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The Relationship Between Internal Marketing and Quality Service Delivery in the Hospitality Industry

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Abstract

Quality service delivery forms the basis of customer satisfaction and loyalty, key aspects for the long-term sustainability of the businesses within the hospitality industry. This has made internal marketing one of the most important strategic methods to treat employees as internal customers. This study sought to establish the relationship between internal marketing strategies and quality service delivery; internal marketing tools and quality service delivery; managerial commitment and quality service delivery. The study was conducted through survey and explanatory research designs. The target population for the study included employees and managers from five selected star-rated hotels. Purposive sampling was used to sample five hotels for the study. Stratified random sampling technique was used to primarily ensure that the target population was adequately represented in the sample while simple random sampling was used to select the respondents in the study. A sample of 116 employees was used. Data was analyzed using descriptive and inferential statistics. Correlations and multiple linear regression tests were adapted to appreciate the analysis of data through the statistical package for social sciences. Data from the interview schedules was analysed using content analysis. The data revealed that internal marketing is affected by factors related to: internal marketing strategies, internal marketing tools and managerial commitment in service organizations. The results showed that

managerial commitment towards internal marketing had the highest significance on quality service delivery at $\beta = 0.729$, ($p < 0.001$) followed by internal marketing tools at $\beta = 0.639$, ($p < 0.001$) and the least significant factor being internal marketing strategies at $\beta = 0.601$, ($p < 0.001$). It was concluded that internal marketing would significantly be achieved when; managerial commitment, internal marketing tools and internal marketing strategies were enhanced. It is therefore very essential for service organizations to make keen considerations on ensuring loyalty at work, a sense of belongingness, employee recognition, regular employee appraisals, and giving managerial support to employees at work for quality service delivery to be effective. The researcher recommends that organizations should conduct an annual job satisfaction survey, incorporate work force in decision making, ensure a conducive working environment for employees, have an appraisal policy and procedure which should be continuous in the organization, reward systems be put in place for staff who perform satisfactorily in the organizations, and empower employees to ensure quality service delivery.

Keywords: Internal Marketing, Service Quality, Quality Service Delivery.

Introduction

Internal marketing uses concepts of marketing internally towards the employees as an internal marketplace to align them towards the mission and goals of customer satisfaction for the organization. It is based on the principle that employees represent an internal market within the organization and that they need to be educated and informed about the organization's mission, the benefits of its products and services and the operations of its customers (Hoffman & Turley, 2002). According to a study by Soteriou et al. (2018), internal marketing is a vital component in understanding the needs of external customers, which in turn helps in delivering customer satisfaction. They stated that "internal marketing is essential to ensure that employees are aware of and aligned with the organization's overall mission and goals" (Soteriou et al., 2018).

Successful marketing to this group is believed to contribute towards achieving ultimate success in the delivery of all marketing activity to external customers. Thus, the overwhelming purpose of internal marketing is to involve employees in the organization's mission and strategic direction and help them understand and value the corporate objectives. In so doing, it will achieve a balance between operational efficiency and management objectives and thus ensuring quality service delivery. In another study, Al-Ali et al. (2020) found that employee knowledge and awareness of the organization's products and services are critical in delivering customer satisfaction. They argued that "organizations must invest in internal marketing to ensure that employees have the necessary knowledge and skills to effectively communicate with customers" (Al-Ali et al., 2020).

It is believed organizational problems are internal, not external (Lings, 1999) therefore, implementation of an internal marketing program will eliminate departmental walls, integrate members organization-wide (Ahmed et al., 2003; Hogg et al., 1998), which in the long run, will create the opportunity to improve quality throughout the organization (Lings & Brooks, 1998; Prasad & Steffes, 2002).

Literature Review

Quality service includes managing the business processes with the view of achieving customer satisfaction, both internally and externally (Berry et al., 1999). This approach creates

competitiveness, efficiency, as well as adaptability throughout the hotel. Quality service delivery concentrates on this satisfaction by providing customers with the needs on time and when required. High-quality services not only ensure market competitiveness but also improve overall corporate performance.

Service Quality Measurement in the Hospitality Industry

The SERVQUAL model defines quality as the differences between customers' expectations and perceptions of service delivery. It identifies the relationship between external Gap 5 and internal Gaps 1-4, where the reduction in the latter enhances the overall service quality (Parasuraman et al., 1991). Although it was designed for external customers, SERVQUAL can be applied to internal customers based on the assumption that internal customers evaluate quality using similar criteria as external customers.

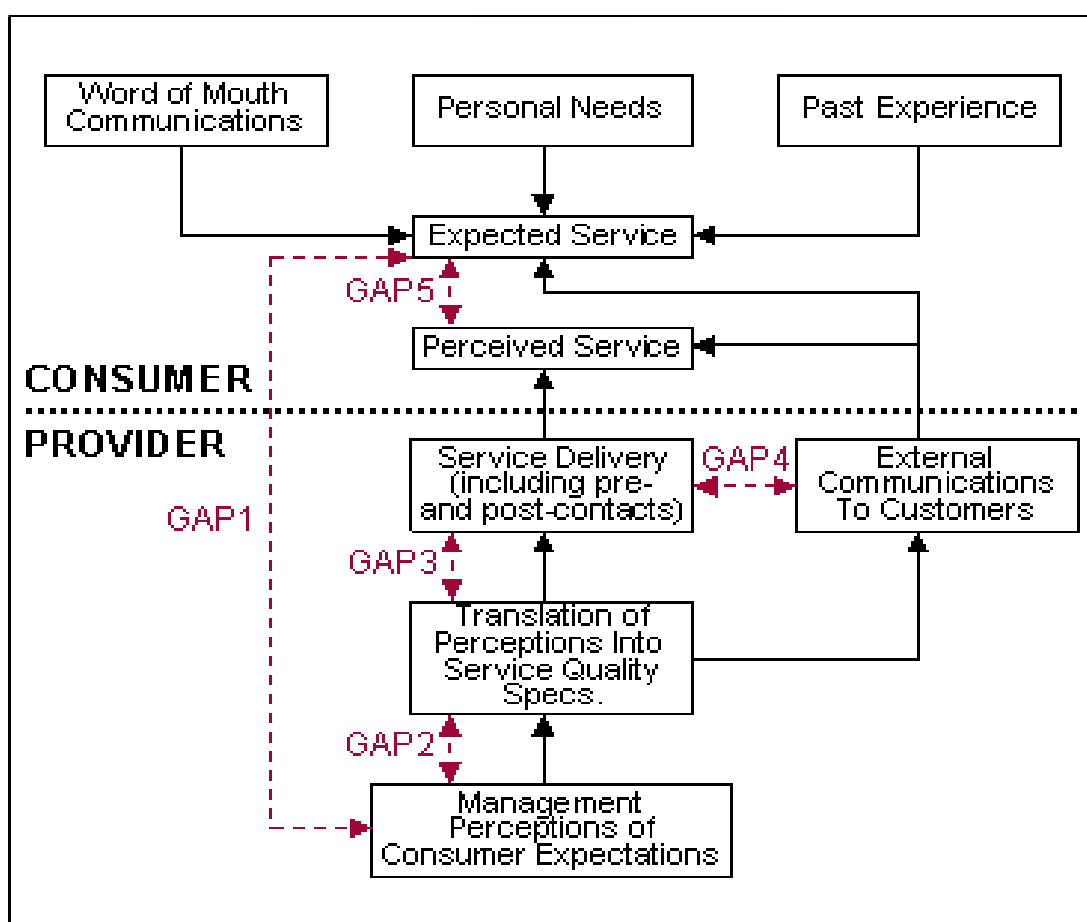


Figure 1: The SERVQUAL Model

Source: Parasuraman et al., (1991)

Quality Service Dimensions

Consumers evaluate service quality based on five dimensions (Zeithaml & Bitner, 2018): reliability (consistent, accurate service), responsiveness (prompt, helpful service),

assurance (knowledgeable, trustworthy employees), empathy (personalized care), and tangibles (appearance of facilities and materials). These dimensions shape customer expectations and perceptions during the "moment of truth," when they interact with service providers or systems, which can significantly influence their view of service quality (Gronroos, 1990). A single failure or impoliteness at this contact point will result in dissatisfaction, and thus it is a very crucial contact point for the service providers to shape the customer's perception positively (Kotler et al., 2003).

Interpretation of the Concept of Internal Marketing

Internal marketing aims to facilitate employees' collaboration through organizational boundaries for the purpose of adding value to external clients. This means that employees' autonomy and expertise have to be integrated in a manner that creates internal knowledge supportive of the required change in internal processes (Drake, 2005). An organization should always ensure that improvements made internally will eventually benefit external marketing efforts (Ballantyne, 2000).

Internal Marketing Strategies and Quality Service Delivery

The internal marketing process deliberately develops a work environment which helps to create customer awareness, sales orientation, and personnel motivation with the aim of increasing service quality. It can be done through strategies involving supportive management, personnel policies, internal training, and taking into consideration marketing mix variables.

Internal Marketing Tools and Quality Service Delivery

Internal marketing as a concept and practice impacts hospitality management at different levels. According to Lings (2004) there are ten tools that may be utilized by service organization in attracting, retaining, motivating employees through attracting the best, being the employer of choice, aligning with the organization vision, mapping internal customers, a skill-based approach to recruit, training, supportive infrastructure, recognizing contribution, compensation-reward-performance, communication.

Management Commitment and Quality Service Delivery

Management commitment is commonly defined by the three-component model of organizational commitment: affective, normative, and continuance commitment (Somers, 1993). Affective commitment reflects psychological attachment, where managers stay because their values align with the organization's. Continuance commitment is based on the perceived cost of leaving, with high sacrifice commitment involving personal loss, and low alternative commitment due to lack of options. Normative commitment stems from a sense of duty or loyalty, where managers feel obligated to remain with the company (Michela & Burke, 2000). Committed managers treat employees well, meet their needs, and contribute to organizational success by aligning personal and organizational goals (McAulay et al., 2019). Committed managers who deeply understand and identify with their organization's goals, are essential for achieving competitive success in today's economy (Rubel et al., 2021; Shabir & Gani, 2020; Lambert et al., 2017).

Research Methodology

This study used both survey and explanatory designs. The target population comprised 405 employees from five selected star-rated hotels in Nairobi, Kenya, as per the Hotels and Restaurants Act (2020). Purposive sampling was employed to select these hotels due to their adherence to international service standards, allowing for broader generalization to other hospitality establishments. Stratified random sampling was applied to choose the departments within the hotels, and simple random sampling was then used to select the individual respondents for the study.

The study employed questionnaires and interviews as the main tools for collecting data. Descriptive and inferential statistics were used to analyze data. Multiple linear regression was used to reveal the relative magnitudes of the contributions of the independent variables to the variation of the dependent variable.

Table 1: Distribution of hotel samples

Name of Hotel	Target Population	Percentage	Distribution of Samples
Jacaranda Hotel	73	18.0	35
Safari Park Hotel	81	20.0	39
Windsor Hotel	72	17.8	35
Nairobi Serena	87	21.5	42
Sarova Stanley Hotel	92	22.7	45
	405	100.0	196

Source: Hotel Registers, 2021

Pearson correlation was used to analyze the degree of association between each of the independent variable against the dependent variable. Data from the interview schedules was analysed using content analysis, used to identify patterns, themes, and other ideas through text data analysis (Kyngäs, 2020). It is most commonly applied to analyse interviews (Fang & Wang, 2021) and academic literature (Jones et al., 2011). Content analysis is used to analyze the qualitative data as well as to describe the characteristics of the document's content by examining who says what, to whom, and with what effect (Bloor & Wood, 2006).

Results and Discussion

Demographic data of the respondents

The descriptive results indicate that the majority of the respondents belonged to the age group between 26-30 years (n=71, 61.2%) while the least respondents belonged to the age bracket of above 40 years (n=4, 3.4%). 47.4% (n=55) of the respondents were male while 52.6% (n=61) were female. The majority of respondents marital status was married (n=63, 54.3%). Majority of the respondents also had high level of education (n=69, 59.5%). The majority of respondents had been employed with the organization for a period of 5 to 7 years, with 44 individuals (37.9%) falling within this range. This indicates a relatively stable workforce with a significant proportion of employees possessing a moderate level of experience in the organization. The length of tenure is important as it may influence employees' understanding of the organizational culture, internal marketing strategies, and their ability to contribute to service quality delivery.

Results of Objective 1

Internal marketing strategies were found to have a significant relationship with the dependent variable, service quality delivery, at $p < 0.001$. This indicates that an increase in internal marketing strategies is associated with improved service quality delivery, and vice versa. Reliability analysis using Cronbach's alpha demonstrated internal consistency, with values of 0.746 and 0.657, confirming that multicollinearity was not an issue in the data. These results suggest that strengthening internal marketing strategies can effectively enhance service quality in the organization.

Table 1: Internal Marketing Strategies Rotated Matrix

	Component	
	Managerial support	Customer satisfaction
Effective communication	.794	
Management interest in supporting employees in their work	.766	
Use of job descriptions	.614	
Internal training policy	.602	
Planning and control procedures	.584	
Good physical structure	.565	
Choosing the right staff for the right job		.691
Offering the expectations of the customers		.657
Pricing services to suit customers, employee needs, and the organization needs		.581
Cronbach α values		
	.746	.657

Extraction Method: Principal Component Analysis.

Source: Survey Data (2021)

Results of Objective 2

Cronbach's alpha analysis for reliability revealed a strong internal consistency in the data. The reliability coefficients were 0.630 and 0.579, indicating that the items within the constructs were consistent in measuring the intended variables. Furthermore, these values suggest that multicollinearity was not a concern, as the determinant values are within an acceptable range. This ensures that the variables are not highly correlated with each other, allowing for a more accurate interpretation of the relationships between the variables under study. These findings support the reliability of the measurement tools used in the research.

Table 2: Internal Marketing Tools Rotated Component Matrix

	Component	
	Employee recognition	Preferred employer
Job promotion to staff	.801	
The management providing the required information needed by the staff	.747	
Good flow of activities in the organization	.661	
Appraised for work done	.498	
Poor pay		.700
Not being rewarded		.587
Being overworked		.461
In-house training on the changing trends		.456
Provision of the right infrastructure, equipment and clothing to work		.453
Cronbach α values	.630	.579

Extraction Method: Principal Component Analysis.

Source: Survey Data (2021)

Results of Objective 3

Further, the study evaluated the extent to which commitment of management affect quality service delivery. Cronbach alpha analysis for reliability of the eight items showed internal consistency. The determinants were 0.806 and 0.728, showing that multicollinearity was not a problem.

Table 3: Commitment of Management Rotated Component Matrix.

	Component	
	Loyalty at work	A sense of belongingness
Being at work at the stipulated time	.811	
Managers attachment to the organization	.796	
Managers striving to meet set goals	.746	
Managers proud of being identified with the organization	.694	
Working overtime	.620	
Including the staff in the organization vision and goals		.879
the management Knowing the employees needs and wants		.809
Cronbach α values =	.806	.728

Extraction Method: Principal Component Analysis.

Source: Survey Data (2021)

Correlation Analysis

To examine the strength and direction of the relationship between service quality delivery (Y) and three predictor variables: internal marketing strategies (X1), internal marketing tools (X2), and commitment of management (X3) Pearson correlation analysis was conducted. This analysis aimed to determine how each predictor variable correlates with service quality delivery. The results of the correlation analysis are presented in the table 4 below, indicating the degree of association between these variables.

Table 4: Correlations between the Dependent and Independent Variables

		Quality service delivery	Internal marketing strategies	Internal marketing tools	Commitment of management
Quality service delivery	Pearson Correlation	1	.601**	.639**	.729**
	Sig. (2-tailed)		.000	.000	.000
	N	116	116	116	116
Internal marketing strategies	Pearson Correlation	.601**	1	.524**	.467**
	Sig. (2-tailed)	.000		.000	.000
	N	116	116	116	116
Internal marketing tools	Pearson Correlation	.639**	.524**	1	.550**
	Sig. (2-tailed)	.000	.000		.000
	N	116	116	116	116
Commitment of management	Pearson Correlation	.729**	.467**	.550**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	116	116	116	116

Source: Survey Data (2021)

The Pearson correlation coefficient ranges from 0 (no association) to 1 (perfect association). All three predictor variables in this study showed a significant relationship with quality service delivery, $p < 0.001$, indicating all influence service quality. The nature of the relationships was positive, meaning the variables move in the same direction.

Regression Model

This study used multiple linear regression (MLR) to predict the dependent variable (service quality delivery) from several independent variables. The multiple correlation coefficient (R) of 0.809 indicated a strong relationship between the predictors and model's reliability. The remaining variation in service quality delivery may be due to other factors not included in the model.

Table 5: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
dimension0 1	.809 ^a	.655	.646	.42094	.655	70.834	3	112	.000	1.948

Source: Survey Data (2021)

The R^2 in this model was found to be 0.655, which means that the three predictors in the model could explain about 66% of the variation in quality service delivery. Since R^2 values above 40% are considered high, this model could therefore explain a lot of the variation in the dependent variable. In other words, the study can predict, to a great degree, and with more confidence service quality delivery by using the three independent variables. The remaining unexplained variation in service quality delivery could partly be attributed to other factors not specified in the model and partly to the error term in the regression equation. The Durbin-Watson statistic shows whether the assumption of independent errors is tenable. The value should not be less than 1 or greater than 3. In this model, it was 1.948, meaning that the errors were independent.

Table 6: Summary of Qualitative Analysis

Variable		What should be Included to ensure Quality Service Delivery
Internal marketing strategies	<ul style="list-style-type: none"> • Management interest to support their employees at work. • Ensuring customer satisfaction 	Effective communication, use of job descriptions, internal training policy, planning and control procedures, choosing the right staff for the right job, pricing services to suit customers, employee needs, and the organization needs, can affect service quality delivery in organizations.
Internal marketing tools	<ul style="list-style-type: none"> • Employee recognition • Preferred employer 	Provision of the right infrastructure, equipment and clothing at work
Management Commitment	<ul style="list-style-type: none"> • Loyalty at work • A sense of belongingness 	Being at work at the stipulated time, managers attachment to the organization, managers striving to meet set goals, managers proud of being identified with the organization, working overtime, including the staff in the organization vision and goals, the management knowing the employees needs and wants.

Conclusion and Recommendation

The research findings indicate a relationship between internal marketing strategies, internal marketing tools, and management commitment with quality service delivery. Although top managers may not clearly understand consumer expectations, customer-contact personnel can predict them with good accuracy. Communication methods determine the understanding of internal consumers by top managers. Upward communication, such as through service reports, and informal communication, through discussions, contribute to informing upper management about the performance of an organization.

It is very essential for service organizations to make keen considerations on ensuring loyalty at work, a sense of belongingness, employee recognition, regular employee

appraisals, and giving managerial support to employees at work for quality service delivery to be effective.

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