



**STUDYING THE RELATIONSHIP BETWEEN INTERNAL MARKETING AND
CUSTOMER ORIENTATION IN ASSOCIATION OF SPORT AND YOUTH OF KERMAN
PROVINCE**

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ABSTRACT

The present study aimed to determine the relationship between internal marketing and customer orientation in Association of Sport and Youth of Kerman Province. This correlational research with an applied goal has been conducted in a field form. Participants were all employees who performed the administrative activities in this office; since the participants were not so much (100 persons), statistical sample included all of them. Two internal marketing and customer-oriented questionnaires of Bansal, and Mendelson and Sharma (2000) in Likert scale with five choices were used to collect data. The validity of the questionnaires used in this study is standard and has been confirmed by the related professors. The reliability of internal marketing and customer-orientated questionnaires were respectively obtained. /75 and. /79 using Cronbach's alpha coefficient. Descriptive and inferential statistical methods (Pearson, Spearman and Regression correlation coefficients) were applied to analyze data. The research results showed that there is a positive and significant relationship between internal marketing dimensions (education, occupational security, employees empowerment, sharing employees' information, internal marketing strategies) and customer orientation ($P < 0/05$); there was no significant relationship between the internal marketing dimensions (bonus and employees gap reduction) ($P > 0/05$). Moreover, applying the internal marketing strategies with Beta coefficient (0/402) is a better predictor than employee's empowerment with coefficient (0/357), occupational security with coefficient (0/350), employees' education with coefficient (0/298), sharing employees' information with coefficient (0/291) for

customer orientation of Association of Sport and Youth of Kerman Province employees. Therefore, it is recommended that managers apply internal marketing in organizations to cause the employees become customer-oriented and to achieve the customers' satisfaction.

Keywords: Internal Marketing, Customer Orientation, Association of Sport and Youth of Kerman Province

INTRODUCTION

In present age, since humans have various behaviors and behave differently in similar conditions, human cognition as the main constituents of social systems has always been regarded by researchers, (Tojari and Torkfar 2011). Change is inseparable part of the life. Accelerating change formed in all aspects of human life causes that every economic company worked in any business pays attention to changes and conditions carefully and acuity, and also tries to adapt themselves to them and move with them (Koozechian *et al*, 2011). In the field of international trade, sports is an exception because its customers pay money to watch sports and not to buy or to use it (Asgharpour, 2003). Paying attention to internal marketing was first introduced in 1980 (Mishra, 2010). The purpose of internal marketing was to consider employees as customers and jobs as internal products that meet internal customers' needs and demands to achieve the organizational goals (Mishra, 2010). Employees are keen that their needs to be supplied and the logic of the organization to meet these needs is the organization places in a better position to deliver services because meeting the employees' needs increases their

motivation and as a result increases their satisfaction level; ultimately, it causes that the employees feel more loyalty to the organization and the services provided by them are improved (Ahmad and Rafing, 2003). In internal marketing, this note is important that the employees form the internal marketing within the organization and meeting the needs of these internal customers is necessary for organization success. If their needs and expectations are not satisfied, and they are considered a costing property and not the main capital of the organization, providing valuable and suitable products and services to the customers may not be possible (Seyyed Javadin *et al*, 2010). Foreman and Money (1995) stated that when the organization has an internal supply chain like suppliers and internal customers, the organization management should consider the organization a market. This idea states that the organization will be placed in a better position to provide the services with good quality to the external customers by meeting the internal customers' needs. Given the conducted studies and considering the internal marketing indexes defined by Bansal *et al* (2000), the seven main areas of assessment

of internal marketing level of the organizations are education, sharing information, reducing gap, occupational security, providing bonus, employees' empowerment, collective strategy (Edalatkhah, 2011). Moreover, Vima introduced a framework to conceptualize the internal marketing. He presented a framework for conceptualization which includes two major dimensions: 1. Interaction, 2. objectives and focus of organization. This framework includes four perspectives combined of internal marketing, strategic marketing, collective internal marketing and internal relationship management (Seyyed Javadin *et al*, 2010). Most companies have nowadays comprehended the importance of customer orientation in the competitive business environment. The customer orientation is now largely associated with clients' welfare (Oh, and Mangas, 2007). Different definitions have presented about customer orientation that putting the customer at the core of strategic attention of the organizations is the fundamental principle of all of them. Day (1994) stated that customer orientation is a concept that changes marketing to an appropriate competitive gun and cause changes in values, beliefs, assumptions and commitment of the organization towards bilateral relations between customers and the organizations (Yazdani *et al*, 2010). Given Association of Sport and Youth of Kerman Province is a service organization, therefore the definition presented should be a customer-

oriented one in service organizations. Customer-orientation term in service organizations means that we should comprehend the customers' needs and demands better to adapt them to our behaviors in order to meet the customers' needs in the best way in service organizations (Boo and Johnson, 2006). The effective factors in customers' behavior are influenced by various internal and external factors. Although marketers have no control over these factors, it does not mean that they remain unaware. Understanding the effective factors in users, marketers are able to find more sufficient ways to increase their financial performance. The most important internal factors affecting customers are personality, learning, motivation and customers' perceptions; and the most important external factors affecting customer are demographics, culture, social class (Keshkar *et al*, 2011). As it is mentioned, it is possible to satisfy the external customers of the organizations through internal marketing such as employees' education and motivation. Moreover, since the employees play a very important role in service organizations, the importance of this subject has multiplied. It's worth mentioning that both internal marketing and customer orientation are finally applied for customers' satisfaction which is the main aim of the service organizations. Customer orientation leads to a better financial performance and to gain higher portion of the market, which has been proved

by many studies. However, that few studies have focused on factors influencing customer orientation is an obligation to carry out more research in this area. Also, the results of the researches in sports area have shown that no research has been conducted about internal marketing and customer orientation in this area; this issue is a kind of motivation for the researcher to carry out this research. Therefore, regarding the importance mentioned about internal marketing and customer orientation and since it seems that these two factors have a close relationship with each other, the main aim of the present research is to answer the following question: Are there any significant relationships between employees' education and employees' bonus, and customers orientation in Association of Sport and Youth of Kerman Province?

METHODOLOGY

The present study is an applied one in terms of goal. This research which is descriptive and correlational in terms of research plan is conducted in a field form.

The participants and sample

Participants consisted of all employees who performed the administrative activities in Association of Sport and Youth of Kerman Province, 100 employees; since the participants were not so much (100 persons), statistical sample considered all of them. The questionnaires were distributed among all the

participants and 91 ones were filled and were used for this study.

Data collection instruments

In this study, two standard internal marketing and customer-oriented questionnaires of Bansal et al (2000) were used to collect data. The first part of the questionnaire included demographic information such as age, sex, work relationship, academic degree and level of work records. The second part included 28 questions: 22 questions related to internal marketing and 6 questions related to customer orientation used in Likert scale with five choices.

The questionnaire validity was confirmed by 14 experts in the field of Sport Management. To confirm the reliability of the instrument, in a preliminary study, 35 questionnaires were randomly distributed in Association of Sport and Youth of Kerman Province and the amount of 76% was obtained using Cronbach's alpha

of coefficient. According to the amount of these coefficients, it can be said that both questionnaires had high reliability.

Statistical methods

Descriptive statistics was used to categorize the raw scores, to design tables, to distribute frequency, to calculate distribution indexes like mean, standard deviation and variance, and to analyze the demographic properties and also mean of responses. Cronbach's alpha test was used to check the questionnaire reliability and Kolmogorov - Smirnov (K-S) test was used to study the normality of data distribution.

Spearman and Pearson correlation test, linear regression test and multiple regression test were respectively used to determine the correlation, to study the relationship between research variables and to determine the effect of internal marketing dimensions on customer orientation of employees. Software of SPSS 18 was used to analyze data; Excel 2007 was used to design the diagrams. This correlational research has an applied goal; data was collected in a field form.

RESULTS

Work records

In relation to employees' work records of Association of Sport and Youth of Kerman Province, the highest and the lowest percentage are respectively related to the category between 11 and 15 years, with %29/7 ($f=27$) and category under 5 years with %13/2 ($f=12$).

Inferential findings

The first hypothesis

There is a significant relationship between employees' education and customer-orientation in Association of Sport and Youth of Kerman Province.

Pearson correlation test was applied to examine the first hypothesis. The results showed a significant and a positive correlation between employees' education and customer orientation ($r=.278$ and $P=.007$). Magnitude of this correlation coefficient is in low level of $.25 < r < .35$.

The second hypothesis

There is a significant relationship between employees' bonus and customer-orientation in Association of Sport and Youth of Kerman Province. The results of Pearson correlation test showed a significant and a positive correlation between employees' bonus and customer orientation ($r=0.398$ and $P=0.001$). Magnitude of this correlation coefficient is in intermediate level of $0.35 < r < 0.65$.

Multiple regression test is used to study the main hypothesis of the research (internal marketing predicts the customer orientation significantly).

Internal marketing dimensions were simultaneously entered the model. ANOVA results show that the regression model is significant.

Predictor variable: (Constant amount), education, security, bonus, strategy, information sharing, gap and empowerment

Criterion variables: customer-orientation

The significance level available in table 5 shows that only beta coefficient relates to marketing strategy ($p=0.001$, $\beta=0.383$) and gap reduction ($p=0.001$, $\beta=0.363$) is significant for customer-orientation prediction. Internal marketing explains 57% of customer orientation changes ($R=0.75$, $R^2=0.57$).

Table 1: Frequency distribution of employees' work records

	Frequency	Percentage	Valid percentage	Cumulative percentage
Under 5 years	12	12/8	13/2	13/2
Between 6 and 10 years	17	18/1	18/7	31/9
Between 11 and 15 years	27	28/7	29/7	61/6
Between 16 and 20 years	22	23/4	24/2	85/8
Over 20 years	13	13/8	14/2	100
Error	3	3/2	-	-
Sum total	94	100	100	-

Table 2: Pearson correlation test (the relationship between employees' education and customer orientation)

employees' education	Customer orientation	
	Pearson correlation coefficient	**./278
	Significance level	./0007
	Number	94

**The relationship is significant at level .01

Table 3: Pearson correlation test (the relationship between bonus and customer orientation)

Bonus	Customer orientation	
	Pearson correlation coefficient	**./398
	Significance level	./001
	Number	94

**The relationship is significant at level .01.

Table 4: ANOVA, research results

Model	Sum of square	Degrees of freedom	Mean square	F	Significance level
Regression	46/44	7	6/64	16/29	./0001
Remained	35/03	86	./41		
Total	81/48	93			

Table 5: Results of multiple regression test

Model	Non-standardized coefficients		Beta Standard coefficient	T	Significance level
	B	Standard Error			
Constant amount	./389	./381	./0123	1/02	./31
Occupational security	-./082	./073	-./09	-1/13	./262
employees' education	-./112	./120	-./100	-./94	./351
Information sharing	./119	./100	./125	1/19	./237
Empowerment	./095	./108	./102	./88	./382
Bonus	./051	./119	./051	./43	./669
Gap reduction	./429	./110	./363	3/88	./001
Marketing strategy	./364	./085	./383	4/29	./001

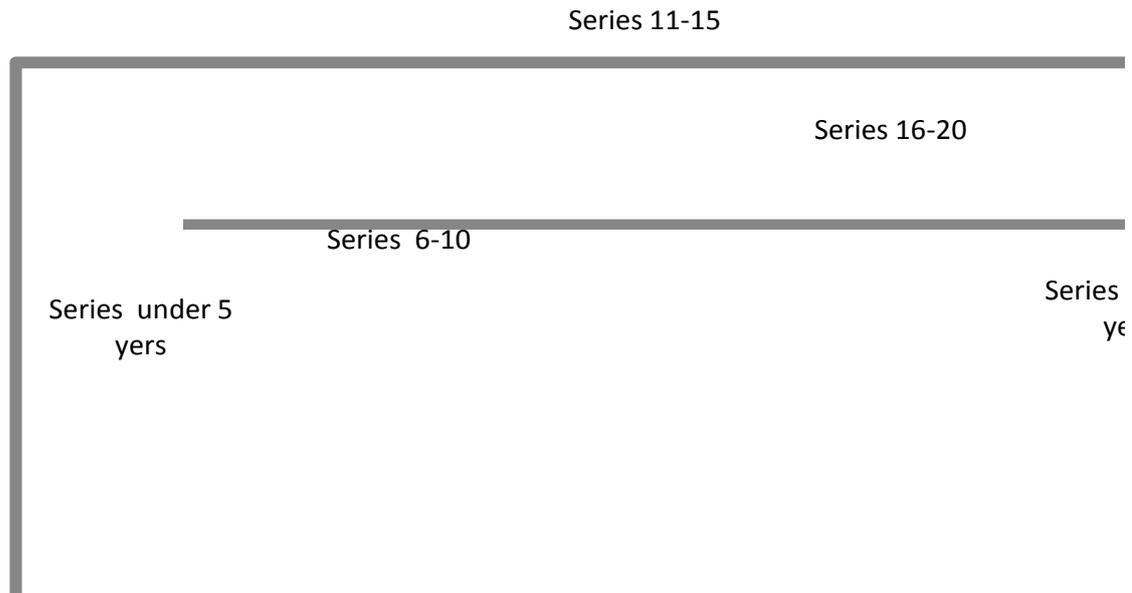


Diagram: Frequency distribution of employees' work records

DISCUSSION AND CONCLUSIONS

The first hypothesis is about the relationship between employees' education and customer orientation in Association of Sport and Youth of Kerman Province. The results show a significant and a positive correlation between employees' education and customer orientation ($r=0/278$ and $P=0/007$). Magnitude of this correlation coefficient is in low level of $0/25 < r < 0/35$. These results are in line with the findings of Ahmed *et al* (2003), Bansal *et al* (2001), Ballantyne (2000), Edalat Khah (2011), Kanibiri and Nart (2012).

The second hypothesis is about the relationship between employees' bonus and customer orientation in Association of Sport and Youth of Kerman Province. The results of Pearson correlation test showed a significant and a positive correlation between employees' bonus and customer orientation ($r=0/398$ and

$P=0/001$). Magnitude of this correlation coefficient is in intermediate level of $0/35 < r < 0/65$. Mendelsohn and Sharma (2001), Edalat Khah (2011), Kanibiri and Nart (2012) consider employees' bonus one of the most important factor of internal marketing to increase the customer orientation. In this research, from the employees' point of view, it was indicated that giving bonus to the employees of Association of Sport and Youth of Kerman Province effects on customer orientation of employees; this subject is in line with the mentioned results.

Considering the results, it can be said that improving employees' education and holding educational classes related to the employees jobs has a positive effect on employees customer orientation. These findings are property because of this that training employees in occupational environment causes

that employees learn something more about performing the affairs; as a result, it causes that confusion reduces and the employees use more time and patience to deal with a customer.

Therefore, the importance of internal marketing promotion in marketing programs is understandable; it is an issue which is not paid so much attention to in sports organizations of Iran. Given that many organizations are trying to achieve their customer satisfaction through increasing the efficiency of their programs and improving their services, managers should take note that internal marketing is an important factor in occurring the customer-oriented behavior in employees. This issue directly affects the customer satisfaction in service organizations. Placing and keeping the level of customers satisfaction in high level in organizations is very important. Therefore, it is recommended that managers apply internal marketing in organizations to cause the employees become customer-oriented and to achieve the customers' satisfaction.

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