Chapter 11), is to provide a summary of the most important findings of the study, highlight the implications thereof and present the conclusions. The research objectives are linked with the questions in the questionnaire, as well as the relevant sections in the thesis. A sustainable internal marketing strategy for the national parks of Botswana is recommended.

11.2 SUMMARY

Chapter 1 introduced the study and clarified its terminology. The background to the study was discussed with reference to internal marketing and marketing as the field of study. The chapter provided the study's problem statement, as well as the goal and objectives of the study. The research methodology was briefly explained and an outline of the chapters was presented.

Chapter 2 offered a discussion on the theoretical essence of marketing and internal marketing and related concepts such as relationship marketing and services marketing. It provided an overview of the marketing environment with an in-depth discussion on internal marketing, the history of internal marketing and models of internal marketing and the internal marketing mix. A brief overview of Botswana Tourism was also provided.

Chapter 3 explored the internal product. A description of the internal product was provided and the elements of the internal product, consisting of training and development, management mechanisms and structures, the internal environment (values and culture), employee support service and remuneration and leadership style were discussed. Based on the discussion of the internal product, it could be concluded that an organisation can only be as good as the job (internal product) that employees execute and that these employees and the internal product need to be managed by means of an internal marketing strategy.

In Chapter 4, the components of internal price, namely employee commitment, employee risks, stress and work pressure, time and family sacrifices and employee responsibilities were explained. Organisations need to be aware of the needs of employees and that employees pay a high price for their commitment to the organisation.

Chapter 5 provided insight into the internal process element and offered a discussion of internal marketing systems and elements of the internal process element. Employee participation, the management of change, creativity and conflict as a prerequisite for internal processes were discussed.

In Chapter 6, internal distribution was explored with a discussion of the internal distribution elements, namely internal supportive organisational structures, internal stakeholders and internal distribution channels.

Chapter 7 offered a discussion on internal marketing communication. Communication and marketing communication were applied to the internal marketing environment for the goal of this thesis. The elements of internal marketing communication consisting of advertising, sales promotion, public relations, personal selling and direct-marketing tools were discussed.

Chapter 8 explored internal customer service. This chapter offered a discussion on internal customer service that can be seen as a prerequisite for excellent external customer service. The different aspects of internal customer service that were discussed in this chapter included internal customer service culture, internal customer service requirements, total quality management and internal relationship management.

Chapter 9 provided insight into the research methodology followed in this study. A definition of marketing research was provided and a framework for conducting marketing research was proposed. The chapter also presented the specific research methodology followed and the data collection and statistical methods used. The reliability and validity of the results were also assessed.

Chapter 10 provided the results obtained from the empirical section of the study. The results were interpreted according to the main constructs (internal marketing

mix elements). The mean values and standard deviations of the main constructs were also provided. The main findings were based on the results presented.

The present chapter is a summary of the study. The conclusion and recommendations are presented. The research goal and objectives of the study are presented in Section 11.2.1. It is evident that the research objectives supporting the study's goal and that were presented in Section 1.4.1 were achieved.

11.2.1 Research goal and objectives

Research goal: to develop a sustainable internal marketing strategy for the national parks of Botswana – the strategy is presented in Section 11.4

Research objectives

1. Objective 1: to analyse the literature on internal marketing.
 - This objective was achieved by providing an overview of the history and theoretical essence and models of internal marketing and was presented in Chapter 2.
2. Objective 2: to determine which elements of an internal marketing strategy will ensure the commitment from the employee to a total customer-oriented approach.
 - These elements were determined by the theoretical discussion of the internal marketing mix elements (chapters 3 – 8) and the results of the questionnaires' main constructs (internal marketing mix elements) – discussion of results in Section 10.2.1 – Section 10.2.7 of Chapter 10.
3. Objective 3: to determine the qualities needed for a customer-oriented employee of national parks.

- This objective was achieved by means of the results obtained from Section H of the questionnaires and is discussed in Section 10.2.6 of Chapter 10.
- 4. Objective 4: to determine the differences between the customers' and the employees' perceptions in relation to the six marketing mix elements as specified above with the exclusion of communication that was not comparable.
 - A summary of the difference in perception between the employees and customers are presented in Figure 10.1 and discussed in sections 10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.6 and 10.2.7 of Chapter 10.
- 5. Objective 5: to recommend the development of a sustainable internal marketing strategy to the national parks of Botswana.
 - Presented in Section 11.4 of Chapter 11.

The following section presents the conclusions that can be drawn from the main findings according to the main constructs that were discussed in Chapter 10.

11.3 CONCLUSIONS

11.3.1 Internal product

The internal product is the job itself and the environment is where this job is executed. Questions B5 – B14 (employees) and questions C5 – C14 (customers) relate to the internal product in the questionnaires (Annexure A - employees & C - customers) with the frequency tables presented in Annexure B – employees and D - customers. The findings were discussed in Section 10.2.1.

It can be concluded that the internal product impacts significantly on the customers' perception of service quality. The internal product (the job) and

the environment in which it is executed cause frustration and affect the motivational levels of the employees. The quality of the internal product can be enhanced by creating a customer-oriented organisational culture, revising structures and designing total quality management systems. Motivational and confidence levels of employees can also be improved by providing applicable training courses to equip employees with information regarding customer service and different cultures.

11.3.2 Internal place/distribution

Internal distribution is the internal supportive organisational structures, internal stakeholders and internal distribution channels that are used to execute the internal product. Questions C15 – C21 (employees) and questions C15 – C21 (customers) relate to the internal place element/distribution in the questionnaires (Annexure A - employees & Annexure C - customers) with the frequency tables presented in Annexure B – employees and Annexure D - customers. The findings were discussed in Section 10.2.2

It can be concluded that both employees and customers feel that the internal distribution channels to deliver and receive a good service offering hamper them. The results indicated that there is a lack of effective internal distribution. This can be contributed to the vastness of the parks, but also to a lack of internal communication channels. Employees at national parks are detached and uninformed about activities at head office and feel that there is a lack of timely response when information is needed. There is also a lack of the latest technology, which contributes to uninformed employees. Lack of effective internal distribution channels can influence effective service delivery to customers.

11.3.3 Internal price

Price is a key element of the marketing mix; it must be acceptable to the employee and must reflect the other elements of the internal marketing mix. Questions D21 – D27 (employees) and questions D22 – D25 (customers) relate to the internal price element in the questionnaires (Annexure A - employees & Annexure C - customers) with the frequency tables presented in Annexure B – employees and Annexure D - customers. The findings were discussed in Section 10.2.4.

From the results, it is clear that customers complain to employees about the tariffs of national parks. It can be concluded that this can affect the motivational levels of employees, because they have to deal with all the queries.

According to the literature study, however, the internal price element is the sacrifices that employees have to make to work for national parks. This was not tested in the closed questions under this construct. **However, employees referred to the sacrifices that they have to make in the recommendation/open section of the questionnaire. This can be also be related to other individual questions, e.g. proudness that was discussed in Section 10.2.1. Employees are very loyal and proud, but lack motivation. This can be contributed to the negative outcome of the internal process and internal distribution elements. The distance of national parks from the respective towns can make the internal price (sacrifices) that employees of national parks have to pay too high and can affect the motivational level of employees. Some of the employees experienced a feeling of “they do not know of us anyway”. This negativity transcends into lack of motivation that has an effect on their delivery of the service offering.**

The price element of the internal marketing mix is therefore concerned with what the organisation is asking their internal customers to “pay” when they buy into the internal product (the job) and the internal marketing plan.

11.3.4 Internal marketing communication

The internal marketing communication element discussed in Section 10.2.5 is depicted in Figure 10.10. It offers only a graphic view and cannot be compared in terms of Cohen *d*, because the sub-dimensions of the marketing communication construct of employees and customers were different.

Questions E28 – E40 (employees) and questions E26 – E33 (customers) relate to the internal marketing communication element in the questionnaires (Annexure A - employees & Annexure C - customers) with the frequency tables presented in Annexure B – employees and Annexure D - customers. The findings were discussed in Section 10.2.5.

It can be concluded that employees do not feel informed about national parks’ policies and promotional and advertising campaigns. Employees experience a lack of continuous communication from head office. Customers have a negative perception of external communication that can affect the corporate image of national parks. It is important to pay attention to internal communication as part of the internal marketing strategy. Informed employees are crucial for the corporate image of national parks. It is also important that the mission and vision of national parks are displayed at entrance offices and that employees act according to the vision and mission.

11.3.5 Physical evidence

Physical evidence includes all tangible cues of the tourism organisation's physical facilities, which can be divided into interior and exterior cues. Questions F41 – F52 (employees) and questions F34 – F44 (customers) relate to the physical evidence element in the questionnaires (Annexure A - employees & Annexure C - customers) with the frequency tables presented in Annexure B – employees and D - customers. The findings were discussed in Section 10.2.7.

The main conclusion from the findings is that the facilities of national parks are not properly maintained and cleaned. Customers are negative about the physical evidence of national parks. However, they are positive about the appearance of employees. The empirical results emphasise that the facilities of national parks are not properly maintained and create a negative perception among customers and employees.

It can be argued that this component of the internal marketing mix needs special attention and specific action needs to be taken to correct this negative perception among employees and customers. The environment in which employees execute their duties is important for internal marketing and external marketing and need to be included in an internal marketing mix strategy.

11.3.6 Internal process

The process element includes mechanisms and systems involved in the structuring of issues such as power, authority and resources. Questions G53 – G61 (employees) and questions G45 – G49 (customers) relate to the internal process element in the questionnaires (Annexure A - employees & Annexure C - customers) with the frequency tables presented in Annexure B – employees and Annexure D - customers. The findings were discussed in Section 10.2.3.

Customer and employees feel that structures, processes and lack of technology used in national parks affect the service delivery of employees negatively. From the empirical results, it is clear that processes and structures are a cause of concern that contributes to a negative delivery of the service offering.

11.3.7 People

The people construct attempts to identify the important qualities needed for a customer-oriented employee that is crucial for a tourism organisation. Questions H62 – G82 (employees) and questions H50 – H62 (customers) relate to the people element in the questionnaires (Annexure A - employees & Annexure C - customers) with the frequency tables presented in Annexure B – employees and Annexure D - customers. The findings were discussed in Section 10.2.6.

It can be concluded that it is important for national parks to employ the right kind of employee with qualities of friendliness, enthusiasm, patience, a people-person, good communication skills, and being nature lovers.

It can be concluded that confident, qualified employees (enhanced by various training programmes) with good communications skills, patience and friendliness that are equipped and empowered to find solutions in their job situations will be more motivated and will display customer-oriented behaviour and deliver outstanding customer service.

On the basis of the above conclusions, Section 11.3 suggests a sustainable internal marketing strategy for the national parks of Botswana

11.4 RECOMMENDATIONS: A SUSTAINABLE INTERNAL MARKETING STRATEGY

11.4.1 Description of an internal marketing strategy

An internal marketing strategy was discussed and defined in Chapter 2 as the effective allocation and co-ordination of internal marketing resources and internal activities to accomplish the objectives of the organisation. The components of an external marketing strategy are applied to the development of an internal marketing strategy. An internal marketing strategy should specify *what* objectives to accomplish, *where* (on which departments and employees to focus) and *how* (which resources and activities to allocate to each department or employee to meet any threats and opportunities to gain a competitive internal advantage). It is, however, also important to use Dunmore's (2002:265) unique seven components of an internal marketing strategy and integrate this with the other elements of the internal marketing mix. Most of his components relate to the internal product:

- Vision, mission and values of an organisation (internal product);
- corporate strategy (internal product);
- processes and service standards (internal process);
- knowledge management (internal product) – anything valued by the organisation that is embedded in employees or derived from processes, systems and the organisational culture, individual knowledge and skills of employees;
- internal communication (internal marketing communication);

- human resource strategy (internal product); and
- integrating internal and external marketing.

A well-developed strategy according to Walker *et al.* (2003:9) contains the organisation's mission, goals and objectives, ways of resource deployments, the identification of an a sustainable competitive advantage and synergy between all aspects of an organisation's business.

From the strategy flows the internal marketing plan, which according to Walker *et al.* (2003:27) is a written document detailing the current situation with respect to customers, competitors, and the external environment and providing guidelines for objectives, marketing actions, and resource allocations over the planning period for either an existing or a proposed product or service. This can be applied internally by using the same concepts. This study will only recommend an internal marketing strategy along the lines of the internal marketing mix elements. The internal marketing plan is not part of the objectives of this study. The next section offers and recommends an internal marketing strategy along the lines of the internal marketing mix elements.

11.5 A SUSTAINABLE INTERNAL MARKETING STRATEGY FOR THE NATIONAL PARKS OF BOTSWANA

The internal marketing strategy is developed by including the different elements of the internal marketing mix in the strategy. The internal strategy is the internal marketing mix elements and will be discussed in the following section.

11.5.1 Internal product

- Develop a mission, vision and value statement for each park within the framework of the corporate vision and mission of the Ministry of Environment, Wildlife and Tourism in Gaborone.
- Develop specific objectives for a sustainable internal marketing strategy for national parks to:
 - Inform, educate, motivate and energise a well-equipped and qualified employee force;
 - create a customer service-oriented culture;
 - create and be committed to high internal and external quality standards and
 - develop standards and structures to empower employees to deliver exceptional service to customers.
- Develop a meaningful, concise and realistic job description for each employee and ensure that they know what is expected from them. Establish high standards of performance ethics.
- Offer specialised applicable training and skills enhancement to current employees. Promoting from within national parks will encourage and motivate the employees. The results of the study show that there is a need for employees to attend various training courses. Customer service and

intercultural communication courses will be beneficial to employees at national parks.

- Assist employees to develop customer-care and problem-solving skills and give them the authority to act.

It is important that an internal marketing culture prevail to enhance the implementation of an internal marketing strategy: The following can be seen as elements of an internal marketing culture that must be created among employees at head office, the different parks and among colleagues:

- National parks must specifically define what exceptional service is.
- Top management must be committed to provide exceptional service.
- National Parks systematically and regularly have to measure and monitor employees' performance.
- Employees have to focus on customer needs, desires and attitudes.
- Employees have to believe that their behaviour reflects the image of national parks;
- Employees must meet the expectations of national parks.
- National Parks must emphasise employee's communication skills.
- Employees must pay attention to the details of their work.

11.5.2 Internal place/distribution

It is recommended that the policy of national parks be revised to ensure that outdated policies are replaced by more up-to-date policies and to ensure that policies are adhered to, e.g. the transfer policy. Internal distribution channels (the medium through which the internal product and message is delivered) need to be devised and developed, using advanced technology. Effective internal distribution channels will contribute to informed and empowered employees that will have a positive influence on effective service delivery to customers.

11.5.3 Internal price

- Create an environment that encourages energy and spirit; strive to help employees feel that when they have accomplished the goals of national parks, they have accomplished their own personal goals.
- Create a sense of meaningful purpose - most employees want to feel that they are engaged in something “larger than themselves”.

11.5.4 Internal marketing communication

Employees want good two-way communication. It is important that national parks take cognisance of the opinions and feelings of employees at distant parks and give regular feedback to them concerning their own career paths. The internal marketing communication tools must be used extensively to raise awareness as well as build the competence and confidence of the employees in the policies of national parks. It is important that there are situations for face-to-face communication, which can capitalise on the advantages of this interactive medium to provide an opportunity to understand employees' fears and questions.

Internal communication supports the “living” of the organisation’s strategy, values and personality and therefore has a part to play in creating a competitive advantage. Internal communication should be about creating desired behaviour that contributes to competitive advantage. Employees at all parks have to be kept informed at all times by using the internal marketing communication mix instruments.

The following actions are recommended to improve internal marketing communication:

- Develop an approved set of procedures and policies that is given to each employee.
- Supervisors must clearly state what their expectations are of others.
- Each employee must understand the mission and general objectives of national parks.
- Management must share financial information with all employees.
- Front-line employees are encouraged to become involved in standard-setting.
- National parks should focus efforts on training and motivating employees.
- National parks should keep up with technological advances.

11.5.5 Physical evidence

- Develop specific performance programmes related to the cleanliness and maintenance of the facilities.
- Rotate employees according to the transfer policy. Employees stay for very long at the same park, become negative and do not take pride in maintaining the facilities. They feel that the transfer policies (people have to be transferred to another park, every three years) are not applied. This can also be contributed to a lack of internal communication.

- The internal marketing director has to visit the different parks regularly to inspect the physical facilities.

11.5.6 Internal process

Internal politics must be minimised by establishing organisational structures that will support the internal marketing strategy and empower employees to deliver exceptional service to customers.

11.5.7 People

The employees are the target market of the organisation. It is therefore important that the aim of all the elements of the internal marketing mix is to satisfy the needs of the internal target market (employees). If the needs of the internal target market were satisfied, employees will contribute to the success of the organisation/national parks. It is important to employ a sustainable internal marketing strategy to create a unified experience for employees internally and therefore send out a unified message externally.

It is crucial for national parks to employee the right kind of employee. It is difficult to manage employees to be positive and enthusiastic if the employee does not have the right qualities. National parks' human resources strategy must be aligned with the internal marketing strategy. This alignment will only have success, if driven by top management. This is important for head office in Gaborone. Recruitment of employees at the different parks need to done very carefully, taking into account the vastness and culture of national parks. It is important that head office in Gaborone takes cognisance of the different situations in the different parks. National parks need to employ the right kind of employee (friendly, patient, people-person, good communication skills, love of nature) to ensure that the vastness of the parks and the long distances from

towns do not affect the quality of work of employees. The recommendation is made to:

- Recruit employees with the right qualities.
- Current employees need to be deployed (if necessary) in the structure of national parks according to their unique qualities to ensure that employees function in jobs that complement their unique qualities and aptitudes. This will ensure a quality service offering.
- Employees are the most important asset, therefore, hire the best, provide training and growth opportunities and recognise good performance.
- New-employee orientation needs to be done at head office in Gaborone where employees can meet and understand the top management structure. They will then at least be able to put a face to a name. Before stationed at a park, a visit to Gaborone should be a prerequisite. A visit for current employees that have never been to head office can benefit the morale of employees and the success of national parks.
- An employee-rewarding programme for employees that perform well is important. This will contribute to a happy, motivated work-force that will be an important asset to national parks;
- Appoint an internal marketing director to visit the different parks on a regular basis and have continuous contact with employees.

Create a culture that honours business development, training and mentoring. Start at the top and really change the criteria for partnership to include all the skills that make an organisation successful, not just seniority and technical mastery.

By recognising and rewarding a balanced set of skills and by implementing these simple steps, the internal marketing process will be stronger, revenue will be higher, customers will be better served and employees will deliver exceptional service.

11.6 CONCLUSION

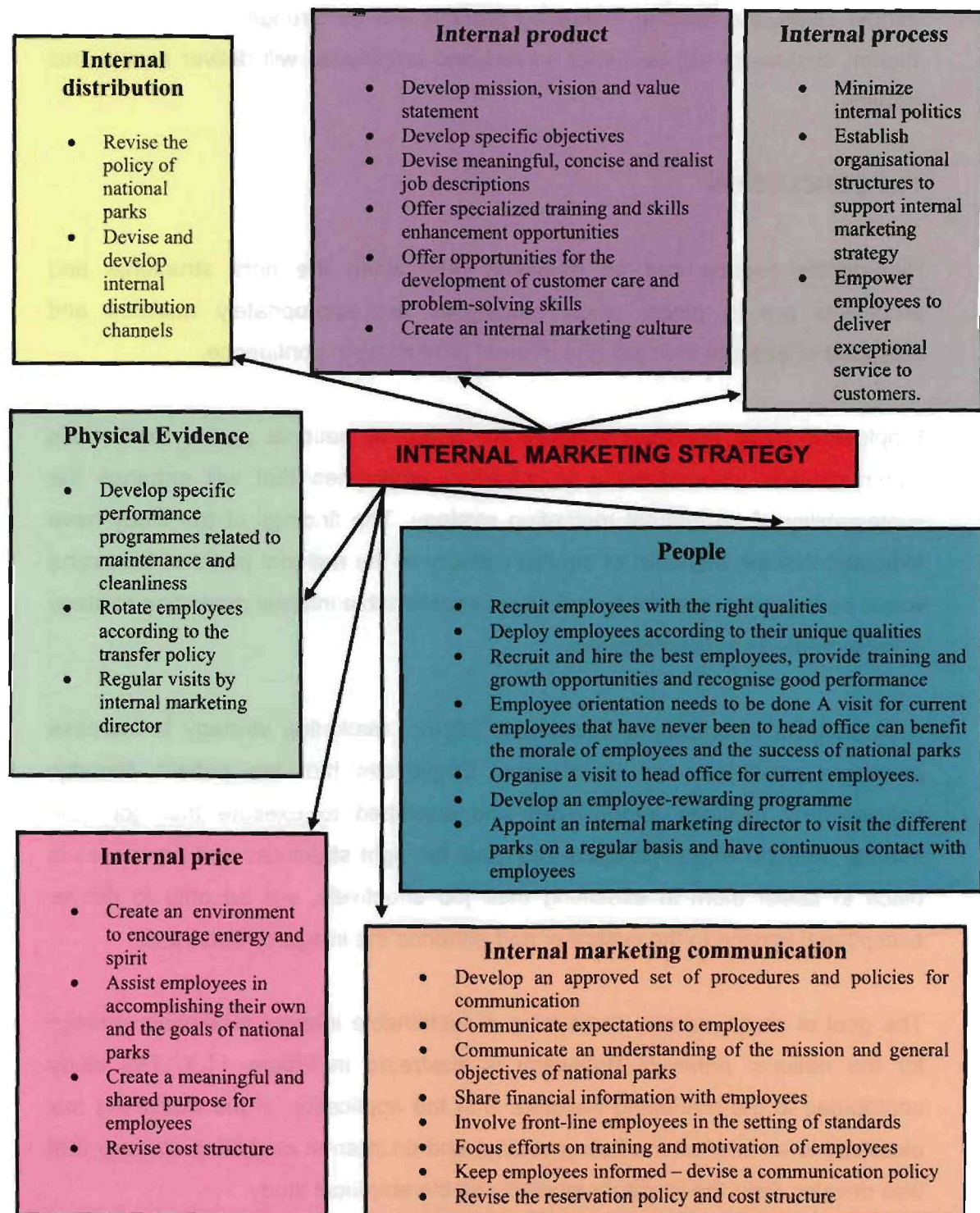
High-quality service can be delivered only when the right structures and processes are in place; when employees are appropriately qualified and equipped to execute their job (the internal product) with confidence.

Employees need the right qualities for a job at national parks. Continuous communication will contribute to informed employees that will enhance the sustainability of an internal marketing strategy. The findings of the study have indicated that the standard of service delivery of the national parks of Botswana would be improved and enhanced when a sustainable internal marketing strategy is implemented for its employees.

It is essential to employ a sustainable internal marketing strategy to increase employee positivism and satisfaction. Employees that are patient, friendly, appropriately qualified, empowered and equipped to execute their job (the internal product) with confidence and have the right structures and processes in place to assist them in executing their job effectively, will be able to deliver exceptional service to the customer and enhance the image of Botswana.

The goal of study, namely to develop a sustainable internal marketing strategy for the national parks of Botswana is illustrated in Figure 11.1. The study contributes to the marketing literature with the application of the marketing mix elements to an internal marketing context and an internal marketing strategy that was develop from the literature studied and the empirical study. .

Figure 11.1 A sustainable internal marketing strategy for the national parks of Botswana



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ANNEXURE A

EXAMPLE OF QUESTIONNAIRE: EMPLOYEES

**NORTH-WEST UNIVERSITY
SCHOOL OF ENTREPRENEURSHIP, MARKETING AND TOURISM
MANAGEMENT
POTCHEFSTROOM**

**QUESTIONNAIRE : INTERNAL MARKETING STRATEGY AT THE NATIONAL
PARKS OF BOTSWANA**

TO THE RESPONDENT : Thank you for your time. The objective of the questionnaire and study is to devise an internal marketing strategy for the National Parks of Botswana to contribute to consistent, sustainable service delivery of all employees of the Parks to tourists to enhance a positive experience and to ensure recurring visits from tourists. In completing the questionnaire you will have the opportunity to contribute to your own internal marketing strategy. We value your input; the strategy cannot be devised without your contribution.

Information rendered will be treated with the greatest confidence. No identification is required. Please do not write your name on the questionnaire.

Thank you for your co-operation.

Researcher : Elmarie de Bruin
PHD Marketing Management
School of Entrepreneurship, Marketing and Tourism management
North-West University
Private Bag X6001
Potchefstroom, South Africa
2520

Supervisor : Prof. L.R. Jansen van Rensburg
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Potchefstroom, South Africa
2520

March 2007

QUESTIONNAIRE : STAFF OF NATIONAL PARKS

Tick the correct answer in the appropriate box for questions 1 – 4.

A. Demographic information

1. Gender	Male	<u>1</u>
	Female	<u>2</u>
2. Language preference	Tswana	<u>1</u>
	English	<u>2</u>
	Other	<u>3</u>
3. National Park	Moremi	<u>1</u>
	Chobe	<u>2</u>
	Nxai Pans Makgadikgadi Pans	<u>3</u>
	Central Kalahari	<u>4</u>
	Khutse	<u>5</u>
	Kgalagadi	<u>6</u>
4. Level of employment	Superior (management)	<u>1</u>
	Subordinate	<u>2</u>

Please use the scale provided next to each statement for questions 5 – 82. Mark a point on the scale with respect of the criteria listed below that will be the best indication of your view.

1 – Strongly agree 2 – Agree 3 – Disagree 4 – Strongly disagree

B. Internal marketing mix : Internal Product – service offering, quality, management structure and organizational culture

<u>Question Number</u>	<u>Statement</u>	<u>Scale 1 - 4</u>			
5	The service offering at this National Park is excellent.	1	2	3	4
6	Standards at this National Park are used to ensure quality service.	1	2	3	4
7	I am proud to be employed by this National Park.	1	2	3	4
8	The management style at this National Park makes it easy for me to practice a customer oriented approach.	1	2	3	4
9	I function in a service culture in this National Park.	1	2	3	4
10	Everyone in this National Park functions as part of a team.	1	2	3	4
11	I feel that National Parks employ a TQM (Total Quality Management) system throughout the organization.	1	2	3	4
12	I am excited about the role and future of National Parks as part of Botswana's tourism.	1	2	3	4
13	I treat the tourist as if he/she is always right.	1	2	3	4
14	I am hampered by organizational structures in putting the tourist first.	1	2	3	4

C. Internal marketing mix : Place/Internal distribution – distribution channels and physical distribution

<u>Question Number</u>	<u>Statement</u>	<u>Scale 1 – 4</u>			
15	It is easy for tourists to find their way to this National Park.	1	2	3	4
16	The roads in this National Park are in a good condition.	1	2	3	4
17	It is easy for the tourist to find his/her way around in this National Park.	1	2	3	4
18	Sometimes it happens that we run out of inventory at this National Park e.g. toilet paper.	1	2	3	4
19	We can offer assistance when a tourist has car trouble.	1	2	3	4
20	The vastness and long distance of this National Park from other Parks hamper effective service delivery to this park.	1	2	3	4
21	The vastness and long distance of this National Park from other Parks hamper effective communication between parks and head office.	1	2	3	4

D. Internal marketing mix : Price

<u>Question Number</u>	<u>Statement</u>	<u>Scale 1 – 4</u>			
22	I feel confident to communicate our tariff structure to tourists.	1	2	3	4
23	I understand our tariff structure.	1	2	3	4
24	I am able to explain the elements of our tariff structure to the tourist.	1	2	3	4
25	Tourists view our tariffs as value for money.	1	2	3	4
26	I view our tariffs as value for money.	1	2	3	4
27	Tourists will return to National Parks because of the tariff structure.	1	2	3	4

E. Internal marketing mix : Promotion/Internal communication

<u>Question Number</u>	<u>Statement</u>	<u>Scale 1 – 4</u>			
28	I know the mission and vision of National Parks.	1	2	3	4
29	I know that I am important to National Parks.	1	2	3	4
30	I can freely express my point of view at meetings.	1	2	3	4
31	Management keeps me up to date with any change in policy.	1	2	3	4
32	I am informed about advertising and promotional campaigns in advance.	1	2	3	4
33	I know exactly what is expected from me.	1	2	3	4
34	I do not know the long term goals of National Parks.	1	2	3	4
35	I am encouraged to ask questions if I do not understand a task.	1	2	3	4
36	I receive the internal house journal regularly.	1	2	3	4
37	My supervisor is available to discuss work related problems.	1	2	3	4
38	My supervisor is sincerely concerned about personal problems that may affect my performance	1	2	3	4
39	My supervisor spends time informing me about my tasks and my objectives.	1	2	3	4
40	The culture of National Parks encourages colleagues to communicate freely with one another.	1	2	3	4

F. Internal marketing mix : Physical evidence/Facilities

<u>Question Number</u>	<u>Statement</u>	<u>Scale 1 – 4</u>			
41	I am proud of the facilities of National Parks.	1	2	3	4
42	The facilities of National Parks can contribute to a negative experience for the tourist.	1	2	3	4
43	All our facilities are kept in good condition.	1	2	3	4
44	Tourists never complain about the standard of the facilities of National Parks.	1	2	3	4
45	I feel proud to be identified as an employee of National Parks by means of my uniform.	1	2	3	4
46	The appearance of staff at National Parks is very neat.	1	2	3	4
47	Broken facilities are fixed immediately.	1	2	3	4
48	I am proud of the entrance facilities and offices of National Parks	1	2	3	4
49	We have enough staff to make sure that the facilities are kept in good condition.	1	2	3	4
50	Baboons contribute to a negative experience for the tourist.	1	2	3	4
51	Structures are in place to ensure that the cleanliness of all facilities is monitored on a daily basis.	1	2	3	4
52	Tourists will return to National Parks because of our excellent facilities.	1	2	3	4

G. Internal marketing mix : Process – procedures, task schedules, mechanisms, activities and routines in National Parks

<u>Question Number</u>	<u>Statement</u>	<u>Scale 1 – 4</u>			
53	The structures at the National Parks enable me to provide efficient service.	1	2	3	4
54	Our quality standards ensure that processes used in servicing a tourist are outstanding.	1	2	3	4
55	I receive timely information from other departments to perform my task.	1	2	3	4
56	The structures at National Parks contribute to a positive job experience.	1	2	3	4
57	We use the latest technology to perform our tasks and to serve the tourist.	1	2	3	4
58	I am equipped with the necessary skills to use the technology.	1	2	3	4
59	The technology used at this Park makes it easy for me to communicate with colleagues from other Parks.	1	2	3	4
60	I am hampered to perform my job efficiently by the bad service I receive from other departments.	1	2	3	4
61	I can respond quickly to any complaint from a tourist.	1	2	3	4

H. Internal marketing mix : People/Employees

<u>Question Number</u>	<u>Statement</u>	<u>Scale 1 – 4</u>			
62	I know that I contribute to the success of National Parks in the way that I execute my task.	1	2	3	4
63	I execute my tasks with confidence.	1	2	3	4
64	I am not the right kind of person for this type of job.	1	2	3	4
65	I am appropriately qualified for my job.	1	2	3	4
66	I am empowered and equipped to find a solution to a crisis or problem.	1	2	3	4
67	I have to wait for feedback from my supervisor before I can act in a crisis.	1	2	3	4
68	I love the presence of tourists.	1	2	3	4
69	I function best when I work in a team.	1	2	3	4
70	Outstanding service to customers will not make a difference to the success of National Parks.	1	2	3	4
71	I am energized by the presence of people.	1	2	3	4
72	I attend various training programmes to equip me for my task.	1	2	3	4
73	A rewarding programme for employees who perform well is important.	1	2	3	4
74	It is important that you have to be a people's person for this job.	1	2	3	4
75	Patience is important in this job.	1	2	3	4
76	Courtesy in this job is overrated.	1	2	3	4
77	Good communications skills are important for this job.	1	2	3	4
78	The tasks I am assigned with help me to advance my career with National Parks	1	2	3	4
79	An employee that is unhappy at work will perform a bad service.	1	2	3	4
80	I look forward to every day at work	1	2	3	4
81	A happy employee is a motivated employee.	1	2	3	4
82	Motivated employees are a big asset to an organization.	1	2	3	4

I. Any other recommendations or suggestions?

ANNEXURE B

FREQUENCY TABLE: EMPLOYEES

Frequency Table: Employees

GENDER					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	85	75.2	75.2	75.2
	Female	28	24.8	24.8	100.0
	Total	113	100.0	100.0	

LANGUAGE					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Tswana	42	37.2	37.2	37.2
	English	71	62.8	62.8	100.0
	Total	113	100.0	100.0	

PARK					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Moremi	21	18.6	18.6	18.6
	Chobe	39	34.5	34.5	53.1
	Nxai Pans Makgadikgadi Pans	15	13.3	13.3	66.4
	Central Kalahari	16	14.2	14.2	80.5
	Khutse	5	4.4	4.4	85.0
	Kgalagadi	17	15.0	15.0	100.0
	Total	113	100.0	100.0	

EMPLOY					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Superior	25	22.1	22.7	22.7
	Subordinate	85	75.2	77.3	100.0
	Total	110	97.3	100.0	
Missing	System	3	2.7		
Total		113	100.0		

B5					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	26	23.0	23.0	23.0
	Agree	60	53.1	53.1	76.1
	Disagree	21	18.6	18.6	94.7

	Strongly Disagree	6	5.3	5.3	100.0
	Total	113	100.0	100.0	

B6					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	21	18.6	18.6	18.6
	Agree	47	41.6	41.6	60.2
	Disagree	36	31.9	31.9	92.0
	Strongly Disagree	9	8.0	8.0	100.0
	Total	113	100.0	100.0	

B7					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	44	38.9	38.9	38.9
	Agree	43	38.1	38.1	77.0
	Disagree	20	17.7	17.7	94.7
	Strongly Disagree	6	5.3	5.3	100.0
	Total	113	100.0	100.0	

B8					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	12	10.6	10.7	10.7
	Agree	43	38.1	38.4	49.1
	Disagree	39	34.5	34.8	83.9
	Strongly Disagree	18	15.9	16.1	100.0
	Total	112	99.1	100.0	
Missing	System	1	.9		
Total		113	100.0		

B9					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	13	11.5	11.5	11.5
	Agree	43	38.1	38.1	49.6
	Disagree	46	40.7	40.7	90.3
	Strongly Disagree	11	9.7	9.7	100.0
	Total	113	100.0	100.0	

B10					
		Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Strongly Agree	20	17.7	17.7	17.7
	Agree	44	38.9	38.9	56.6
	Disagree	39	34.5	34.5	91.2
	Strongly Disagree	10	8.8	8.8	100.0
	Total	113	100.0	100.0	

B11					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	8	7.1	7.1	7.1
	Agree	34	30.1	30.1	37.2
	Disagree	44	38.9	38.9	76.1
	Strongly Disagree	27	23.9	23.9	100.0
	Total	113	100.0	100.0	

B12					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	50	44.2	44.2	44.2
	Agree	47	41.6	41.6	85.8
	Disagree	16	14.2	14.2	100.0
	Total	113	100.0	100.0	

B13					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	48	42.5	42.5	42.5
	Agree	48	42.5	42.5	85.0
	Disagree	13	11.5	11.5	96.5
	Strongly Disagree	4	3.5	3.5	100.0
	Total	113	100.0	100.0	

B14					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	36	31.9	31.9	31.9
	Agree	59	52.2	52.2	84.1
	Disagree	13	11.5	11.5	95.6
	Strongly Disagree	5	4.4	4.4	100.0
	Total	113	100.0	100.0	

C15					
		Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Strongly Agree	39	34.5	34.5	34.5
	Agree	59	52.2	52.2	86.7
	Disagree	9	8.0	8.0	94.7
	Strongly Disagree	6	5.3	5.3	100.0
	Total	113	100.0	100.0	

C16					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	8	7.1	7.1	7.1
	Agree	29	25.7	25.7	32.7
	Disagree	49	43.4	43.4	76.1
	Strongly Disagree	27	23.9	23.9	100.0
	Total	113	100.0	100.0	

C17					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	22	19.5	19.5	19.5
	Agree	56	49.6	49.6	69.0
	Disagree	33	29.2	29.2	98.2
	Strongly Disagree	2	1.8	1.8	100.0
	Total	113	100.0	100.0	

C18					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	26	23.0	23.2	23.2
	Agree	41	36.3	36.6	59.8
	Disagree	30	26.5	26.8	86.6
	Strongly Disagree	15	13.3	13.4	100.0
	Total	112	99.1	100.0	
Missing	System	1	.9		
Total		113	100.0		

C19					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	57	50.4	50.4	50.4
	Agree	47	41.6	41.6	92.0
	Disagree	5	4.4	4.4	96.5
	Strongly Disagree	4	3.5	3.5	100.0
	Total	113	100.0	100.0	

C20					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	28	24.8	24.8	24.8
	Agree	40	35.4	35.4	60.2
	Disagree	33	29.2	29.2	89.4
	Strongly Disagree	12	10.6	10.6	100.0
	Total	113	100.0	100.0	

C21					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	20	17.7	17.7	17.7
	Agree	42	37.2	37.2	54.9
	Disagree	26	23.0	23.0	77.9
	Strongly Disagree	25	22.1	22.1	100.0
	Total	113	100.0	100.0	

D22					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	33	29.2	29.2	29.2
	Agree	60	53.1	53.1	82.3
	Disagree	17	15.0	15.0	97.3
	Strongly Disagree	3	2.7	2.7	100.0
	Total	113	100.0	100.0	

D23					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	30	26.5	26.5	26.5
	Agree	56	49.6	49.6	76.1
	Disagree	19	16.8	16.8	92.9
	Strongly Disagree	8	7.1	7.1	100.0
	Total	113	100.0	100.0	

D24					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	31	27.4	27.7	27.7
	Agree	55	48.7	49.1	76.8
	Disagree	19	16.8	17.0	93.8
	Strongly Disagree	7	6.2	6.3	100.0
	Total	112	99.1	100.0	
Missing	System	1	.9		

Total	113	100.0		
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D25					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	15	13.3	13.3	13.3
	Agree	41	36.3	36.3	49.6
	Disagree	31	27.4	27.4	77.0
	Strongly Disagree	26	23.0	23.0	100.0
	Total	113	100.0	100.0	

D26					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	26	23.0	23.0	23.0
	Agree	43	38.1	38.1	61.1
	Disagree	29	25.7	25.7	86.7
	Strongly Disagree	15	13.3	13.3	100.0
	Total	113	100.0	100.0	

D27					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	16	14.2	14.2	14.2
	Agree	40	35.4	35.4	49.6
	Disagree	29	25.7	25.7	75.2
	Strongly Disagree	28	24.8	24.8	100.0
	Total	113	100.0	100.0	

E28					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	37	32.7	32.7	32.7
	Agree	47	41.6	41.6	74.3
	Disagree	13	11.5	11.5	85.8
	Strongly Disagree	16	14.2	14.2	100.0
	Total	113	100.0	100.0	

E29					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	56	49.6	50.0	50.0
	Agree	39	34.5	34.8	84.8
	Disagree	12	10.6	10.7	95.5

	Strongly Disagree	5	4.4	4.5	100.0
	Total	112	99.1	100.0	
Missing	System	1	.9		
Total		113	100.0		

E30					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	38	33.6	33.9	33.9
	Agree	41	36.3	36.6	70.5
	Disagree	23	20.4	20.5	91.1
	Strongly Disagree	10	8.8	8.9	100.0
	Total	112	99.1	100.0	
Missing	System	1	.9		
Total		113	100.0		

E31					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	9	8.0	8.1	8.1
	Agree	35	31.0	31.5	39.6
	Disagree	39	34.5	35.1	74.8
	Strongly Disagree	28	24.8	25.2	100.0
	Total	111	98.2	100.0	
Missing	System	2	1.8		
Total		113	100.0		

E32					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	2	1.8	1.8	1.8
	Agree	14	12.4	12.4	14.2
	Disagree	49	43.4	43.4	57.5
	Strongly Disagree	48	42.5	42.5	100.0
	Total	113	100.0	100.0	

E33					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	59	52.2	52.2	52.2
	Agree	34	30.1	30.1	82.3
	Disagree	16	14.2	14.2	96.5
	Strongly Disagree	4	3.5	3.5	100.0
	Total	113	100.0	100.0	

E34					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	12	10.6	10.7	10.7
	Agree	42	37.2	37.5	48.2
	Disagree	34	30.1	30.4	78.6
	Strongly Disagree	24	21.2	21.4	100.0
	Total	112	99.1	100.0	
Missing	System	1	.9		
Total		113	100.0		

E35					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	40	35.4	36.0	36.0
	Agree	42	37.2	37.8	73.9
	Disagree	19	16.8	17.1	91.0
	Strongly Disagree	10	8.8	9.0	100.0
	Total	111	98.2	100.0	
Missing	System	2	1.8		
Total		113	100.0		

E36					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	14	12.4	12.6	12.6
	Disagree	51	45.1	45.9	58.6
	Strongly Disagree	46	40.7	41.4	100.0
	Total	111	98.2	100.0	
Missing	System	2	1.8		
Total		113	100.0		

E37					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	14	12.4	12.7	12.7
	Agree	39	34.5	35.5	48.2
	Disagree	34	30.1	30.9	79.1
	Strongly Disagree	23	20.4	20.9	100.0
	Total	110	97.3	100.0	
Missing	System	3	2.7		
Total		113	100.0		

E38					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	22	19.5	19.6	19.6
	Agree	23	20.4	20.5	40.2
	Disagree	38	33.6	33.9	74.1
	Strongly Disagree	29	25.7	25.9	100.0
	Total	112	99.1	100.0	
Missing	System	1	.9		
Total		113	100.0		

E39					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	8	7.1	7.1	7.1
	Agree	34	30.1	30.1	37.2
	Disagree	46	40.7	40.7	77.9
	Strongly Disagree	25	22.1	22.1	100.0
	Total	113	100.0	100.0	

E40					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	28	24.8	24.8	24.8
	Agree	44	38.9	38.9	63.7
	Disagree	31	27.4	27.4	91.2
	Strongly Disagree	10	8.8	8.8	100.0
	Total	113	100.0	100.0	

F41					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	9	8.0	8.0	8.0
	Agree	45	39.8	40.2	48.2
	Disagree	30	26.5	26.8	75.0
	Strongly Disagree	28	24.8	25.0	100.0
	Total	112	99.1	100.0	
Missing	System	1	.9		
Total		113	100.0		

F42					
		Frequency	Percent	Valid Percent	Cumulative Percent
	Strongly Agree	32	28.3	28.3	28.3
	Agree	41	36.3	36.3	64.6

Valid	Disagree	26	23.0	23.0	87.6
	Strongly Disagree	14	12.4	12.4	100.0
	Total	113	100.0	100.0	

F43					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	11	9.7	9.8	9.8
	Agree	41	36.3	36.6	46.4
	Disagree	44	38.9	39.3	85.7
	Strongly Disagree	16	14.2	14.3	100.0
	Total	112	99.1	100.0	
Missing	System	1	.9		
Total		113	100.0		

F44					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	2	1.8	1.8	1.8
	Agree	26	23.0	23.0	24.8
	Disagree	46	40.7	40.7	65.5
	Strongly Disagree	39	34.5	34.5	100.0
	Total	113	100.0	100.0	

F45					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	49	43.4	43.4	43.4
	Agree	49	43.4	43.4	86.7
	Disagree	10	8.8	8.8	95.6
	Strongly Disagree	5	4.4	4.4	100.0
	Total	113	100.0	100.0	

F46					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	39	34.5	34.8	34.8
	Agree	54	47.8	48.2	83.0
	Disagree	11	9.7	9.8	92.9
	Strongly Disagree	8	7.1	7.1	100.0
	Total	112	99.1	100.0	
Missing	System	1	.9		
Total		113	100.0		

F47					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	2	1.8	1.8	1.8
	Agree	17	15.0	15.2	17.0
	Disagree	51	45.1	45.5	62.5
	Strongly Disagree	42	37.2	37.5	100.0
	Total	112	99.1	100.0	
Missing	System	1	.9		
Total		113	100.0		

F48					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	21	18.6	18.6	18.6
	Agree	52	46.0	46.0	64.6
	Disagree	21	18.6	18.6	83.2
	Strongly Disagree	19	16.8	16.8	100.0
	Total	113	100.0	100.0	

F49					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	7	6.2	6.2	6.2
	Agree	29	25.7	25.7	31.9
	Disagree	38	33.6	33.6	65.5
	Strongly Disagree	39	34.5	34.5	100.0
	Total	113	100.0	100.0	

F50					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	28	24.8	24.8	24.8
	Agree	41	36.3	36.3	61.1
	Disagree	20	17.7	17.7	78.8
	Strongly Disagree	24	21.2	21.2	100.0
	Total	113	100.0	100.0	

F51					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	9	8.0	8.0	8.0
	Agree	39	34.5	34.5	42.5
	Disagree	43	38.1	38.1	80.5
	Strongly Disagree	22	19.5	19.5	100.0

Total	113	100.0	100.0
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F52					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	25	22.1	22.1	22.1
	Agree	36	31.9	31.9	54.0
	Disagree	23	20.4	20.4	74.3
	Strongly Disagree	29	25.7	25.7	100.0
	Total	113	100.0	100.0	

G53					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	5	4.4	4.4	4.4
	Agree	39	34.5	34.5	38.9
	Disagree	52	46.0	46.0	85.0
	Strongly Disagree	17	15.0	15.0	100.0
	Total	113	100.0	100.0	

G54					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	2	1.8	1.8	1.8
	Agree	54	47.8	48.6	50.5
	Disagree	43	38.1	38.7	89.2
	Strongly Disagree	12	10.6	10.8	100.0
	Total	111	98.2	100.0	
Missing	System	2	1.8		
Total		113	100.0		

G55					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	3	2.7	2.7	2.7
	Agree	27	23.9	24.1	26.8
	Disagree	58	51.3	51.8	78.6
	Strongly Disagree	24	21.2	21.4	100.0
	Total	112	99.1	100.0	
Missing	System	1	.9		
Total		113	100.0		

G56					
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		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	3	2.7	2.7	2.7
	Agree	39	34.5	35.1	37.8
	Disagree	46	40.7	41.4	79.3
	Strongly Disagree	23	20.4	20.7	100.0
	Total	111	98.2	100.0	
Missing	System	2	1.8		
Total		113	100.0		

G57					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	9	8.0	8.0	8.0
	Agree	22	19.5	19.5	27.4
	Disagree	32	28.3	28.3	55.8
	Strongly Disagree	50	44.2	44.2	100.0
	Total	113	100.0	100.0	

G58					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	6	5.3	5.4	5.4
	Agree	17	15.0	15.2	20.5
	Disagree	39	34.5	34.8	55.4
	Strongly Disagree	50	44.2	44.6	100.0
	Total	112	99.1	100.0	
Missing	System	1	.9		
Total		113	100.0		

G59					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	9	8.0	8.0	8.0
	Agree	37	32.7	32.7	40.7
	Disagree	36	31.9	31.9	72.6
	Strongly Disagree	31	27.4	27.4	100.0
	Total	113	100.0	100.0	

G60					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	11	9.7	9.7	9.7
	Agree	48	42.5	42.5	52.2
	Disagree	41	36.3	36.3	88.5

Strongly Disagree	13	11.5	11.5	100.0
Total	113	100.0	100.0	

G61					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	34	30.1	30.1	30.1
	Agree	50	44.2	44.2	74.3
	Disagree	21	18.6	18.6	92.9
	Strongly Disagree	8	7.1	7.1	100.0
	Total	113	100.0	100.0	

H62					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	45	39.8	39.8	39.8
	Agree	53	46.9	46.9	86.7
	Disagree	13	11.5	11.5	98.2
	Strongly Disagree	2	1.8	1.8	100.0
	Total	113	100.0	100.0	

H63					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	48	42.5	42.5	42.5
	Agree	51	45.1	45.1	87.6
	Disagree	11	9.7	9.7	97.3
	Strongly Disagree	3	2.7	2.7	100.0
	Total	113	100.0	100.0	

H64					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	7	6.2	6.3	6.3
	Agree	14	12.4	12.5	18.8
	Disagree	38	33.6	33.9	52.7
	Strongly Disagree	53	46.9	47.3	100.0
	Total	112	99.1	100.0	
Missing	System	1	.9		
Total		113	100.0		

H65					
		Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Strongly Agree	25	22.1	23.1	23.1
	Agree	46	40.7	42.6	65.7
	Disagree	20	17.7	18.5	84.3
	Strongly Disagree	17	15.0	15.7	100.0
	Total	108	95.6	100.0	
Missing	System	5	4.4		
Total		113	100.0		

H66					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	14	12.4	12.6	12.6
	Agree	30	26.5	27.0	39.6
	Disagree	43	38.1	38.7	78.4
	Strongly Disagree	24	21.2	21.6	100.0
	Total	111	98.2	100.0	
Missing	System	2	1.8		
Total		113	100.0		

H67					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	24	21.2	21.4	21.4
	Agree	54	47.8	48.2	69.6
	Disagree	23	20.4	20.5	90.2
	Strongly Disagree	11	9.7	9.8	100.0
	Total	112	99.1	100.0	
Missing	System	1	.9		
Total		113	100.0		

H68					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	73	64.6	65.2	65.2
	Agree	36	31.9	32.1	97.3
	Disagree	3	2.7	2.7	100.0
	Total	112	99.1	100.0	
Missing	System	1	.9		
Total		113	100.0		

H69					
		Frequency	Percent	Valid Percent	Cumulative Percent
	Strongly Agree	50	44.2	44.6	44.6

Valid	Agree	53	46.9	47.3	92.0
	Disagree	8	7.1	7.1	99.1
	Strongly Disagree	1	.9	.9	100.0
	Total	112	99.1	100.0	
Missing	System	1	.9		
Total		113	100.0		

H70					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	3	2.7	2.7	2.7
	Agree	27	23.9	24.3	27.0
	Disagree	36	31.9	32.4	59.5
	Strongly Disagree	45	39.8	40.5	100.0
	Total	111	98.2	100.0	
Missing	System	2	1.8		
Total		113	100.0		

H71					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	28	24.8	25.0	25.0
	Agree	59	52.2	52.7	77.7
	Disagree	18	15.9	16.1	93.8
	Strongly Disagree	7	6.2	6.3	100.0
	Total	112	99.1	100.0	
Missing	System	1	.9		
Total		113	100.0		

H72					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	5	4.4	4.5	4.5
	Agree	28	24.8	25.2	29.7
	Disagree	31	27.4	27.9	57.7
	Strongly Disagree	47	41.6	42.3	100.0
	Total	111	98.2	100.0	
Missing	System	2	1.8		
Total		113	100.0		

H73					
		Frequency	Percent	Valid Percent	Cumulative Percent
	Strongly Agree	58	51.3	51.3	51.3

Valid	Agree	51	45.1	45.1	96.5
	Disagree	1	.9	.9	97.3
	Strongly Disagree	3	2.7	2.7	100.0
	Total	113	100.0	100.0	

H74					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	55	48.7	49.5	49.5
	Agree	53	46.9	47.7	97.3
	Disagree	1	.9	.9	98.2
	Strongly Disagree	2	1.8	1.8	100.0
	Total	111	98.2	100.0	
Missing	System	2	1.8		
Total		113	100.0		

H75					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	76	67.3	69.1	69.1
	Agree	30	26.5	27.3	96.4
	Disagree	4	3.5	3.6	100.0
	Total	110	97.3	100.0	
Missing	System	3	2.7		
Total		113	100.0		

H76					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	18	15.9	16.5	16.5
	Agree	43	38.1	39.4	56.0
	Disagree	34	30.1	31.2	87.2
	Strongly Disagree	14	12.4	12.8	100.0
	Total	109	96.5	100.0	
Missing	System	4	3.5		
Total		113	100.0		

H77					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	78	69.0	69.6	69.6
	Agree	33	29.2	29.5	99.1
	Disagree	1	.9	.9	100.0
	Total	112	99.1	100.0	

Missing	System	1	.9		
Total		113	100.0		

H78					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	24	21.2	21.6	21.6
	Agree	49	43.4	44.1	65.8
	Disagree	22	19.5	19.8	85.6
	Strongly Disagree	16	14.2	14.4	100.0
	Total	111	98.2	100.0	
Missing	System	2	1.8		
Total		113	100.0		

H79					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	72	63.7	64.3	64.3
	Agree	23	20.4	20.5	84.8
	Disagree	6	5.3	5.4	90.2
	Strongly Disagree	11	9.7	9.8	100.0
	Total	112	99.1	100.0	
Missing	System	1	.9		
Total		113	100.0		

H80					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	39	34.5	35.1	35.1
	Agree	38	33.6	34.2	69.4
	Disagree	23	20.4	20.7	90.1
	Strongly Disagree	11	9.7	9.9	100.0
	Total	111	98.2	100.0	
Missing	System	2	1.8		
Total		113	100.0		

H81					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	79	69.9	69.9	69.9
	Agree	33	29.2	29.2	99.1
	Strongly Disagree	1	.9	.9	100.0
	Total	113	100.0	100.0	

Frequency Table

H82					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	77	68.1	68.8	68.8
	Agree	31	27.4	27.7	96.4
	Disagree	4	3.5	3.6	100.0
	Total	112	99.1	100.0	
Missing	System	1	.9		
Total		113	100.0		

ANNEXURE C

EXAMPLE OF QUESTIONNAIRE : CUSTOMERS

**NORTH-WEST UNIVERSITY
SCHOOL OF ENTREPRENEURSHIP, MARKETING AND TOURISM
MANAGEMENT
POTCHEFSTROOM**

**QUESTIONNAIRE : INTERNAL MARKETING STRATEGY AT THE NATIONAL
PARKS OF BOTSWANA**

TO THE TOURIST : Thank you for your time. The objective of the questionnaire and study is to devise an internal marketing strategy for the National Parks of Botswana to contribute to consistent, sustainable service delivery of all employees of the Parks to tourists to enhance a positive experience and to ensure recurring visits from you. We value your input; the strategy cannot be devised without your contribution.

Information rendered will be treated with the greatest confidence. No identification is required. Please do not write your name on the questionnaire.

Thank you for your co-operation.

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March 2007

QUESTIONNAIRE : VISITORS TO THE NATIONAL PARKS OF BOTSWANA

Tick the correct answer in the appropriate box for questions 1 – 4.

A. Demographic information

1. Gender	Male	<u>1</u>
	Female	<u>2</u>
2. Language preference	Tswana	<u>1</u>
	English	<u>2</u>
	Other	<u>3</u>
3. Country	Europe	<u>1</u>
	Asia	<u>2</u>
	Northern America	<u>3</u>
	Southern America	<u>4</u>
	SADEC	<u>5</u>
	Australasia	<u>6</u>
	Citizens	<u>7</u>
4. Age structure	18 – 25	<u>1</u>
	26 – 35	<u>2</u>
	36 – 50	<u>3</u>
	51 – 65	<u>4</u>
	Over 65	<u>5</u>

Please use the scale provided next to each statement for questions 5 – 62 and mark a point on the scale with respect of the criteria listed below that will be the best indication of your view.

1 – Strongly agree 2 – Agree 3 – Disagree 4 – Strongly disagree

B. Marketing mix : Product – service offering, quality, management structure and organizational culture

Question Number	Statement	Scale 1 – 4			
5	The service offering at this National Park is excellent.	1	2	3	4
6	I can see that standards at this National Park are used to ensure quality service.	1	2	3	4
7	Staff takes action quickly to correct any problem that a tourist may have.	1	2	3	4
8	My experience of the structures at this National Park is it empowers employees to act in the best interest of the tourist.	1	2	3	4
9	This National Park has a service culture.	1	2	3	4
10	This National Park has the best interest of the tourist at heart.	1	2	3	4
11	The structures at National Parks are designed to enhance total quality management (TQM).	1	2	3	4
12	When I return to visit Botswana, I shall not stay at National Parks again.	1	2	3	4

13	The staff of this Park treated me as a very important person.		1	2	3	4
14	My perception is that the organizational structures make it difficult for the staff to act immediately in a crisis.		1	2	3	4

C. Marketing mix : Place/Internal distribution – distribution channels and physical distribution

<u>Question Number</u>	<u>Statement</u>	<u>Scale 1 – 4</u>			
15	It is easy for tourists to find their way to this National Park.		1	2	3 4
16	The roads in this National Park are in a good condition.		1	2	3 4
17	It is easy for the tourist to find his way around in this National Park.		1	2	3 4
18	Inventory levels are not kept up to date, e.g. lack of toilet paper.		1	2	3 4
19	My experience is that National Parks will go to great lengths to assist the tourist with any kind of tourism related problem.		1	2	3 4
20	My perception is that the vastness and long distance of this National Park from head office and other Parks hamper effective service delivery.		1	2	3 4
21	My experience is that the vastness and long distance of this National Park from other Parks hamper effective communication between the Parks and head office.		1	2	3 4

D. Marketing mix : Price

<u>Question Number</u>	<u>Statement</u>	<u>Scale 1 – 4</u>			
22	I understand the tariff structure of National Parks.		1	2	3 4
23	Staff is able to explain their tariff structure to me.		1	2	3 4
24	I view the tariffs of National Parks as value for money.		1	2	3 4
25	I shall return to National Parks because of their tariff structure.		1	2	3 4

E. Marketing mix : Promotion/Communication

<u>Question Number</u>	<u>Statement</u>	<u>Scale 1 – 4</u>			
26	The mission and vision of National Parks are visible in their offices.		1	2	3 4
27	The employees at National Parks act according to their vision and mission.		1	2	3 4
28	Employees are aware of advertising and promotional campaigns.		1	2	3 4
29	Complaints are handled with courtesy and respect.		1	2	3 4
30	Employees' communication skills are at a high level.		1	2	3 4
31	It is easy to access information on National Parks.		1	2	3 4
32	I feel that it is easy to contact National Parks		1	2	3 4
33	I am easily understood by the employees when I communicate in English.		1	2	3 4

F. Marketing mix : Physical evidence/Facilities

<u>Question Number</u>	<u>Statement</u>	<u>Scale 1 – 4</u>			
34	Employees at National Parks have the facilities to deliver excellent customer service.		1	2	3 4
35	The facilities of National Parks can contribute to a negative experience for the tourist.		1	2	3 4
36	All the facilities of National Parks are kept in good condition.		1	2	3 4
37	I have never complained to an employee about the standard of the facilities of National Parks.		1	2	3 4
38	The appearance of staff at National Parks is very neat.		1	2	3 4

39	My perception is that broken facilities are fixed immediately.		1	2	3	4
40	The entrance facilities and offices of National Parks communicate a good image of Botswana to the tourist.		1	2	3	4
41	National Parks have enough staff to make sure that the facilities are kept in good condition.		1	2	3	4
42	Baboons contribute to a negative experience for the tourist.		1	2	3	4
43	Structures are in place to ensure that the cleanliness of all facilities is monitored on a daily basis.		1	2	3	4
44	I shall return to National Parks because of their excellent facilities.		1	2	3	4

G. Marketing mix : Process – procedures, task schedules, mechanisms, activities and routines in National Parks

<u>Question Number</u>	<u>Statement</u>	<u>Scale 1 – 4</u>			
45	My perception is that employees are empowered by the structures of National Parks to perform the service right the first time.		1	2	3 4
46	The structures of National Parks empowered employees to be committed to quality service.		1	2	3 4
47	Employees use the latest technology to perform their tasks and to serve the tourist.		1	2	3 4
48	Employees are equipped with the necessary skills to use the technology.		1	2	3 4
49	The structures of National Parks enable an employee to respond quickly to any complaint from a tourist.		1	2	3 4

H. Marketing mix : People

<u>Question Number</u>	<u>Statement</u>	<u>Scale 1 – 4</u>			
50	National Parks employ the right kind of person.		1	2	3 4
51	Employees of National Parks are qualified for their jobs.		1	2	3 4
52	Employees are empowered and equipped to find a solution to a crisis or problem.		1	2	3 4
53	Employees of National Parks are very happy to serve tourists.		1	2	3 4
54	Outstanding service to tourists will not make a difference to the success of National Parks..		1	2	3 4
55	A rewarding programme for employees who perform well is important		1	2	3 4
56	It is important to employ a people's person at National Parks.		1	2	3 4
57	Patience is important for a person employed by National Parks.		1	2	3 4
58	Courtesy is important for a person employed by National Parks.		1	2	3 4
59	Good communications skills are important for a person employed by National Parks.		1	2	3 4
60	An employee that is unhappy at work will perform a bad service.		1	2	3 4
61	A happy employee is a motivated employee.		1	2	3 4
62	Motivated employees are a big asset to an organization		1	2	3 4

I. Any other recommendations or suggestions?

ANNEXURE D

FREQUENCY TABLE: CUSTOMERS

Frequency Table: Customers

GENDER					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	63	62.4	62.4	62.4
	Female	38	37.6	37.6	100.0
	Total	101	100.0	100.0	

LANGUAGE					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Tswana	8	7.9	8.0	8.0
	English	67	66.3	67.0	75.0
	Other	25	24.8	25.0	100.0
	Total	100	99.0	100.0	
Missing	System	1	1.0		
Total		101	100.0		

COUNTRY					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Europe	37	36.6	36.6	36.6
	Asia	4	4.0	4.0	40.6
	Northern America	3	3.0	3.0	43.6
	SADEC	30	29.7	29.7	73.3
	Citizens	27	26.7	26.7	100.0
	Total	101	100.0	100.0	

AGE					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	12	11.9	11.9	11.9
	26-35	24	23.8	23.8	35.6
	36-50	29	28.7	28.7	64.4
	51-65	25	24.8	24.8	89.1
	Over 65	11	10.9	10.9	100.0
	Total	101	100.0	100.0	

B5					
		Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Strongly Agree	5	5.0	5.0	5.0
	Agree	27	26.7	26.7	31.7
	Disagree	58	57.4	57.4	89.1
	Strongly Disagree	11	10.9	10.9	100.0
	Total	101	100.0	100.0	

B6					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	6	5.9	6.0	6.0
	Agree	18	17.8	18.0	24.0
	Disagree	51	50.5	51.0	75.0
	Strongly Disagree	25	24.8	25.0	100.0
	Total	100	99.0	100.0	
Missing	System	1	1.0		
Total		101	100.0		

B7					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	4	4.0	4.0	4.0
	Agree	28	27.7	27.7	31.7
	Disagree	62	61.4	61.4	93.1
	Strongly Disagree	7	6.9	6.9	100.0
	Total	101	100.0	100.0	

B8					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	4	4.0	4.0	4.0
	Agree	19	18.8	18.8	22.8
	Disagree	54	53.5	53.5	76.2
	Strongly Disagree	24	23.8	23.8	100.0
	Total	101	100.0	100.0	

B9					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	1	1.0	1.0	1.0
	Agree	20	19.8	19.8	20.8
	Disagree	61	60.4	60.4	81.2
	Strongly Disagree	19	18.8	18.8	100.0
	Total	101	100.0	100.0	

B10					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	4	4.0	4.0	4.0
	Agree	39	38.6	38.6	42.6
	Disagree	50	49.5	49.5	92.1
	Strongly Disagree	8	7.9	7.9	100.0
	Total	101	100.0	100.0	

B11					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	3	3.0	3.0	3.0
	Agree	14	13.9	14.0	17.0
	Disagree	61	60.4	61.0	78.0
	Strongly Disagree	22	21.8	22.0	100.0
	Total	100	99.0	100.0	
Missing	System	1	1.0		
Total		101	100.0		

B12					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	5	5.0	5.0	5.0
	Agree	36	35.6	35.6	40.6
	Disagree	37	36.6	36.6	77.2
	Strongly Disagree	23	22.8	22.8	100.0
	Total	101	100.0	100.0	

B13					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	2	2.0	2.0	2.0
	Agree	46	45.5	45.5	47.5
	Disagree	50	49.5	49.5	97.0
	Strongly Disagree	3	3.0	3.0	100.0
	Total	101	100.0	100.0	

B14					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	14	13.9	13.9	13.9
	Agree	69	68.3	68.3	82.2
	Disagree	15	14.9	14.9	97.0
	Strongly Disagree	3	3.0	3.0	100.0

	Total	101	100.0	100.0	
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C15					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	24	23.8	23.8	23.8
	Agree	64	63.4	63.4	87.1
	Disagree	10	9.9	9.9	97.0
	Strongly Disagree	3	3.0	3.0	100.0
	Total	101	100.0	100.0	

C16					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	16	15.8	15.8	15.8
	Disagree	50	49.5	49.5	65.3
	Strongly Disagree	35	34.7	34.7	100.0
	Total	101	100.0	100.0	

C17					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	1	1.0	1.0	1.0
	Agree	34	33.7	33.7	34.7
	Disagree	43	42.6	42.6	77.2
	Strongly Disagree	23	22.8	22.8	100.0
	Total	101	100.0	100.0	

C18					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	27	26.7	26.7	26.7
	Agree	52	51.5	51.5	78.2
	Disagree	15	14.9	14.9	93.1
	Strongly Disagree	7	6.9	6.9	100.0
	Total	101	100.0	100.0	

C19					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	2	2.0	2.0	2.0
	Agree	31	30.7	30.7	32.7
	Disagree	60	59.4	59.4	92.1
	Strongly Disagree	8	7.9	7.9	100.0

Total	101	100.0	100.0
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C20					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	25	24.8	24.8	24.8
	Agree	56	55.4	55.4	80.2
	Disagree	19	18.8	18.8	99.0
	Strongly Disagree	1	1.0	1.0	100.0
	Total	101	100.0	100.0	

C21					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	31	30.7	30.7	30.7
	Agree	50	49.5	49.5	80.2
	Disagree	19	18.8	18.8	99.0
	Strongly Disagree	1	1.0	1.0	100.0
	Total	101	100.0	100.0	

D22					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	17	16.8	17.0	17.0
	Agree	52	51.5	52.0	69.0
	Disagree	19	18.8	19.0	88.0
	Strongly Disagree	12	11.9	12.0	100.0
	Total	100	99.0	100.0	
Missing	System	1	1.0		
Total		101	100.0		

D23					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	14	13.9	14.0	14.0
	Agree	48	47.5	48.0	62.0
	Disagree	30	29.7	30.0	92.0
	Strongly Disagree	8	7.9	8.0	100.0
	Total	100	99.0	100.0	
Missing	System	1	1.0		
Total		101	100.0		

D24					
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		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	10	9.9	10.0	10.0
	Agree	20	19.8	20.0	30.0
	Disagree	36	35.6	36.0	66.0
	Strongly Disagree	34	33.7	34.0	100.0
	Total	100	99.0	100.0	
Missing	System	1	1.0		
Total		101	100.0		

D25					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	2	2.0	2.0	2.0
	Agree	20	19.8	20.2	22.2
	Disagree	37	36.6	37.4	59.6
	Strongly Disagree	40	39.6	40.4	100.0
	Total	99	98.0	100.0	
Missing	System	2	2.0		
Total		101	100.0		

E26					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	3	3.0	3.0	3.0
	Agree	26	25.7	25.7	28.7
	Disagree	44	43.6	43.6	72.3
	Strongly Disagree	28	27.7	27.7	100.0
	Total	101	100.0	100.0	

E27					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	2	2.0	2.0	2.0
	Agree	26	25.7	25.7	27.7
	Disagree	48	47.5	47.5	75.2
	Strongly Disagree	25	24.8	24.8	100.0
	Total	101	100.0	100.0	

E28					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	3	3.0	3.0	3.0
	Agree	10	9.9	9.9	12.9
	Disagree	61	60.4	60.4	73.3

Strongly Disagree	27	26.7	26.7	100.0
Total	101	100.0	100.0	

E29					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	17	16.8	17.2	17.2
	Agree	66	65.3	66.7	83.8
	Disagree	14	13.9	14.1	98.0
	Strongly Disagree	2	2.0	2.0	100.0
	Total	99	98.0	100.0	
Missing	System	2	2.0		
Total		101	100.0		

E30					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	11	10.9	10.9	10.9
	Agree	49	48.5	48.5	59.4
	Disagree	34	33.7	33.7	93.1
	Strongly Disagree	7	6.9	6.9	100.0
	Total	101	100.0	100.0	

E31					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	2	2.0	2.0	2.0
	Agree	50	49.5	49.5	51.5
	Disagree	38	37.6	37.6	89.1
	Strongly Disagree	11	10.9	10.9	100.0
	Total	101	100.0	100.0	

E32					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	3	3.0	3.0	3.0
	Agree	33	32.7	32.7	35.6
	Disagree	50	49.5	49.5	85.1
	Strongly Disagree	15	14.9	14.9	100.0
	Total	101	100.0	100.0	

E33					
		Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Strongly Agree	18	17.8	17.8	17.8
	Agree	68	67.3	67.3	85.1
	Disagree	9	8.9	8.9	94.1
	Strongly Disagree	6	5.9	5.9	100.0
	Total	101	100.0	100.0	

F34					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	3	3.0	3.0	3.0
	Agree	27	26.7	26.7	29.7
	Disagree	37	36.6	36.6	66.3
	Strongly Disagree	34	33.7	33.7	100.0
	Total	101	100.0	100.0	

F35					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	35	34.7	34.7	34.7
	Agree	43	42.6	42.6	77.2
	Disagree	10	9.9	9.9	87.1
	Strongly Disagree	13	12.9	12.9	100.0
	Total	101	100.0	100.0	

F36					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	13	12.9	13.0	13.0
	Disagree	46	45.5	46.0	59.0
	Strongly Disagree	41	40.6	41.0	100.0
	Total	100	99.0	100.0	
Missing	System	1	1.0		
Total		101	100.0		

F37					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	18	17.8	17.8	17.8
	Agree	32	31.7	31.7	49.5
	Disagree	25	24.8	24.8	74.3
	Strongly Disagree	26	25.7	25.7	100.0
	Total	101	100.0	100.0	

F38					
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		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	17	16.8	16.8	16.8
	Agree	66	65.3	65.3	82.2
	Disagree	14	13.9	13.9	96.0
	Strongly Disagree	4	4.0	4.0	100.0
	Total	101	100.0	100.0	

F39					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	6	5.9	5.9	5.9
	Agree	3	3.0	3.0	8.9
	Disagree	48	47.5	47.5	56.4
	Strongly Disagree	44	43.6	43.6	100.0
	Total	101	100.0	100.0	

F40					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	8	7.9	8.0	8.0
	Agree	36	35.6	36.0	44.0
	Disagree	32	31.7	32.0	76.0
	Strongly Disagree	24	23.8	24.0	100.0
	Total	100	99.0	100.0	
Missing	System	1	1.0		
Total		101	100.0		

F41					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	18	17.8	17.8	17.8
	Agree	65	64.4	64.4	82.2
	Disagree	15	14.9	14.9	97.0
	Strongly Disagree	3	3.0	3.0	100.0
	Total	101	100.0	100.0	

F42					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	35	34.7	34.7	34.7
	Agree	39	38.6	38.6	73.3
	Disagree	22	21.8	21.8	95.0
	Strongly Disagree	5	5.0	5.0	100.0
	Total	101	100.0	100.0	

F43					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	3	3.0	3.0	3.0
	Agree	16	15.8	16.0	19.0
	Disagree	47	46.5	47.0	66.0
	Strongly Disagree	34	33.7	34.0	100.0
	Total	100	99.0	100.0	
Missing	System	1	1.0		
Total		101	100.0		

F44					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	4	4.0	4.0	4.0
	Agree	16	15.8	16.0	20.0
	Disagree	44	43.6	44.0	64.0
	Strongly Disagree	36	35.6	36.0	100.0
	Total	100	99.0	100.0	
Missing	System	1	1.0		
Total		101	100.0		

G45					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	4	4.0	4.0	4.0
	Agree	18	17.8	17.8	21.8
	Disagree	51	50.5	50.5	72.3
	Strongly Disagree	28	27.7	27.7	100.0
	Total	101	100.0	100.0	

G46					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	2	2.0	2.0	2.0
	Agree	20	19.8	19.8	21.8
	Disagree	43	42.6	42.6	64.4
	Strongly Disagree	36	35.6	35.6	100.0
	Total	101	100.0	100.0	

G47					
		Frequency	Percent	Valid Percent	Cumulative Percent
	Strongly Agree	2	2.0	2.0	2.0

Valid	Agree	5	5.0	5.0	6.9
	Disagree	60	59.4	59.4	66.3
	Strongly Disagree	34	33.7	33.7	100.0
	Total	101	100.0	100.0	

G48					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	1	1.0	1.0	1.0
	Agree	13	12.9	13.0	14.0
	Disagree	46	45.5	46.0	60.0
	Strongly Disagree	40	39.6	40.0	100.0
	Total	100	99.0	100.0	
Missing	System	1	1.0		
Total		101	100.0		

G49					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	3	3.0	3.0	3.0
	Agree	6	5.9	6.0	9.0
	Disagree	56	55.4	56.0	65.0
	Strongly Disagree	35	34.7	35.0	100.0
	Total	100	99.0	100.0	
Missing	System	1	1.0		
Total		101	100.0		

H50					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	16	15.8	15.8	15.8
	Agree	59	58.4	58.4	74.3
	Disagree	18	17.8	17.8	92.1
	Strongly Disagree	8	7.9	7.9	100.0
	Total	101	100.0	100.0	

H51					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	10	9.9	9.9	9.9
	Agree	19	18.8	18.8	28.7
	Disagree	46	45.5	45.5	74.3
	Strongly Disagree	26	25.7	25.7	100.0
	Total	101	100.0	100.0	

H52					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	2	2.0	2.0	2.0
	Agree	12	11.9	11.9	13.9
	Disagree	57	56.4	56.4	70.3
	Strongly Disagree	30	29.7	29.7	100.0
	Total	101	100.0	100.0	

H53					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	16	15.8	15.8	15.8
	Agree	51	50.5	50.5	66.3
	Disagree	26	25.7	25.7	92.1
	Strongly Disagree	8	7.9	7.9	100.0
	Total	101	100.0	100.0	

H54					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	3	3.0	3.0	3.0
	Agree	9	8.9	8.9	11.9
	Disagree	56	55.4	55.4	67.3
	Strongly Disagree	33	32.7	32.7	100.0
	Total	101	100.0	100.0	

H55					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	39	38.6	38.6	38.6
	Agree	59	58.4	58.4	97.0
	Strongly Disagree	3	3.0	3.0	100.0
	Total	101	100.0	100.0	

H56					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	49	48.5	49.0	49.0
	Agree	47	46.5	47.0	96.0
	Disagree	1	1.0	1.0	97.0
	Strongly Disagree	3	3.0	3.0	100.0
	Total	100	99.0	100.0	
Missing	System	1	1.0		

Total		101	100.0		
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H57					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	54	53.5	53.5	53.5
	Agree	41	40.6	40.6	94.1
	Disagree	2	2.0	2.0	96.0
	Strongly Disagree	4	4.0	4.0	100.0
	Total	101	100.0	100.0	

H58					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	59	58.4	58.4	58.4
	Agree	36	35.6	35.6	94.1
	Disagree	3	3.0	3.0	97.0
	Strongly Disagree	3	3.0	3.0	100.0
	Total	101	100.0	100.0	

H59					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	67	66.3	66.3	66.3
	Agree	31	30.7	30.7	97.0
	Strongly Disagree	3	3.0	3.0	100.0
	Total	101	100.0	100.0	

H60					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	64	63.4	63.4	63.4
	Agree	34	33.7	33.7	97.0
	Strongly Disagree	3	3.0	3.0	100.0
	Total	101	100.0	100.0	

H61					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	72	71.3	72.0	72.0
	Agree	25	24.8	25.0	97.0
	Strongly Disagree	3	3.0	3.0	100.0
	Total	100	99.0	100.0	
Missing	System	1	1.0		

Frequency Table: Customers

Total	101	100.0		
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H62					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	78	77.2	77.2	77.2
	Agree	20	19.8	19.8	97.0
	Strongly Disagree	3	3.0	3.0	100.0
	Total	101	100.0	100.0	