

RELATIONSHIP BETWEEN INTERNAL MARKETING AND FEEDBACK WITH SERVICE QUALITY

^aFOROUGH REZVANI ZADEH, ^{b*} HOSSEIN SEPASI,
^cPARIVASH NOURBAKSHSH

^aM. A, College of Physical Education and Sport Sciences, Karaj Branch, Islamic Azad University, Karaj, Iran

^bProfessor, College of Physical Education and Sport Sciences, Karaj Branch, Islamic Azad University, Karaj, Iran

^cProfessor, College of Physical Education and Sport Sciences, Karaj Branch, Islamic Azad University, Karaj, Iran

Email: ^aforough.rezvanizadeh.se@gmail.com,

^bhosseinsepasi@yahoo.com,

^cparivash.nourbakhsh.ahri@gmail.com

Abstract. The present study was conducted to examine the relationships between internal marketing and feedback with service quality among employees working at a fitness clubs. Samples consisted of 50 male and 50 female (n = 100) employees in charge of working fitness program in Total Resistance Exercise (TRX) clubs. In this correlational-descriptive study, Davis' questionnaire (2005) assessing internal marketing, feedback and service quality was used as the data collection tool. The results indicated that there is a significant relationship ($r=0.80$) between feedback and internal marketing which means that an increase in the amount of feedback results an increase in the effectiveness of internal marketing. The relationships between internal marketing and service quality ($r=0.84$) and between feedback and service quality ($r=0.84$) were statistically significant ($p<0.01$).

Keywords Internal Marketing, Feedback, Service Quality

1 Introduction

In today's dynamic environment and competitive world, human resources are considered the most important intangible assets and the main sources of sustainable competitive advantage in organizations. Hitt et al., (2007) stated that the only ways to survive in today's competitive world are to consider human resources as the main organizational assets and to put ongoing effort into meeting their needs. Therefore, organizations should focus their efforts on the development and reinforcement of organizational culture in which internal customer (employees) satisfaction is as important as external customer satisfaction (Liu, 2009). In order to obtain superior service quality and a high level of external customer satisfaction, having customer-oriented internal customers (employees) committed to organizational goals and visions is a need. Such employees do not hesitate to do extra job-related activities in favor of organizational success. The concept of internal marketing highlights the importance of the role played by internal customers (employees) in the success of external marketing processes (Papasolomou & Vrontis, 2006). The scope of financial services is changing quickly worldwide. In this ever-changing and competitive environment, fitness clubs have to act quickly to achieve higher levels of customer satisfaction and superior service quality (Arasli, et al, 2005). Superior service quality leads to higher levels of customer satisfaction, customer loyalty and customer retention and boosted market shares, productivity, performance and profitability (Kazazi, 2010). Thus, employees' skills, attitudes and behaviors are very important, because employees are

responsible for providing services consistent with customers' expectations (Awad & Agti, 2011). In addition, employees' organizational commitment and voluntary practices of citizenship behaviors improve service quality and customer satisfaction. Internal marketing facilitates the achievement of these goals by considering employees as internal customers. It can be said that proper internal marketing equips service provider organizations with competencies and capabilities required for taking advantage of environmental opportunities and improving employees' performance (Rodringuse, et al., 2010).

Suspension training is a form of resistance training that has been categorized as a subfield of physical fitness. The field of suspension training is still very new and, therefore, further steps can be taken to introduce it to the society. Suspension exercises help participants use a specific resistance and endurance protocol. Each suspension exercise strengthens the body and simultaneously develops strength, balance, flexibility and stability. In fact, these exercises are prerequisites of all types of sport and even routine daily activities of non-athletes. Randy Hetrick developed the Total Resistance Exercise (TRX) equipment and its suspension training exercises in the 1990s.

Evidence shows that no similar study has been conducted in this area. Accordingly, the results of this study can provide fertile ground for the qualitative and quantitative development of the TRX by recognizing the relationships between internal marketing, feedback and service quality in fitness clubs offering suspension exercises in Karaj. Therefore, the present study aimed at answering the following questions: 1) is there any significant relationship between internal marketing, feedback and service quality? 2) Which of the variables of internal marketing and feedback can predict service quality in fitness clubs of Karaj?

2 Methodology

The present study was a descriptive-correlational study. The population consisted of employees working for 50 fitness clubs (TRX) in the city of Karaj, Iran. First, thirty fitness clubs were randomly selected and then a total of 100 employees (50 men and 50 women) randomly served as two samples of this study.

In order to collect data, Davis' questionnaires (2005) internal marketing (25 items), feedback (7 items) and service quality (16 items) were used to collect the data. The three questionnaires were scored on a 5-point Likert scale ranging from strongly agree to strongly disagree. Cronbach's alphas of 0.89, 0.84 and 0.78 were obtained for internal marketing, feedback and service quality, respectively

3 Results

The descriptive results are presented in table (1).

Table 1. Descriptive statistics of variables

Variable	Statistical indices					
	Mean			Standard Deviation		
	Female	Male	Total	Female	Male	Total
Internal Marketing	3.84	3.73	3.78	0.40	0.52	0.47
Feedback	3.72	3.55	3.63	0.42	0.68	0.57
Service Quality	3.85	3.67	3.76	0.44	0.68	0.58

Research Hypotheses are presented as follows:

H1: There are significant relationships between internal marketing, employees' feedback and service quality of fitness clubs in Karaj.

In order to investigate the relationships between study's variables among all employees, Pearson correlation test was used. As shown in table (2), the relationship between internal marketing and feedback was significant ($r=0.81$), indicating that increased amount of feedback led to more efficient internal

marketing practices among employees; the relationship between feedback and service quality was significant ($r=0.84$), indicating that greater amount of feedback led to higher levels of service quality; the relationship between feedback and service quality was also significant ($r=0.84$), indicating that greater amount of feedback resulted in higher service quality.

Therefore, the first hypothesis concerning significant relationships between internal marketing, employees' feedback and service quality of fitness clubs in Karaj was confirmed.

Table 2. Results of Pearson Correlation (total employees)

Variable	1	2	3
1. Internal Marketing	1		
2. Feedback	0.81**	1	
3. Service Quality	0.84**	0.84**	1

**correlation is significant at 0.01 significance level ($p<0.01$)

H2: There are significant relationships between internal marketing, female employees' feedback and service quality of fitness clubs in Karaj.

practices led to higher levels of service quality; the relationship between feedback and service quality was also significant ($r=0.52$), indicating that greater amount of feedback led to higher levels of service quality.

In order to investigate the relationships between study's variables among female employees, Pearson correlation test was used. As shown in table (3), the relationship between internal marketing and feedback was significant ($r=0.71$), indicating that increased amount of feedback resulted in more efficient internal marketing practices among female employees; the relationship between internal marketing and service quality was significant ($r=0.62$), indicating that more efficient internal marketing

Therefore, the second hypothesis concerning significant relationships between internal marketing, female employees' feedback and service quality of fitness clubs in Karaj was confirmed.

Table 3. Results of Pearson Correlation (female employees)

Variable	1	2	3
1. Internal Marketing	1		
2. Feedback	0.71**	1	
3. Service Quality	0.62**	0.52**	1

**correlation is significant at 0.01 significance level ($p<0.01$)

H3: There are significant relationships between internal marketing, male employees' feedback and service quality of fitness clubs in Karaj.

($r=0.88$), indicating that more efficient internal marketing practices resulted in higher levels of service quality; the relationship between feedback and service quality was also significant ($r=0.88$), indicating that greater amount of feedback led to higher levels of service quality.

In order to investigate the relationships between study's variables among male employees, Pearson correlation test was used. As shown in table (4), the relationship between internal marketing and feedback was significant ($r=0.86$), indicating that increased amount of feedback led to more efficient internal marketing practices among male employees; the relationship between internal marketing and service quality was significant

Therefore, the third hypothesis concerning significant relationships between internal marketing, male employees' feedback and service quality of fitness clubs in Karaj was confirmed.

Table 4. Results of Pearson Correlation (male employees)

Variable	1	2	3
1. Internal Marketing	1		
2. Feedback	0.86**	1	
3. Service Quality	0.88**	0.88**	1

**correlation is significant at 0.01 significance level ($p<0.01$)

H4: Feedback, internal marketing and gender can predict service quality of fitness clubs in Karaj.

percentage of criterion variable predicted by predictor variables) were determined. Therefore, the predictor variable feedback could predict 77% of variance in service quality of fitness clubs in Karaj. So, there was a linear relationship between the predictor variable and the criterion variable.

In order to examine the predictive power of variables gender, feedback and internal marketing to predict service quality of fitness clubs in Karaj, multivariate regression analysis was conducted. As shown in table (5), in the first step, coefficient of multiple correlation between internal marketing and service quality ($R=0.84$) and coefficient of determination ($R^2=0.70$) (i.e. the percentage of criterion variable predicted by predictor variables) were determined. Therefore, the predictor variable internal marketing could predict 70% of variance in service quality of fitness clubs in Karaj. In the second step, coefficient of multiple correlation between feedback and service quality ($R=0.88$) and coefficient of determination ($R^2=0.77$) (i.e. the

To examine regression coefficients, stepwise regression analysis was conducted and the constant value of -0.1 was obtained. Therefore, considering regression coefficients of internal marketing, feedback and the obtained constant value (-0.1), regression equation was as follows:

$$Y' = -0.1 + 0.57 (\text{internal marketing}) + 0.47 (\text{feedback})$$

(1)

Table 5. Results of Stepwise Multivariate Regression Analysis

Criterion variable	Predictor variable	R	R2	F, P	Regression coefficient	
					Internal Marketing	Feedback
Service Quality	Internal Marketing	0.84	0.70	229.3/0.001	B=1.03	
					$\beta=0.84$	
					0.001	
	Feedback	0.88	0.77	164.9/0.001	B=0.57	B=0.47
					$\beta=0.46$	$\beta=0.46$
					0.001	0.001

4 Discussion

The present study was conducted to examine the relationships between internal marketing, feedback and service quality among employees working at fitness clubs in Karaj (Iran). The results indicated significant relationships between internal marketing, employees' feedback and service quality; so that, increased amount of internal marketing practices and feedback led to higher levels of service quality. These findings were in line with results of other studies conducted by Davis (2005) and Rafiq and Ahmad (2000). Davis (2005) examined the relationship between internal marketing and service quality and Rafiq and Ahmad (2000) explored the concept of internal marketing. The concept of internal marketing has been developed as a result of the development of service-provider industries in the 1980s and considerable efforts made to increase the quality of services by analyzing and monitoring service-provider mechanisms (i.e. employees). Internal marketing practices are based on a fundamental assumption stating that superior service quality can only be achieved by a group of motivated and customer-oriented employees. The relationship between customer satisfaction and employee satisfaction was first theoretically examined in retail marketing studies and gradually gained a prominent place in other areas of management and marketing; so that, the most recent model relating customer loyalty and employee satisfaction to profitability of service-provider organizations is the service-profit chain. Further studies not only confirmed the existence of a significant relationship between customer loyalty and employee satisfaction, but also expanded the scope of internal marketing practices. For example, Berry (1985) proposed that employees are internal customers of organizations and defined internal marketing as the consideration of employees as 'internal customers' and duties as 'internal products' meeting the needs of internal customers in line with organizational goals. He also stated that internal marketing implies treating employees like external customers and that internal marketing is a strategy to design occupational duties in line with employees' needs. The overall goal of internal marketing is to create organizational climate and occupational products that result in the availability of qualified employees who provide services more efficiently. When the overall employees' performance is calculated based on the amount of sold products, the marketing task is not only encouraging external customers to buy products, but also motivating internal customers to provide services efficiently. Internal marketing associate's concepts related to human resources with concepts related to marketing practices. Gronroos (1984) believed that the goal of internal marketing is to apply a marketing-based approach to motivate employees to become voluntarily involved in providing customer services.

The results also showed that internal marketing, feedback and gender can predict service quality. This finding was in line with results of a study conducted by Davis (2005). Davis believed that organizations can achieve superior service quality only when they produce products or provide services beyond their customers' expectations. Hence, the main objective of the Total Quality Management (TQM) is to fully satisfy the needs of customers (Kotler & Armstrong, 1999). Internal marketing is the basis of service marketing. The nature of business has changed; so that, in many successful organizations, it is believed that providing efficient customer services is a source of competitive

advantage. The need for effective interactions between external and internal customers has been extensively discussed in the management literature. Experts believe that better-quality internal customer services result in better-quality external customer services. Effective internal transactions are prerequisites for successful exchanges with external markets. Moreover, it has been emphasized that 'ignoring internal customers and suppliers can endanger external customer satisfaction'.

5 Conclusion

The results showed that internal marketing and considering the important role of employees can extensively affect service quality in fitness clubs. Paying attention to employees' needs and getting their feedbacks have a significant role in the decision-making processes, because the quality of internal marketing practices and employees' feedbacks can predict service quality. Research on the effects of feedback and internal marketing on service quality is still rare and it cannot be expected to solve all workplace-related problems at once. Moreover, other than internal marketing and feedback, there are many factors affecting service quality. Therefore, it is important to constantly focus on the organizational performance factors. In occupational environments, especially sports environments, the ultimate organizational goal is to enhance service quality by creating a proper occupational environment for all employees. The main limitation of this study was the lack of employees' familiarity with the concept of internal marketing.

The most important finding of the present study was the confirmation of significant relationships between internal marketing, feedback and service quality. Accordingly, organizational managers, especially sport managers, have to assess and reassess the statuses of internal marketing and employees' feedback periodically. They also have to appropriately react to employees' indifference and make efforts to create an ethical and motivating work climate to enhance internal marketing practices. Working in such an environment enhances employees' performance and improves organizational status. According to the results, the highest correlation was observed between internal marketing and service quality; therefore, understanding employees' organizational behaviors and paying attention to their feedbacks can provide fertile ground for the enhancement of service quality. The two variables of internal marketing and feedback could predict the quality of services in fitness clubs. In this study, internal marketing highly affected the quality of services; therefore, managers must be capable enough to effectively understand, analyze and manage a great deal of organizational behaviors.

References

1. Arasli, H., Mehtap-Smadi, S., Turan Katircioqlu, S.: *Customer service quality in the Greek cyriot banking industry, Managing Service Quality*, 2005. Vol. 1(15), p. 41-56.
2. Awwad, M. Agti, M.: *The impact of internal marketing on commercial banks market orientation*. International Journal of Bank Marketing, 2011. Vol. 4(29), p. 308-332.

3. Berry, L.L.: *A conceptual model of service quality and its implications for future research*. Journal of Marketing, 1985. Vol. 40, p. 41-50.
4. Davis, J. P.: *The effects on internal marketing on service quality within collegiate recreational sport: A quantitative approach*. Doctoral dissertation, Ohio State University, 2005.
5. Gronroos, C.A.: *Service model and its marketing implications*“, European Journal of Marketing, 1984. Vol. 18(4), p. 36-44.
6. Hitt, M.A., Ireland R.D., Hoskisson R.E.: *Strategic management: Competitive and globalization*. 7th Ed, Thomson-Southwestern Publication, 2007.
7. Kazazi, H., Kosar Neshan, M., Javaheri, M.: *The effect on quality of service to attracts customer to aim on Bank Saderat in Tehran*, Fourth International Conference on Management, Marketing, 2010. Vol. 5, p. 121-141.
8. Kotler, P., Armstrong, G.: *Principles of marketing*. Prentice-Hall International Inc., 1999. P. 361-364.
9. Liu, S.: *Organizational culture and new service development performance: Insight from knowledge intensive business service*“. International Journal of Innovation Management, 2009. Vol. 13 (3), p. 371-392.
10. Papsolomou, I., Vrontis, D.: *Building corporate branding through internal marketing: the case of the Uk Retail Bank Marketing*. Journal of Product and Brand Management, 2006. Vol. 1(15), p. 37-47.
11. Rafiq, M., Ahmed, P.: *Advances in the internal marketing concept: definition*. Journal of Services Marketing, 2000. Vol. 14(6), p. 449-462.
12. Rodriguse, P., Carlos, J., Pinho, M.: *Marketing orientation, Job satisfaction, commitment and organizational performance: the Special case of local Public sector, transforming Government: People, Process and Policy*, 2010. Vol. 5, p. 172-192.