

## Impact of Internal Marketing on the Service Quality in Sport Clubs

*Abdelkader, Ahmed Farouk, Elsaadany Elsaadanykhlel and Gebril Mohamed*

Department of Sport Management, Faculty of Physical Education, Helwan University, Egypt

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**Abstract:** Study aims to put a description for the internal marketing in sport clubs in Egypt, determine the impact of internal marketing on the level of service quality in sport clubs and providing us some recommendations which improves the practices of internal marketing and the level of service quality which are presented for members by the sport clubs in Egypt. The method of the study: 1) for the internal marketing, the researcher used an questionnaire which composes of the following seven axes: Clarity of *work roles*, developing and training, reward employees, the relations among employees, communication within the club, motivation of employees and the interaction among the employees. We applied this questionnaire on the employees of Al-Ahli and Al- Zamalik sport clubs. For service quality, we used SERVQUAL scale which includes five dimensions of quality of service: tangibles, reliability, responsiveness, assurance and empathy. We applied this scale on the members of Al-Ahli and Al- Zamalik sport clubs. Our study reached the following results: there is a modest degree of service quality, which it is presented by the sport clubs in the following axes of the questionnaire: clarity of work roles of employees, training and employees' development sport club and the interaction among employees and active members. There is a low degree in the axes of relations among the club employees, reward employees, communications within the club and motivation of employees. There is positive correlation between internal marketing (clarity of work roles of employees, training and development of employees, the relationships among employees, employees reward, motivation of employees and the interaction between employees and customers) and the level of service quality provided to club active members.

**Key words:** Internal Marketing • Quality of service • Sport clubs

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### INTRODUCTION

The internal marketing is a planned effort using a marketing-like approach to motivate, educate and coordinate internal customers (employees) towards creating satisfaction for the external customers and as a result, increase these businesses' performance. It is important that everyone in the organization can see a relationship between what she / he is doing and its impact on the customer. Therefore, creating and aligning internal relationships between departments, functions and employees inside the organization is necessary to improve the organization's performance and its employees. Consequently, the attraction of the best personnel, their retention and motivation is vitally important. Attraction, retention and motivation of high service quality are the differentiating factors of employees. Under these conditions, it is thought that the effect of employing the internal marketing approach would be to create more satisfied customer-employee relationship [1].

Internal marketing is defined as the application of marketing principles to an organization's relationships and practices with its employees [2]. According to Ewing and Caruana [3], internal marketing holds that an organization's personnel are the first market of the organization.

Berry is the first one who used the term internal marketing[1]. Even though they didn't use directly the term internal marketing, the idea of internal marketing was also present in the study of Sasser and Arbeit [4]. However, it was not until the publication of Berry's article, 1981 in which he defined internal marketing as "viewing employees as internal customers, viewing jobs as internal products that satisfy the needs and wants of these internal customers while addressing the objectives of the organization" that the term entered popular discourse [1].

Internal marketing - as the term implies - is the opposite of or a supplement to external marketing. It requires a boundary between the organization and its market and wider environment. However, a

series of current business phenomena cause confusion in the drawing of organizational boundaries. The organization is increasingly understood as networks of relationships with fuzzy and variable boundaries to their customers, suppliers and others, as well as to society at large [5].

#### **The Aims of the Study:**

- Description of the internal marketing in sport clubs in Egypt.
- Determining the impact of internal marketing on the level of service quality in sport clubs.
- Providing some recommendations which improve the practices of internal marketing and the level of service's quality which are presented for members by the sport clubs in Egypt.

**Internal Marketing:** Internal marketing is proposed originally as an approach to serve the management that entailed the application of the traditional marketing concept and the associated marketing mix. Internal marketing is presented as a management approach, which enables and motivates all members of the organization. It encourages members to examine their roles and as consequence, adopt a degree of customer consciousness and service orientation [6].

Internal marketing is offered as a coordinating philosophy. It includes internal and external relationships, networks interactions and collaborations by examining all activities involved in satisfying customers throughout the internal supply chain. It is a philosophy that focuses on customer satisfaction and organizational productivity through constant improvement of employee's performance and their environment [7]. It is also a tool for closing the gap between the different constituencies in organizations and the development of more cooperative relations. The basic premise of internal marketing is that marketing methods that have been used externally to market products and services can be used the same way internally [8].

Internal marketing works towards actions, interactions and adaptations that enhance customer satisfaction. This is engendered by creating an environment in which quality enhancing behavior become a reflexive part of employee action. This environment and the organization quality enhancing behavior by employees are formulated as a fundamental source of competitive advantage [9].

The core vision and value of the majority of successful organizations across is to maintain the highest standards of corporate behavior towards employees, consumers and the society. That is, if organizations take good care and maintain quality relationships with their internal customers/employees then employees in turn will be better equipped to deal with customers (the members of the sport club for example). Nonetheless, from a practical point of view most organizations are more or less successful in their external market. However, there is criticism in recent years to the organizations as they have not been successful in translating or selling the shared vision and values to their internal market. Further, organizations are also facing challenges with issues such as high employee turnover, lower level of employee satisfaction, labor unrest and lack of employee commitment especially in transitional and developing economies. One of the main reasons why a majority of organizations are not performing well in terms of retaining, satisfying and translating the core vision and values to their employees is the failure to implement appropriate integrated internal communication program to their internal market. A primary goal of internal marketing is to motivate and enable organizational members to adopt a customer orientation.

Internal marketing takes many tangible forms including training, education and employee recognition for excellence, all of which encourage employees to improve their performance. The importance of internal marketing cannot be overstated, for example, smooth relations must be in place between the organization and employees before the organization can satisfy the needs of external customers [9]. Indeed, Kotler [10] states that internal marketing must precede external marketing. It makes no sense to promise excellent service before the organizational staff is ready to provide it. Similarly, internal marketing practitioners argue that if internal marketing efforts fail to result in better service to internal customers and then the resources have been wasted [11]. One strategy for avoiding the possibility of wasted resources is to leverage external and internal marketing under a single marketing venture, thereby coordinating the management of customer orientation through employee morale [6].

Internal communication strategies seek to achieve a number of objectives, including explaining organization's plans for the future to its employees [12]. This commentary takes the view that sport sponsorship could be an effective means to develop and optimize these internal communications as part of an integrated internal marketing approach that seeks to balance

employee needs with firm objectives [13]. For example, La Poste, a government-owned corporation, maintained its sponsorship of the French Cycling Federation to develop the sport of mountain biking after a session with its employees in the mid-1990s. In addition to other objectives, the sponsorship of La Poste sought to reduce the gap between employees' perceptions of the organization and its communications and management practices. A second example involves Würth France, a manufacturer that sponsored the professional football club of Strasbourg. Würth France invited representatives from all its employee groups to attend matches and enjoy the hospitality usually reserved for senior decision makers, in these situations, sport is being used as a metaphor to symbolize solidarity in the work environment, wherein the collective goal is to succeed and at the same time grandiosely implement equality [14].

**Implication of Internal Marketing:** Previous researches about internal marketing are divided it into four categories:

- Treating the employee as an internal customer: Many experts [15-17] believe that the task of internal marketing is to view the jobs as products; and employees as customers.
- Developing Employee Customer Orientated Behaviour: Address the application of marketing skill in the internal marketing of the organization. They argue that the organization should adopt a framework similar to that of its external marketing and develop a marketing program aimed at the internal market. The goal would be to stimulate service awareness and customer oriented behaviour. Many other experts share the same viewpoint [18, 19].
- Human Resource Management (HRM) Orientation: According to Joseph [20], internal marketing should be incorporated with HRM theories, technologies and its principles.
- Internal Exchange: Bak *et al.* [9] propose that allowing efficient operation of an exchange relationship between the organization and its employees is the first move to arrive at the

organization's objectives in the external market. Cahill [16], Pitt and Foreman [21] share similar comments.

**Service Quality:** The definition of service quality may vary and may depend on theoretical assumptions. For instance, service quality has been defined by various academic scholars under their own theoretical assumptions. For instance, Parasuraman and Berry [22] who developed the SERVQUAL instrument, which has been most widely adapted as a service quality measurement tool defined perceived service quality as a global judgment, or attitude relating to the superiority of a service; the judgment on service quality is a reflection of the degree and direction of discrepancy between customers' perceptions and expectations. Asubonteng *et al.* [23] defined service quality as "the difference between customers' expectations for service performance prior to the service encounter and their perceptions of the service received as discussed earlier.

The definition of service encompasses a wide range of services:

- Services for external customers and for internal customers.
- Automated, IT-reliant and non-automated services.
- Customized, semi-customized and non-customized services.
- Personal and impersonal services.
- Repetitive and non-repetitive services.
- Long-term and short-term services.
- Services with varying degrees of self-service responsibilities.

While it may be comparatively easy to identify adequate dimensions for a specific service, researchers have sought to identify whether there are generic dimensions of service quality that can be identified. In this regard, the five dimensions of service quality proposed by Parasuraman *et al.* [23] have been considered as the most widely accepted dimensions of service quality in various settings. The five dimensions of service quality and their definitions are illustrated in Table 1.

Table 1: Five different dimensions of service quality

Dimensions	Explanations
Tangibles	Physical facilities, equipment and appearance of personnel
Reliability	Ability to perform the promised service dependably and accurately
Responsiveness	Willingness to help customers and provide prompt service
Assurance	Knowledge and courtesy of employees and their ability to inspire trust and confidence
Empathy	Caring, individualized attention the firm provides its customers

Source: SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality by Parasuraman and Berry [22].

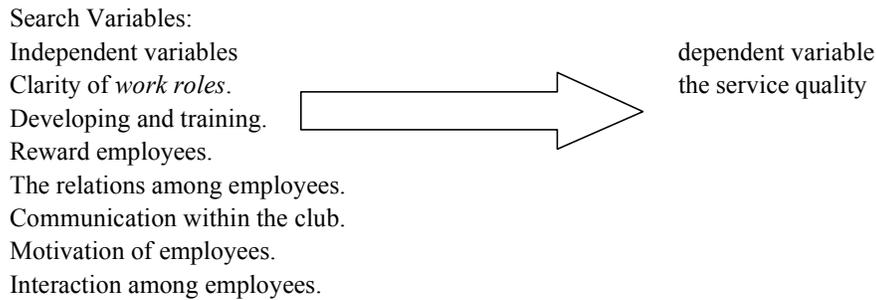


Fig. 1: Special relations in the search

## MATERIALS AND METHODS

**Sample:** Data for this study was collected from the employees of sport clubs in Egypt (Al- Ahli club and Al Zamalik club), we randomly selected 62 respondents from employees and the members of sport clubs in Egypt (Al- Ahli club and Al Zamalik club), we randomly selected 354 respondents from the members of sport clubs.

**Measurement:** Quantitative data was collected by using:

- Questionnaire, Which Composed of the Following Seven Axes: Clarity of work roles Developing and training - Reward employees - The relations among employees - Communication within the club - Motivation of employees - Interaction among employees. This questionnaire was applied on the employees of sport club. The first axe (clarity of *work roles*) was measured through 3 items on likert five scale (Cronhach's alpha was 0.74). The axe of developing and training was measured through 6 items on likert five scale (Cronhach's alpha was 0.82). The axe of reward employees was measured through 7 items on likert five scale (Cronhach's alpha was 0.79). The axe of communication within the club was measured through 6 items on likert five scale (Cronhach's alpha was 0.83). The relations among the employees was measured through 4 items on likert five scale and the Cronhach's alpha was 0.77, the motivation of employees was measured through 5 items on likert five scale and the Cronhach's alpha was 0.81. The interaction among employees was measured through 6 items on likert five scale and the Cronhach's alpha was 0.77.
- For service quality, we used SERVQUAL scale which includes five dimensions of service quality: Tangibles -Reliability - Responsiveness - Assurance - Empathy.

We applied this scale on the members of sport clubs, through 27 items for the service quality. The coefficient of honesty Cronbach alpha was 0.78.

## RESULTS AND DISCUSSION

Table 2 presents the correlation coefficients, which used in analyzing the data. There is a modest degree of service quality (3, 14), in the sport clubs on all axes of the scale: tangibles, reliability, responsiveness, assurance, empathy. In addition, there is a modest degree in the axes: (clarity of *work roles* at employees) (3.39), (training and development) (3.04) and (interaction between employees and active members) (3.35). Also, There is a low degree in the axes: relations among the club employees (2.79), reward employees (2.66), communications within the club (2.18) and motivation of employees (2.80).

### Clarity of Work Roles:

- The regression coefficient for (Clarity of work roles) is (B1 = 0.33), this means that the regression coefficient is positive and the relationship between the clarity of work roles among employees sport clubs and the level of service quality is a direct correlation, in the sense that increasing clarity of work roles among employees lead to increase service quality.
- Correlation coefficient = 0.60, also means that the relationship between the clarity of work roles among employees and the level of service quality is a direct correlation and strength of this relationship is 0.61 at a level significant < 0.05.
- The value of t-test = 3.2 confirms that there is a positive correlation with statistical significance between the clarity of work roles among employees and service quality.

Table 2: Mean and standard deviation and correlation coefficients between study variables

Dimensions	m	Standard Deviation	r									
			1	2	3	4	5	6	7	8		
Service quality	3,14	0.132	1.00									
Clarity of work roles.	3,39	0.28	0.60 **	1.00								
Developing and training.	3,04	0.35	0.53**	0.14*	1.00							
Reward employees.	2,66	0.36	0.58 **	0.12*	0.14*	1.00						
The relations among employees.	2,79	0.33	0.54 **	0.21**	0.15*	0.22 **	1.00					
Communication with in the club.	2,18	0.17	0.57 **	0.16 **	0.11*	0.12 *	0.13*	1.00				
Motivation of employees.	2,80	0.26	0.58 **	0.16**	0.17**	0.13*	0.16*	0.18 *	1.00			
Interaction between employees.	3.35	0.34	0.65**	0.18 **	0.11 *	0.10 *	0.21 *	0.14 *	0.12 **	1.00		

\*\* P < 0.05.\* P < 0.01

Table 3: Results of multiple regressions for the relation between the independent variables and the dependent variable

Dependent variable	Independent variables	B	t
The service quality	Clarity of work roles.	0.33	3.2
	Developing and training.	0.32	3.3
	Reward employees.	0.38	3.8
	The relations among employees.	0.29	3.6
	Communication within the club.	0.24	4.2
	Motivation of employees.	0.28	3.9
	Interaction between employees.	0.42	3.8

**Developing and Training:**

- The regression coefficient of developing and training is B2 = 0.32, that means the relationship between developing and training of person and service quality is a direct correlation, that is meaning more of developing and training leads to increase the level of service quality in sport clubs.
- Correlation coefficient = 0.53, also means that the relationship between the developing and training of person and service quality is a direct. the strength of this relationship is 0.53 significant at a level significant <0.05.
- The value of t-test = 3.3, that there is a positive correlation statistically significant between developing and training among employees and service quality in sport clubs.

**Reward Employees:**

- The regression coefficient of reward employees (B3 = 0.43), this means that the relationship between Reward employees and the service quality in sport clubs is a direct correlation, this is meaning that the increase of Reward employees leads to increased service quality.
- The correlation coefficient = 0.58, also means that the relationship between the Reward employees and the service quality is a direct correlation and the strength of this relationship is 0.58 at a level significantly <0.05.

- The value of t-test = 3.8, this confirms that there is a positive correlation with statistical significance between the Reward employees and service quality in sport clubs.

**The Relations among Employees:**

- The regression coefficient of the relations between employees is B4 = 0.34. This means that the relationship between the relations among employees and the service quality in sport clubs is a direct correlation, in the sense that the increase of the relations among employees leads to increased service quality.
- Correlation coefficient = 0.54, also means that the relationship between the relations among employees and service quality in sport clubs is positive and the strength of this relationship is 0.54 at a level significantly <0.05.
- The value of t-test = 3.6, this confirms that there is a positive correlation statistically significant between the relations among employees and the service quality clubs.

**Communication Within the Club:**

- The regression coefficient of communication within the club is B5 = 0.24, this means that the relationship between communication within the club and the service quality in clubs is a direct correlation, in the sense that an increase in communication within the club leads to increase the level of service quality.

- The correlation coefficient = 0.57, also means that the relationship between communication with in the club and the service quality is a direct correlation and strength of this relationship is 0.57 at a level significantly <0.05.
- The value of the t-test = 4.2, this confirms that there is a positive correlation with statistical significance between the communication within the club and the level of service quality.

#### **Motivation of Employees:**

- The regression coefficient of motivation of employees is  $B_6 = 0.28$ , This means that the relationship between motivation of employees and service quality in the clubs is a positive relationship, this is meaning that the increased motivation of employees leading to increased level of service quality in sport clubs.
- Correlation coefficient = 0.58, also means that the relationship between motivation of employees and the service quality in clubs is a direct correlation and strength of this relationship is 0.58 at a level significantly <0.05.
- The value of t-test = 3.9, this confirms that there is a positive correlation with statistical significance between the motivation of employees and the level of service quality in sport clubs.

#### **Interaction Between Employees:**

- The regression coefficient of interaction between employees is  $B_7 = 0.42$ . This means that the relationship between the interaction between employees, club members and the level of service quality is a positive relationship, meaning that greater interaction between employees and members of the club lead to increase the level of quality of service.
- Correlation coefficient = 0.65, also means that the relationship between the interaction between employees, club members and the level of service quality relationship is direct and the strength of this relationship is 0.65 at a level significantly <0.05.
- The value of t-test = 3.8 and this confirms that there is a positive correlation between the statistically significant interaction between employees, club members of and the service quality.

#### **CONCLUSION**

- The service quality in the clubs of Al-Ahly and Al-Zamalek was a medium degree where the average weighted to views and attitudes of club members is 3.14.
- There is a modest degree of clarity of work roles at club employees, where the arithmetic average weighted views and attitudes of employees in the search sample is 3.39.
- There is a modest degree of developing and training of employees in clubs, where the arithmetic average of the views and attitudes of employees in the search sample is 3.04.
- There is a low degree of relations among the employees of sport clubs, where the arithmetic average weighted of the views and attitudes of employees in the search sample is 2.79.
- There is a low degree of rewarding the employees in clubs; where the arithmetic average weighted of the views and attitudes of employees in the search sample is 2.66.
- There is a low degree of the communication within the club, where the arithmetic average weighted of the views and attitudes of employees in the search sample is 2.18.
- There is a low degree of motivation of employees in the clubs, where the arithmetic average weighted of the views and attitudes of employees in the search sample is 2.80.
- There is a modest degree of the interaction between employees and club members, where the arithmetic average weighted of the views and attitudes of employees is 3.35.
- There is a positive correlation with statistical significance between the internal marketing (clarity of work roles, developing and training, reward employees, the relations among employees, communication within the club, motivation of employees and interaction between employees) and the level of service quality which is provided to members of the club.

#### **Recommendations**

- The departments of sport clubs should be adopt the concept of internal marketing through the strategies and programs geared to meet the needs and wishes of internal customers (employees) because they represent the primary market.

- DevelopING strategies for the development of services provided to members of clubs.
- The job descriptions within the sport club in the various disciplines for the clarity of work that it should do.
- Training of employees in sport clubs continually.
- Planning and implementation of rewards and incentives, both material and moral integrity for the employees who achieve outstanding performance in providing good service to the members.
- The communication process should be two-way between employees and management of the club. This is allowing resolving problems of work quickly and reflecting the proposals of employees.
- Increasing the interaction between the employees and the club members.
- Ongoing assessment of the quality of service provided to members in all its dimensions to ensure that they are satisfied with this service.
- Sport clubs should interest to respond quickly and meet the demands of club members as factors affecting service quality.

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