Logical Creations Education Research Institute
JOURNAL OF MANAGEMENT & EDUCATIONAL RESEARCH INNOVATION
E-ISSN: XXXX-XXXX
Web: www.jomeri.org | Email: editor@jomeri.org
Volume-01, Issue Number-02 | June-2023

Internal Marketing Practices in the Services of Business Schools: 7Ps Determinant Analysis

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DOI: 10.5281/zenodo.10066935

ABSTRACT

The demand for management education has increased after Covid-19 due to quality placement. The heavy competition among the Business Schools led to rigorous marketing to attract more end customers (Students). Hence they adopted external marketing. Quality of service cannot be offered in the absence of quality employees. Hence, B-Schools adopted internal marketing. Generally, service businesses are influenced by the 7Ps of the marketing mix. The present study attempts to investigate whether the 7Ps of marketing mix influence the internal marketing practices of B-schools. This article aims to investigate the impact of the 7Ps of Marketing Mix on the internal marketing practices of B-schools. The present study has adopted a purposive sampling method. Primary data have been collected through a 5-point Likert scale questionnaire from 100 respondents working in the top 10 management institutions of Assam, India. Regression analysis was carried out to test the established hypotheses. It has been found that the pack of service, people involvement, and process followed, have a better impact on the internal marketing practices of business schools than other variables. If B-Schools wish to gain a competitive advantage need to focus on quality service delivery and make every external customer employable.

Keywords: Business Schools, 7Ps of Marketing Mix and Internal Marketing Practices

Cite as: Dr. V. T. Vasagan. (2023). Internal Marketing Practices in the Services of Business Schools: 7Ps Determinant Analysis. *Journal of Management & Educational Research Innovation (JOMERI)*, *1*(2), 33–40. https://doi.org/10.5281/zenodo.10066935

INTRODUCTION

According to MHRD-NIRF ranking for the year 2022 has reported that there are around 5447 institutions are offering management education in India. These Business Schools claim to offer a great quality of management education and placements. According to the survey conducted by the Graduate Management Admission Council (GMAC) found that the proportion of management education aspirants to study at business schools within the country has surged to 28% in 2021 from 18% before the Covid-19 pandemic due to quality placement. The spirit of competition among the Business Schools of India is observed to be very sky-scraping. Every business schools are involved in rigorous marketing to attract more end customers (Students) to generate required income to function the institutions profitably. The marketing practices followed to attract more end customers are denoted to be External

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Marketing. Business schools will not be able to provide services to the end customers directly in the absences of employees who are considered as internal customers (Teachers). Hence, they want to attract and retain high qualified internal customers to provide quality service directly to the external customers on behalf of business schools. Thus the marketing practices adopted to attract high qualified internal customers are known as Internal Marketing. The research studies in respect of internal marketing and benchmarking found that business schools can function effectively when they adopt best practices rather than performance based activities. As the business schools are confined with sale of services, the 7Ps of marketing mix may have an influence on internal marketing. The present research attempts to explore the impact of 7Ps of marketing mix on internal marketing practices of business schools.

MEANING OF INTERNAL MARKETING

The concept of internal marketing was first propounded as a solution to the problem of consistently delivering high service quality by Berry et al, (1976) later by George (1977), and Murray (1979). Berry (1981) has stated that internal marketing is the process of " viewing employees as internal customers, viewing jobs as internal products that satisfy the needs and wants of those internal customers while addressing the objectives of the organization."

Berry and Parasuraman (1991) have defined, "Internal marketing as the process of attracting, developing, motivating and detaining qualified employees through job-products that satisfy their needs." According to them, internal marketing attract, develop, motivate and detain qualified employees to serve the external customers in best way. Business schools by providing quality service are able to attract more external customers. Since the business schools service directly rendered by quality internal customers therefore they want to have best employees to deliver best service.

7Ps OF MARKETING MIX

The marketing mix refers to the set of actions, or tactics, that a company uses to promote its brand or product in the market. Marketing mix is the combination of products, pricing, places and promotions which were later expanded by including People, Processes and Physical Evidence that differentiate organization from its competitors. These seven elements together are referred to as the "Seven Ps." A key tool for figuring out what the goods or services can provide and how to plan for a successful product offering is the marketing mix. Product or service refers to what the company make or service offer for the customers. Pricing refers to the cost of production of product with the profit margin the company. Place refers to platform at which the product or service offered for sale. Promotion refers to the overall campaign of communications used to sell a product. People refer to the employees who serve the external customers. Processes refer to the way through which the product or service offered for sale. Physical Evidence refers to evidence created for the consumption of product or service. Thus, this study identifies the relationship between internal marketing practices of business schools and service marketing mix (7Ps). The implication of this study is to improve the quality of the service of the management education service providing organizations or business schools.

LITERATURE REVIEW

Literature review shows that sufficient amount of research work is done on internal marketing in different field of corporate business (Zeithaml et al (1993); Sanchez et al (2006); Hale, (1998); Kotler, (1972); Dülgeroğlu & Taşkin (2015); Griffin (2002). The study by Davis considered employee's commitment as one of the variable of internal marketing practices, while, David Ballantyne, (2003) has

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come with a theory for internal marketing, believed that internal marketing creates value for an organization, for its customers and for its employees. Pitt et al (1999) if the organization renders poor service ultimately loose competitive advantage external customers as well. Piercy and Morgan, (1991 made a study on customer satisfaction. Organizations pay little attention on customer satisfaction and thereby lose market. By adopting internal marketing practices, they are able gain back the market by satisfying end customers. Morgan, (2004) in their study have found the business agility enable organizations to serve external customers quickly through efficient internal customers. Kameswari & Rajyalakshmi, (2012) in their studies have explained the role of internal marketing in job satisfaction of employees.

But there are less research work on internal marketing practice and 7Ps of marketing mix in respect of B-schools. The present study attempts to fill the gaps that exist in the internal marketing practice of business schools.

METHODOLOGY

Given the survey of literature and scope, the objective established for the purpose of the study is:
To identify the most influencing 7Ps Marketing Mix on the Services of Business Schools.

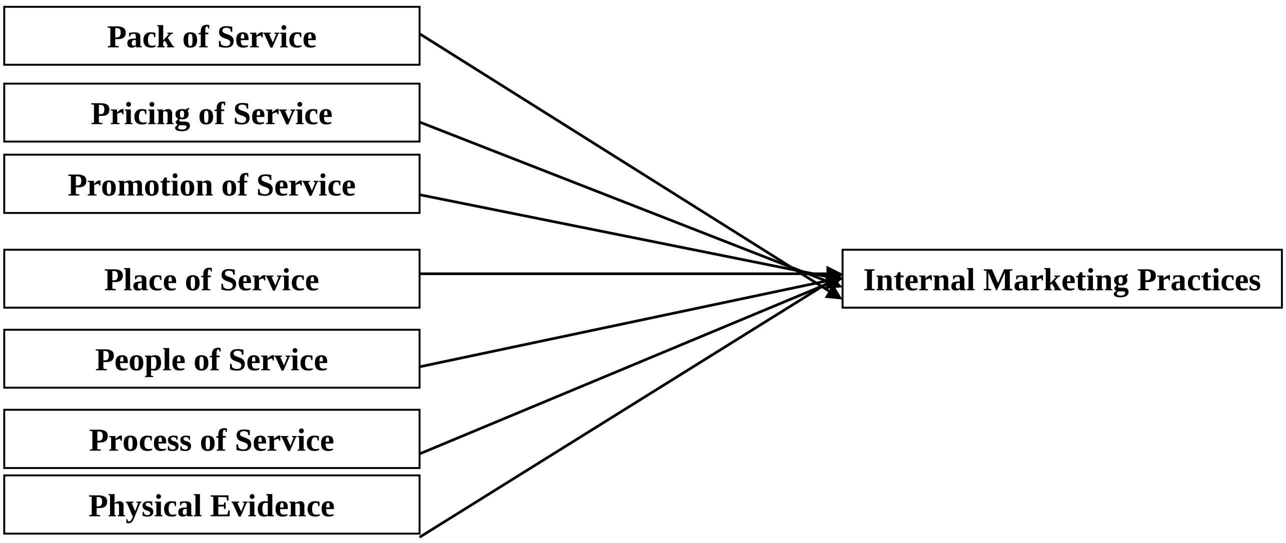

Figure -1: CONCEPTUAL FRAMEWORK (Constructed by author)

HYPOTHESES CONSIDERED FOR THE STUDY

Given the survey of literature, scope and objectives, the hypotheses established for the purpose of the study are as follows:

H1: Pack of Service of Business Schools has no impact on Internal Marketing Practices.
H2: Pricing of Services of Business Schools has no impact on Internal Marketing Practices.
H3: Promotion of Services of Business Schools has no impact on Internal Marketing Practices

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H4: Place of Services of Business Schools has no impact on Internal Marketing Practices.
H5: People's involvement in the Services of Business Schools has no impact on Internal Marketing Practices.
H6: Process followed in the Services of Business Schools has no impact on Internal Marketing Practices.
H7: Physical Evidence created by the Services of Business Schools has no impact on Internal Marketing Practices.

METHODOLOGY

The present study has adopted purposive sampling method. Primary data was collected through a 5 point Likert scale questionnaire from top 10 management institutions of Assam in which professors and head of the institutions have taken part. A survey has been floated and 100 responses have been received. The present study adopted induction method in order to apply finding of the study into Business schools. The values are allotted for strongly agree, agree, neutral, disagree and strongly disagree in the order of 5,4,3,2 and 1 respectively. The study has seven independent variables and one dependent variable, a regression model based on the hypotheses established for the purpose of the study is developed and given in the form of equation below:

$Y = \alpha + \beta 1X1+\beta 2X2+ \beta 3X3+\beta 4X4+ \beta 5X5+\beta 6X6+ \beta 7X7+ \varepsilon$

Where

Y = Internal Marketing Practices
X1 = Pack of Service of Business Schools
X2 = Pricing of Services of Business Schools
X3 = Promotion of Services of Business Schools
X4 = Place of Services of Business Schools
X5 = People's involvement of Services of Business Schools.
X6 = Process followed in the Services of Business Schools
X7 = Physical Evidence created by the Services of Business Schools
β = Coefficient
ε = error term

DATA ANALYSIS AND RESULTS

RESULTS & DISCUSSION

This section deals with analysis and interpretation of results obtained from the collection of data. The obtained results are as follows:

Table No: 1 Reliability Statistics

Factors	Cronbach's Alpha	N of Items
Pack of Service of Business Schools	.870	4
Pricing of Services of Business Schools	.897	4
Promotion of Services of Business Schools Services	.824	6
Place of Services of Business Schools	.817	4
People's involvement of Services of Business Schools.	.824	4
Process followed in the Services of Business Schools	.886	4

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Physical Evidence created by the Services of Business Schools	.926	3

Source: Compiled from Survey Data

The reliability test ensures the data considered for the study are found to be sound and replicable and the results derived from data are accurate. Reliability test was carried out for the variable considered for the study. The desired benchmark value is 0.7. Here, all the constructs have reliability coefficient are greater than the benchmark value. Hence, it has been concluded that the questionnaire considered for the constructs are appropriate.

Table No: 2 Regression Model Summary for Internal Marketing Practices

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	
1	.647[a]	.418	.367	.53122	.418	8.185	8	91	.000	1.773
a. Predictors: (Constant), Participation of Services, Place of Management Education Services, Physical Evidence created by Management Education Services, Pricing of Management Education Services, Promotion of Management Education Services, Management Education Service Pack, People involvement in Management Education Services, Process followed in Management Education Services										
b. Dependent Variable: Internal Marketing Practices										

Source: Compiled from Survey Data

In Model summary Table No: 2, R represents the high level of positive correlation between variables which is 0.647. The R2 indicates the total variation in the dependent variable, Internal Marketing Practices, can be explained by the independent variables, Pack of Service of Business Schools, Pricing of Services of Business Schools, Promotion of Services of Business Schools, Place of Services of Business Schools, People's involvement of Services of Business Schools, Process followed in the Services of Business Schools and Physical Evidence created by the Services of Business Schools. It has been observed that R2 value is 41% and there are 59% of factors other than independent variables have an impact on Internal Marketing Practices of the business schools. The significance value is 0.000 which is smaller than the table values of 0.01. Hence, the null hypothesis is rejected. Therefore, the 7Ps of Marketing Mix have a significant impact on Internal Marketing Practices of Business School Service. This is further discussed with the help of ANOVA analysis.

Table No: 3 ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.477	8	2.310	8.185	.000[b]
	Residual	25.680	91	.282		

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	Total	44.157	99			
a. Dependent Variable: Internal Marketing Practices						
b. Predictors: (Constant), Participation of Services, Place of Management Education Services, Physical Evidence created by Management Education Services, Pricing of Management Education Services, Promotion of Management Education Services, Management Education Service Pack, People involvement in Management Education Services, Process followed in Management Education Services						

Source: Compiled from Survey Data

ANOVA Table No: 3 show whether the model's R2 i.e, explanatory power or goodness of fit. Here, the significant value which is smaller than 0.01, it depicts that the model's explained variations are significant, which means dependent variable Internal Marketing Practices are significantly predicted by independent variable 7Ps of Marketing Mix at 99% of confident level.

Table No: 4 Coefficients

	Std. Error	Beta	t	Sig.
(Constant)	.402		3.094	.003
Pack of Service of Business Schools.	.125	-.407	-3.245	.002
Pricing of Services of Business Schools.	.095	.126	1.265	.209
Promotion of Services of Business Schools.	.142	-.042	-.331	.741
Place of Services of Business Schools.	.107	.201	2.062	.042
People's involvement of Services of Business Schools.	.149	-.016	-.118	.003
Process followed in the Services of Business Schools.	.136	.406	2.753	.004
Physical Evidence created by the Services of Business Schools.	.094	.165	1.528	.130

Source: Compiled from Survey Data

In Table 4, Pack of Service of Business Schools, People's involvement of Services of Business Schools and Process followed in the Services of Business Schools have 'p' value is less than 0.05, which demonstrate that the significant relationship between Pack of Service of Business Schools, People's involvement of Services of Business Schools and Process followed in the Services of Business Schools and Internal Marketing Practices of Business Schools. Other variables 'p' values are more than 0.05 hence have no impact on internal marketing practices of Business Schools.

Table No: 5 Hypotheses Assessment Summary

Sl.No		Sig.	Remarks
H_1:	Business Schools Service Pack has no impact on Internal Marketing Practices.	.002	Rejected
H_2:	Pricing of Business Schools has no impact on Internal Marketing Practices.	.209	Retained

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H_3:	Promotion of Business Schools has no impact on Internal Marketing Practices.	**.741**	**Retained**
H_4:	Place of Business Schools has no impact on Internal Marketing Practices.	**.042**	**Retained**
H_5:	People involvement in Business Schools Services has no impact on Internal Marketing Practices.	**.003**	**Rejected**
H_6:	Process followed in Business Schools Services has no impact on Internal Marketing Practices	**.004**	**Rejected**
H_7:	Physical Evidence created by Business Schools Services has no impact on Internal Marketing Practices	**.130**	**Retained**

Source: Compiled from Survey Data

H1, H5 and the H6 are rejected because the Service Pack, People involvement and the Process followed have an impact on Internal Marketing Practices of Business Schools. H2, H3, H4, and H7 have no impact on Internal Marketing Practices of Business Schools.

CONCLUSION AND RECOMMENDATIONS

FINDINGS AND RECOMMENDATIONS

Hypotheses assessment summary depicts that as the Business Schools provided a set of service along with quality of teaching to the end customers (Students) through internal customers (Teachers), the degree of end customers' satisfaction found to be very high. At the same time, the involvement of internal customers (Teachers) in each and every activity of Business Schools brought positive results not only in the performance organization but also in the performance of internal as well as to the external customers. The processes followed in delivery of service also bring positive results in different forms to the entire stakeholder of Business Schools.

CONCLUSION

The business of service organization is vulnerable to 7Ps of marketing mix. This is found to be true in the obtained results. Since the business schools deals with human resource, much care has to be taken in imparting quality management education. They have responsibility to mould external customer to be employable. Hence due attention need to be paid on the 7Ps components of marketing mix it the business schools wish to gain competitive advantage.

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