

MBA- III semester, Specialisation- Marketing Management, Paper - Service Marketing, Paper code- MC 02, TOPIC- INTERNAL MARKETING

INTERNAL MARKETING

Although the discussion on significance of employees in the business activity started in mid-seventies the concept of internal marketing was introduced only afterwards. One school of advocates of this concept initially suggested that the employer should apply market research, market segmentation and traditional marketing activities like advertising in order to attract employees and make them perform in the desired way. Such traditional marketing efforts should be used internally.

It was Gronroos who suggested that internal marketing should be broader than the traditional marketing. He suggested that internal marketing should be viewed as a managerial philosophy. According to him, "The internal marketing concept states that the internal market of employees is best motivated for service-mindedness and customer-oriented performance by an active marketing like approach, where a variety of activities are used internally in an active, marketing like and coordinated way." The starting point in internal marketing is that the employees are the first internal market for the organization

a) Strategic and Tactical Objectives of Internal Marketing

Gronroos clarified that the basic objective of internal marketing is to develop motivated and customer conscious employees. If this is the case, then it has strategic as well as tactical implications

Strategic Level Objective	To create an internal environment that supports customer consciousness and sales-mindedness among the personnel through supportive.
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Tactical Level Objective	To sell services, supporting services (used as means of competition), campaigns, and marketing efforts to the employees based on these principles:
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b) Elements of Internal Marketing

To realize its potential in services marketing, a firm must: realise its potential in internal marketing-the attraction, development, motivation, and retention of qualified employees. Internal marketing paves the way for external marketing of services. The companies that practice internal marketing most effectively will

1. Compete aggressively for talent market share.

2. offer a vision that brings purpose and meaning to the workplace;
3. equip people with the skills and knowledge to perform their service roles excellently;
4. bring people together to benefit from the hits of team play;
5. leverage the freedom factor;
6. nurture achievement through measurement and rewards; and
7. base job-product design decisions on research.

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