

## CHAPTER – IV

### INTERNAL MARKETING AND PERFORMANCE

#### 4.1. Introduction

Internal Marketing practices are adapted aiming to improve the performance of the organization. This is possible with the improvement in the performance of internal customers. This should be reflected in the performance of external customer which is dealt by this section.

#### 4.2. The Component of Internal Marketing

Most of the literature review of internal marketing is constrained with attracting, training, developing, and retaining the employees. But less works has been done in the domain of 7Ps. Naude et al<sup>236</sup>, (2003) identifies the determinants of internal marketing orientation that enables the organizations to achieve success in their business. But it failed to explain the component of 7Ps. These 7ps of marketing mix has high influence on service delivery. According to Zeithaml et al<sup>237</sup>, (2006) marketing mix refers to the set of actions, or tactics, that a company uses to promote its brand or product or services in the market. The four traditional Ps of the marketing mix- Product, Place, Price and Promotion are adequate for marketing a product. However, research scholars failed to identify the intangible aspects which differentiates product from services. Given the special features of services like perishability, intangibility and inseparability, which distinguish them from goods, strategist and marketer added three extra elements to the marketing mix for services. Earlier researches realized that People, Process and Physical Evidence play a greater role in the marketing of services than in the marketing of goods. When these 7Ps of marketing mix are considered as

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<sup>236</sup> Naude, P., Desai, J., & Murphy, J. (2003), "Identifying the determinants of internal marketing orientation", *European Journal of Marketing*, Vol 37, Issue No 9, Pp 1205-1220.

<sup>237</sup> Zeithaml, V.A, Bithner, M.J & Gremler, D.D (2006), "Service Marketing: Integrating Customer focus across the firm", McGraw-Hills, New York

Internal Marketing Mix, then it has greater value; and, the value added services can be provided by the internal customers of the organizations for the greater interest of external customers.

#### **4.2.1. Product in the form of Service Pack**

It refers to the item actually being sold. The product must deliver a minimum level of performance; otherwise even the best work on the other elements of the marketing mix won't do any good. But in the services sector, customers seek various benefits when they purchase intangible services. Customers' needs variety of services attached to single services as viewed by **Zeithaml et al<sup>238</sup> (1993)**. The service provided to the external customers should be a package. Along with the service, they must get some tangible product and various benefit associated with the services. The package should be mixture of both tangible and intangible product. These are to be produced and delivered by internal customers.

#### **4.2.2. Pricing of Services**

It refers to the value that is put for a product [**Sanchez et al<sup>239</sup>(2006)**]. It depends on the cost of production, segment targeted, ability of the market to pay, supply - demand and a host of other direct and indirect factors. There can be several types of pricing strategies, each tied in with an overall business plan. Pricing can also be used as a demarcation, to differentiate and enhance the image of a product. **Hale<sup>240</sup> (1998)** states that the best reward system brings the best output in service industries. They emphasize on the best strategy for

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<sup>238</sup> Zeithaml, V.A., Berry, L.L. and Parasuraman, A. (1993), "The nature and determinants of customer expectations of service", *Journal of the Academy of Marketing Science*, Vol. 21, Issue No. 1, Pp. 1-12.

<sup>239</sup> Sanchez, J, Callarisa, L.J., Rodriguez, R.M. & Moliner, M.A. (2006). "Perceived value of the purchase of a tourism product", *Tourism Management*, Vol 27, Issue No 4, Pp 1-10.

<sup>240</sup> Hale,J.(1998), "Strategic rewards: keeping your best talent from walking at the door", *Compensation and Benefits Management*, Vol.14, Issue No.3, Pp. 50-71.

rewarding services. According to **Kulkarni and Dixit**<sup>241</sup> (2012) pay package is a major contemporary issue in retention of faculty in technical institutions. Thus the price that is paid to internal customers should take into account the cost of production of services, living cost and also give the best fringe benefits so that the internal customers is able give out their best which will ensure quality service. Thus the organization should adapt the best pricing policy, which not only enables the internal customers to generate quality service but is also able retain them.

#### **4.2.3. Promotion of Services**

This refers to all the activities undertaken to make the product or services known to the user and trade **Kotler**<sup>242</sup> (1972). This can include advertising, word of mouth, press reports, incentives, commissions and awards to the trade. It also includes:

1. Personal Selling to internal customers as well as external customers
2. Publicity to internal customers as well as external customers
3. Public Relationship to internal customers and as well as external customers
4. Direct Marketing to internal customers as well as external customers

**Kumra and Vinnicombe**<sup>243</sup> (2008) in their research work, emphasis on public relation and direct marketing in order to increase sales for services. **Gronroos**<sup>244</sup> (1982) in his theory of applied service marketing emphasize on interactive marketing in which internal customers are

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<sup>241</sup> Ramesh R. Kulkarni and Dayavanti Dixit, (2012), "Pay Package is a Major Contemporary Issue in Retention of Faculty in Technical Institutions - an Empirical Study of North Karnataka" International Conference on Management and Education Innovation, Vol.37, Issue No 12, Pp290-294

<sup>242</sup> Kotler, Philip, (1972), "A Generic Concept of Marketing", Journal of Marketing, Vol. 36, Issue No2, Pp. 46-54.

<sup>243</sup> Kumra, S and Vinnicombe, S (2008). "A study of the promotion to partner process in a professional services firm: How women are disadvantaged", British Journal of Management, Vol.19, Issue No 1, Pp. S65-S74.

<sup>244</sup> Gronroos, C. (1982), "Strategic Management and Marketing in Service Sector", Marketing Science Institute, Cambridge, MA

involved in the promotion of services. Many external customers in management education providing organization buy services because of internal customer. These internal customers by having special interaction they can promote services. Here, organizations will have to make promotion of service through internal customer.

#### **4.2.4. Place of Services**

This refers to the point of sale. In every industry, catching the eye of the consumer and making it easy for them to buy it is the main aim of a good distribution or 'place' strategy [Berry & Parasuraman<sup>245</sup> (2004)]. Retailers pay a premium for the right location. In fact, the mantra of a successful retail business is 'location, location, location'. Dülgeroğlu & Taşkin<sup>246</sup> (2015) in their research work emphasis on place of service which includes neat, clean and hygienic working place adequate technological instruments, facilities physical conditions, climate of working space and internal customers' safety. This shows the readiness of internal customers in delivering service to the external customer. When services are provided according to need and place of internal customers, they are happier than when the organizations ask them to obtain the service at a location specified by them. Thus, place of service has high influence in selling of service. If management education service providing organizations facilitate this service to external customers, it may fulfill demand with quality.

#### **4.2.5. People of Services**

All companies are reliant on the people who manage front line Sales staff to the Managing Director (Dixon et al<sup>247</sup> 2010). Having the right people is essential because they are

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<sup>245</sup> Berry, L.L., Parasuram, (2004), "Marketing Services: Competing Through Quality, The Free Press, A Division of Macmillan, Inc. New York.

<sup>246</sup> İsmail, Dülgeroğlu, Çağatan Taskin, (2015), "Internal Marketing In Public Service Sector and Its Effect on Job Satisfaction", Electronic Journal of Vocational Colleges-October/Ekim 2015, Pp 1-6.

<sup>247</sup> Dixon, M, Freeman, K & Toman, N (2010) 'STOP trying to delight your customers', Harvard Business Review, Vol.88 Issue No (7/8), Pp. 116–22.

as much a part of business offering as the products/services offered (**Jaw et al<sup>248</sup> 2010**). These people are classified into:

1. Low Contact Service Providing Personals
2. High Contact Service Providing Personals
3. Moderate Contact Service Providing Personals
4. Consumer Service Employees
5. Professional Service Employees
6. Management Service Employees

Internal customers in management education service providing organization falls under the category of professional service employees who have high contact with the external customers. This domain should attempt to identify whether the organizations consider internal customers as a supplier of services connected with ultimate external consumers or not, whether the organization coordinate with internal consumers in service delivery and how do organization maintains relationship with the internal customer as a management practitioner and how organization reciprocate to the service provider i.e internal customer using appropriate service culture. The involvement of internal customer in the delivery of service will determine success for the business. Hence the organization may gain competitive advantage. Thus Management Education Service Proving organizations will have to adapt people involvement as a component in delivery of management education service.

#### **4.2.6. Process of Services**

A process should involve logical steps that can be broken down to increase efficiency. It should have elements of flexibility which would help in achieving different results to

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<sup>248</sup> Jaw,C,Lo,J-Y and Lin, Y-H.(2010), “The determinants of new service: Service characteristics, market orientation, and actualizing innovation effort,” *Technovation*, Vol. 30, Issue No 4, Pp.265-277, 2010.

produce the desired outputs (Franco et al<sup>249</sup> 1997). A service provider is required to have an understanding of the different processes available and their applicability in their business. Many decisions depend on the type of process chosen. Generally, there are two processes available to the service providing industries (Anklesaria<sup>250</sup>,2008). These are:

1. Line or Flow Operations
2. Job Shop Process

Service involves flow. It cannot be stored and delivered. Management education service too involves a particular flow. It is like the supply chain management. It starts with preparation and ends with result. Management Education Service Providing Organizations are not an exception to this. Under the most commonly perceived process involves: [a] Goals/Objectives—[b] Syllabus—[c] Lesson Preparation – [d] Teaching – [e] Testing --- [f] Evaluation – [g] Result – [h] Employment. Here in each stage internal customers are involved. Organizations must adapt this flow as the main component so that flow of service which begins with lesson preparation ends with converting the external customers as employable.

#### **4.2.7. Physical Evidence of Services**

Almost all services include some physical elements even if the bulk of what the consumer is paying for is intangible (Bitner<sup>251</sup>, 1990). For example a hair salon would provide their client with a completed hairdo and an insurance company would give their customers some form of printed material. Even if the material is not physically printed (in the

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<sup>249</sup> Lynne Miller Franco, Jeanne Newman, Gaël Murphy, Elizabeth Mariani, (1997), "Achieving Quality Through Problem Solving and Process Improvement", Quality Assurance Project, 7200 Wisconsin Avenue, Suite 600 Bethesda, MD 20814 USA.

<sup>250</sup> Anklesaria, J., (2008), "Shared value chain cost-reduction through innovative supplier relationships", paper presented at the Institute of Supply Management's 93rd Annual International Supply Management Conference, St Louis, MO, USA.

<sup>251</sup> Mary Jo Bitner, (1992), "Services capes: The Impact of Physical Surroundings on Customers and Employees", The Journal of Marketing, Vol. 56, Issue No. 2, Pp. 57-71.

case of PDF's) they are still receiving a "physical product" by this definition. **Griffin**<sup>252</sup> (1997), in his research identified the component which evidences for service delivery such as bill etc, in case of management education service providing organizations, the physical facilities, class rooms, materials provided by the Internal customers becomes physical evidence for service delivery. The physical evidence must have good quality that provides a kind of friendly atmosphere for external customers to learn with less stress. Thus, physical evidence should be a component of internal marketing.

#### **4.3. Objective**

[3] To ascertain the degree and direction of association between '**The internal marketing Practices**' in one hand and '**the organization's performance, the Internal Customers' performance and the external customers performance**' on the other hand.

#### **4.4. Hypothesis:**

[3] There is no significant association between '**The internal marketing Practices**' in one hand and '**the organization's performance, the Internal Customers' performance and the external customer's performance**' on the other hand.

#### **4.5. Latent variables considered for chapter 4 and purpose thereof**

[a] '**The internal marketing Practices**' - this variable has been considered to measure the degree of/ intensity of the Internal marketing practices followed by management of the 'management Education service providing Organizations' as perceived by the internal customers

[b] '**The organization's performance**' - this variable has been considered to measure the degree of or intensity of the organization's performance in respect of the 'Management Education Service Providing Organizations' as perceived by the management themselves.

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<sup>252</sup> Griffin, A. (1997) "PDMA Research on New Product Development Practices: Updating Trends and Benchmarking Best Practices", Journal of Product Innovation Management Vol.14 Issue No. 1, Pp 429-458.

**[c] The Internal Customers’ performance** - this variable has been considered to represent ‘**improvement on the quality external customers**’. As had been done in previous chapter, this variable has been considered **to** measure the Degree of or intensity of **improvement of quality vis -a-vis the performance the of External Customers** as perceived by external customers themselves in the ‘Management Education Service Providing Organizations’

**[d] The external customers performance’**- this has been used in the sense of **Improvement in the performance of the external customers’ in line with what has been done in previous chapter**. This variable has been considered **to** measure the degree of or intensity of **improvement in the performance of the external customers** as perceived by external customers themselves in the ‘Management Education Service Providing Organizations’.

#### **4.6. Scale Development in Chapter 4**

##### **[i] ‘The internal marketing Practices’**

[a] Item selection for scales

In order to test the above mentioned hypothesis the below mentioned variables are identified with the help of literature review and interview conducted with internal customers and external customers of the Management Education Services Providing Organizations.

**Table No: 4.1**  
**Items for Product in the form of Service Pack**

S.No.	Statement
8.1	Organization considers employees as supplier of services.
8.2	Organization considers employees as supplier of individual branding.
8.3	Organization considers employees as supplier of having different type of services capabilities.
8.4	Organization considers employees individual as suppliers of having different depth of services.

**Source: Questionnaire**



**Table No: 4.2**  
**Items for Pricing of Services**

<b>S.No.</b>	<b>Statement</b>
9.1	Organization considers employees as supplier of services who are paid based on full cost pricing.
9.2	Organization considers employees as supplier of services who are paid based on variable cost pricing.
9.3	Organization considers employees as supplier of services who are paid based on individual brand pricing.
9.4	Organization considers employees as supplier of services who are paid based on risk reward structure.

**Source: Questionnaire**

**Table No: 4.3**  
**Items for Promotion of Services**

<b>S.No.</b>	<b>Statement</b>
10.1	Organization considers employees as a channel partner.
10.2	Employees' supply of service is visible.
10.3	Organization considers employees as a promoter of the supply chain management.
10.4	Organization considers employees as participant in promoting the supplier of services.
10.5	Employees Promotes Services through attending seminars, workshops and conferences.
10.6	Employees Promotes Services by educating the External customers in best way.

**Source: Questionnaire**

**Table No: 4.4**  
**Items for Place of Services**

<b>S.No</b>	<b>Statement</b>
11.1	Organization recognizes suppliers of services in the work place.
11.2	Organization recognizes suppliers of services off the work place.
11.3	Organization recognizes suppliers of services from a distance without face to face contact.
11.4	Organization recognizes suppliers of services at the place of organization's customer.

**Source: Questionnaire**

**Table No: 4.5**  
**Items for People of Services**

<b>S.No</b>	<b>Statement</b>
12.1	Organization considers employees supply services connected with ultimate consumers.
12.2	Organization considers employees supply services coordinated with ultimate consumers.
12.3	Organization considers employees as a relationship management practitioner.
12.4	Organization reciprocate service provider using appropriate serve culture.

**Source: Questionnaire**

**Table No: 4.6**  
**Items for Process of Services**

<b>S.No</b>	<b>Statement</b>
13.1	Organization consider employees services as supplier of 'value addition services' to the external customers
13.2	Organization considers employees as supplier who fulfills the requirement of external customers.
13.3	Organization considers employees' approach to flexible process.
13.4	Organization consider employees as supplier as suppliers of interactive marketing effort to the external customers

**Source: Questionnaire**

**Table No: 4.7**  
**Items for Physical Evidence of Services**

<b>S.No</b>	<b>Statement</b>
14.1	Organization provides appropriate physical infrastructure to the employees who supplies the service to external customers
14.2	Organization provides service flow infrastructure to the employees who supplies the service to external customers
14.3	Organization provides organization structure to the employees who supply the service to external customers.

**Source: Questionnaire**

**Table No: 4.8**  
**Items for Participation of Services**

<b>S.No.</b>	<b>Statement</b>
15.1	Organization consider employees as internal customer in the procure of services targeting the external customer
15.2	Organization consider employees as internal customer for evolving and

	developing services targeting the external customer
15.3	Organization consider employees as internal customer for logistics development targeting the external customer
15.4	Organization consider employees as internal customer for key strategic activities targeting the external customer
15.5	Organization consider employees as internal customer for service life cycle management targeting the external customer

**Source: Questionnaire**

**[b] Reliability of Scales**

[i] Overall including all institutions

<b>Table No: 4.9</b>		
<b>Overall Reliability Statistics of Internal Marketing Practices</b>		
<b>Cronbach's Alpha</b>	<b>Cronbach's Alpha Based on Standardized Items</b>	<b>No of Items</b>
.953	.953	34

*Source: based on Survey data*

<b>Table No: 4.10</b>							
<b>Summary Item Statistics Internal Marketing Practices</b>							
	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	No of Items
Item Means	3.486	2.990	4.030	1.040	1.348	.046	34
Item Variances	.632	.463	.794	.332	1.717	.009	34

*Source: based on Survey data*

[ii] Institute wise reliability of scale

<b>Table No: 4.11</b>			
<b>Institute wise Reliability Statistics Internal Marketing Practices</b>			
<b>Name of the Institutions</b>	<b>Cronbach's Alpha</b>	<b>Cronbach's Alpha Based on Standardized Items</b>	<b>No of Items</b>
AIM	.983	.985	34
AU	.969	.969	30
DBIM	.877	.902	34
DU	.973	.964	34
GIMT	.862	.838	34

GU	.923	.908	34
KU	.964	.967	34
NERIM	.976	.978	34
RSM	.871	.891	34
TU	.713	.735	34

*Source: based on Survey data*

From the above Table No. 4.11 it is observed that scale considered for the study is reliable since calculated Cronbach's Alpha values are more than 0.70

**[c] Interpretation of the Scale Developed**

The more is the value; more is the degree of or intensity of the Internal Marketing Practices followed by management of the 'management Education service providing Organizations' as perceived by the internal customers.

**[d] Descriptive Statistics of the scale**

[i] Overall mean score of the degree of/ intensity of the internal marketing practices followed by management of the 'management Education service providing Organizations' as perceived by the internal customers

<b>Table No: 4.12</b>			
<b>Overall Scale Statistics of the degree of internal marketing practices followed by management of the 'management Education service providing Organizations' as perceived by the internal customers</b>			
<b>Mean score</b>	<b>Variance</b>	<b>Std. Deviation</b>	<b>No of Items</b>
118.54	284.695	16.873	34

*Source: based on Survey data*

From the above it is observed that mean score of degree of internal marketing practices followed by management of the 'management Education service providing Organizations' as perceived by the internal customers is 118.54.

[ii] Institute wise mean score of the degree of internal marketing practices followed by management of the ‘management Education service providing Organizations’ as perceived by the internal customers

<b>Table No: 4.13</b>				
<b>Institute wise Scale Statistics of the degree of internal marketing practices followed by management of the ‘management Education service providing Organizations’ as perceived by the internal customers</b>				
<b>Name of the Institutions</b>	<b>Mean</b>	<b>Variance</b>	<b>Std. Deviation</b>	<b>No of Items</b>
AIM	130.00	435.778	20.875	34
AU	94.40	132.800	11.524	34
DBIM	124.11	112.361	10.600	34
DU	107.73	643.618	25.370	34
GIMT	117.33	119.250	10.920	34
GU	111.80	233.200	15.271	34
KU	117.50	386.273	19.654	34
NERIM	120.50	262.029	16.187	34
RSM	120.64	124.055	11.138	34
TU	119.90	62.322	7.894	34

*Source: based on Survey data*

Here, highest mean score 130.00 in respect of Assam Institute of Management and least score is 94.40 in respect of Assam University; thus, there exists variation in respect of the degree of internal marketing practices followed by management of the ‘management Education service providing Organizations’ as perceived by the internal customers.

[e] Normality Test of the Distribution of the data of the scale

[i] Overall data

<b>Table No: 4.14</b>
<b>Overall data of One-Sample Kolmogorov-Smirnov Test for Degree of Internal Marketing Practices followed by Management of MESPO as perceived by the Internal Customers</b>

<b>N</b>		100
<b>Normal Parameters<sup>a,b</sup></b>	Mean	118.5400
	Std. Deviation	16.87292
<b>Most Extreme Differences</b>	Absolute	.094
	Positive	.057
	Negative	-.094
<b>Kolmogorov-Smirnov Z</b>		.939
<b>Asymp. Sig. (2-tailed)</b>		.341
a. Test distribution is Normal.		
b. Calculated from data.		

*Source: based on Survey data*

[ii] Institute wise data

<b>Table No: 4.15</b>			
<b>Institute wise data of One-Sample Kolmogorov-Smirnov Test for Degree of Internal Marketing Practices followed by Management of MESPO as perceived by the Internal Customers</b>			
<b>Name of the institution</b>			
AIM	N		10
	Normal Parameters <sup>a,b</sup>	Mean	124.1000
		Std. Deviation	9.99389
	Most Extreme Differences	Absolute	.217
		Positive	.117
		Negative	-.217
	Kolmogorov-Smirnov Z		.686
Asymp. Sig. (2-tailed)		.735	
AU	N		5
	Normal Parameters <sup>a,b</sup>	Mean	124.2000
		Std. Deviation	14.75466
	Most Extreme Differences	Absolute	.155
		Positive	.155
		Negative	-.125
	Kolmogorov-Smirnov Z		.347
Asymp. Sig. (2-tailed)		1.000	
DBIM	N		9

	Normal Parameters <sup>a,b</sup>	Mean	115.1111
		Std. Deviation	11.72012
	Most Extreme Differences	Absolute	.161
		Positive	.102
		Negative	-.161
	Kolmogorov-Smirnov Z		.483
	Asymp. Sig. (2-tailed)		.974
DU	N		11
	Normal Parameters <sup>a,b</sup>	Mean	106.7273
		Std. Deviation	25.22733
	Most Extreme Differences	Absolute	.153
		Positive	.123
		Negative	-.153
	Kolmogorov-Smirnov Z		.507
Asymp. Sig. (2-tailed)		.959	
GIMT	N		9
	Normal Parameters <sup>a,b</sup>	Mean	117.5556
		Std. Deviation	20.72505
	Most Extreme Differences	Absolute	.321
		Positive	.120
		Negative	-.321
	Kolmogorov-Smirnov Z		.962
Asymp. Sig. (2-tailed)		.313	
GU	N		5
	Normal Parameters <sup>a,b</sup>	Mean	117.2000
		Std. Deviation	14.27235
	Most Extreme Differences	Absolute	.278
		Positive	.278
		Negative	-.158
	Kolmogorov-Smirnov Z		.621
Asymp. Sig. (2-tailed)		.836	
KU	N		12
	Normal Parameters <sup>a,b</sup>	Mean	120.5833
		Std. Deviation	7.16631
	Most Extreme	Absolute	.162

	Differences	Positive	.102
		Negative	-.162
	Kolmogorov-Smirnov Z		.560
	Asymp. Sig. (2-tailed)		.912
NERIM	N		18
	Normal Parameters <sup>a,b</sup>	Mean	122.8889
		Std. Deviation	18.94540
		Most Extreme Differences	Absolute
	Positive		.172
	Negative		-.124
	Kolmogorov-Smirnov Z		.728
Asymp. Sig. (2-tailed)		.663	
RSM	N		11
	Normal Parameters <sup>a,b</sup>	Mean	122.8182
		Std. Deviation	16.99305
		Most Extreme Differences	Absolute
	Positive		.162
	Negative		-.127
	Kolmogorov-Smirnov Z		.539
Asymp. Sig. (2-tailed)		.934	
TU	N		10
	Normal Parameters <sup>a,b</sup>	Mean	112.8000
		Std. Deviation	15.26652
		Most Extreme Differences	Absolute
	Positive		.169
	Negative		-.140
	Kolmogorov-Smirnov Z		.533
Asymp. Sig. (2-tailed)		.939	
a. Test distribution is Normal.			
b. Calculated from data.			

**Source: based on Survey data**

Since the Asymp. Sig (2-tailed values computed above are more than 0.50, it is concluded that the population follow normal distribution. This is true for over all data as well as institute wise data.



**[ii] ‘The organization’s performance’**

[a] Item selection for scales

In order to achieve this objectives item of the scale were identified from literature review relating to the latent variable under consideration. Responses are measured in 2 point scale.

**Table No: 4.16**  
**Items to measure Organization Performance as perceived by Management**

<b>S.No</b>	<b>Statement</b>
16.1	Curriculum Designed and Developed as per the requirement of the External customers and society.
16.2	Organization adopts academic flexibility.
16.3	Organization entertains feedback on curriculum from Internal customers and experts.
16.4	Curriculums are timely updated.
16.5	Organization adopts systematic admission procedure.
16.6	Organization provides better catering facilities.
16.7	Organization adopted best teaching –learning process.
16.8	Organization adopted best evaluation process.
16.9	Organization promotes research.
16.10	Organization encourages Internal customers to involve research and publication works.
16.11	Organization provides consultancy service.
16.12	Organization collaborates with other institute to promote education.
16.13	Organization work for External customers’ progress.
16.14	Organization support to carry External customers’ activities.
16.15	Organization provides necessary physical facilities.
16.16	Organization maintains good physical infrastructure
16.17	Organization has best library facilities.
16.18	Organization has IQAC
16.19	Organization has adopted best management practices

**Source: Questionnaire**

## [b] Reliability of Scales

[i] Overall including all institutions

<b>Cronbach's Alpha</b>	<b>Cronbach's Alpha Based on Standardized Items</b>	<b>No of Items</b>
.806	.812	19

*Source: based on Survey data*

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	No of Items
Item Means	.838	.600	.950	.350	1.583	.010	19
Item Variances	.134	.050	.253	.203	5.053	.003	19

*Source: based on Survey data*

From the above Table No 4.17 it is observed that scale considered for the study is reliable since calculated Cronbach's Alpha values are more than 0.70.

## [c] Interpretation of the Scale Developed

The more is the scale value: more is the Degree of Internal Marketing Mix Impact on Organization Performance and vice versa.

## [d] Descriptive Statistics of the scale

[i] Overall mean score of Degree of Internal Marketing Mix Impact on Organisation Performance.

<b>Mean score</b>	<b>Variance</b>	<b>Std. Deviation</b>	<b>No of Items</b>
10.05	6.155	2.481	19

*Source: based on Survey data*

From the above it is observed that the mean score of Degree of Internal Marketing Mix Impact on Organisation Performance is 10.05.

[ii] Institute wise

<b>Table No: 4.20</b>	
<b>Institute wise Degree of Organisation Performance as Perceived By Management</b>	
<b>Name of Institutions</b>	<b>Mean</b>
AIM	17
AU	14.5
DBIM	19
DU	12
GIMT	19
GU	19
KU	19
NERIM	15
RGI	17
TU	19

*Source: based on Survey data*

Here, highest mean score 19 in respect of DBIM , GIMT, GU, and TU least score is 14.5 in respect of Assam University; thus, there exists variation in respect of the degree of Organisation Performance as Perceived By Management in MESPOs.

**[a] Normality Test of the Distribution of the data of the scale**

[i] Overall data

<b>Table No: 4.21</b>		
<b>Overall data One-Sample Kolmogorov-Smirnov Test for Degree of Organization Performance as Perceived By Management</b>		
N		<b>20</b>
<b>Normal Parameters<sup>a,b</sup></b>	Mean	<b>17.0500</b>
	Std.	<b>2.48098</b>

	Deviation	
<b>Most Extreme Differences</b>	Absolute	<b>.284</b>
	Positive	<b>.216</b>
	Negative	<b>-.284</b>
<b>Kolmogorov-Smirnov Z</b>		<b>1.270</b>
<b>Asymp. Sig. (2-tailed)</b>		<b>.079</b>
a. Test distribution is Normal.		
b. Calculated from data.		

*Source: based on Survey data*

Since the Asymp. Sig (2-tailed) values computed above are more than 0.50, it is concluded that data in the population follow normal distribution. This is true for overall data as well as institute wise data.

#### **4.7. Data set generation**

For the purpose of the statistical test the average scores based on the above mentioned reliable scales in respect of the above parameters of all the management education service providing institutes were developed and resulted into the following

**Table No: 4.22**  
**Data set generation for Degree of Internal Marketing Practices and Organisation Performance, Quality of Internal Customers and Quality of Internal Customers**

<b>Name of Institutions</b>	<b>Degree of Internal Marketing Practices [as perceived by Internal customers]</b>	<b>Degree of Organisation Performance as Perceived By Management</b>	<b>Degree of Quality of Internal Customers (Internal customers) as perceived by <u>Internal customers [from previous chapter]</u></b>	<b>Degree of Quality of Internal Customers as perceived by the External customers [<u>from previous chapter]</u></b>
AIM	130.00	17	6.30	61.4182
AU	94.40	14.5	1.56	60.0750
DBIM	124.11	19	3.36	57.6250
DU	107.73	12	3.44	58.9592
GIMT	117.33	19	6.40	58.1053

GU	111.80	19	4.25	58.1111
KU	117.50	19	3.83	57.2889
NERIM	120.50	15	5.91	56.4000
RSM	120.64	17	6.90	58.5439
TU	119.90	19	6.30	57.8974

*Source: based on Survey data*

#### 4.8. Hypotheses Testing for Chapter 4

##### A. Internal Marketing Practices and Organization Performance

[a] Corollary hypotheses are:

**H<sub>3a</sub>:** The Level of **internal marketing practices** do not affect the **organization's performance**.

[a]application of the Parametric / Non Parametric Test for

<b>Table No: 4.23</b>			
<b>Pearson Correlations between Degree of Internal Marketing Practice and Degree of Organisation Performance</b>			
		<b>Degree of Internal Marketing Practice as perceived by Internal customers</b>	<b>Degree of Organisation Performance as Perceived By Management</b>
<b>Degree of Internal Marketing Practice as perceived by Internal customers</b>	Pearson Correlation	1	.489
	Sig. (2-tailed)		.151
	N	10	10
<b>Degree of Organisation Performance as Perceived By Management</b>	Pearson Correlation	.489	1
	Sig. (2-tailed)	.151	
	N	10	10

*Source: based on Survey data*

Table No: 4.24 Spearman's rho Correlations between Degree of Internal Marketing Practice and Degree of Organisation Performance				
			Degree of Internal Marketing Practices as perceived by Internal customers	Degree Of Organisation Performance as Perceived by Management
Spearman's rho	Degree of Internal Marketing as perceived by Internal customers	Correlation Coefficient	1.000	.253
		Sig. (2-tailed)	.	.481
		N	10	10
	Degree of Organisation Performance as Perceived by Management	Correlation Coefficient	.253	1.000
		Sig. (2-tailed)	.481	.
		N	10	10

*Source: based on Survey data*

[b] Decision from the Hypothesis Tests applied / conducted

From the above it is observed that there exists low to moderate level of relationship between the Level of **internal marketing practices [as perceived by internal customers]** and **the organization's performance [ as perceived by management]** both in the sample as well as in the population. In other words, the Level of **internal marketing practices** do not affect **the organization's performance**

### **B. Internal Marketing Practices and Employees' Performance**

[b] Corollary hypotheses is

**H<sub>3b</sub>**: The Level of **internal marketing practices** do not affect the **employees' performance**.

[a] Application of the Parametric / Non Parametric Test for

<b>Table No: 4.25</b>			
<b>Pearson Correlations between Degree of Internal Marketing Practices and Degree of Quality of Internal Customers</b>			
		<b>Degree of Internal Marketing Practices as perceived by Internal customers</b>	<b>Degree of Quality of Internal Customers (Internal customers) as perceived by Internal customers</b>
<b>Degree of Internal Marketing as perceived by Internal customers</b>	Pearson Correlation	1	.724*
	Sig. (2-tailed)		.018
	N	10	10
<b>Degree of Quality of Internal Customers (Internal customers) as perceived by Internal customers</b>	Pearson Correlation	.724*	1
	Sig. (2-tailed)	.018	
	N	10	10

*Source: based on Survey data*

<b>Table No: 4.26</b>				
<b>Spearman's rho Correlations between Degree of Internal Marketing Practices and Degree of Quality of Internal Customers</b>				
			<b>Degree of Internal Marketing Practices as perceived by Internal customers</b>	<b>Degree of Quality of Internal Customers (Internal customers) as Perceived by Internal customers</b>
<b>Spearman's rho</b>	<b>Degree of Internal Marketing Practices as perceived by Internal customers</b>	Correlation Coefficient	1.000	.432
		Sig. (2-tailed)	.	.213
		N	10	10
	<b>Degree of Quality of Internal Customers</b>	Correlation Coefficient	.432	1.000
		Sig. (2-tailed)	.213	.
		N	10	10

	<b>(Internal customers) as Perceived by Internal customers</b>			
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*Source: based on Survey data*

[b] Decision from the Hypothesis Tests applied / conducted

From the above it is observed that there exists a moderate to high degree of relationship between [a] Level of internal marketing practices followed by management as perceived by the internal customers and [b] the level of the employees' performance as perceived by internal customers both in respect of sample as well as in the population. Thus, the Level of internal marketing practices does affect the employees' performance.

### **B. Internal Marketing Practices and External Customers Performance**

[c] Corollary hypotheses is

**H<sub>3c</sub>**: The Level of **internal marketing practices** do not affect the **external customers performance**.

[a] application of the Parametric / Non Parametric Test for

<b>Table No: 4.27</b>			
<b>Pearson Correlations between Degree of Internal Marketing Practices and Degree of Performance of the External Customers</b>			
		<b>Degree of Internal Marketing Practices as perceived by Internal customers</b>	<b>Degree of Performance of the External Customers as perceived by the External customers</b>
<b>Degree of Internal Marketing as perceived by Internal customers</b>	Pearson Correlation	1	-.127
	Sig. (2-tailed)		.727
	N	10	10
<b>Degree of</b>	Pearson	-.127	1



<b>Performance of the External Customers as perceived by the External customers</b>	Correlation		
	Sig. (2-tailed)	.727	
	N	10	10

*Source: based on Survey data*

<b>Table No: 4.28</b>				
<b>Spearman's rho Correlations between Degree of Internal Marketing Practices and Degree of Performance of the External Customers</b>				
			<b>Degree of Internal Marketing as perceived by Internal customers</b>	<b>Degree of Performance of the External Customers as perceived by the External customers</b>
<b>Spearman's rho</b>	<b>Degree of Internal Marketing as perceived by Internal customers</b>	Correlation Coefficient	1.000	-.188
		Sig. (2-tailed)	.	.603
		N	10	10
	<b>Degree of Performance of the External Customers as perceived by the External customers</b>	Correlation Coefficient	-.188	1.000
		Sig. (2-tailed)	.603	.
		N	10	10

*Source: based on Survey data*

[b] Decision from the Hypothesis Tests applied / conducted

Thus from the above it is discerned that there exists a very low level of negative relationship between [a] the Level of internal marketing practices [as perceived by the internal customers] and [b] the external customers performance as perceived by the internal customers

both in respect of the samples as well as in the population. Thus, the Level of internal marketing practices do not affect the external customers performance.

[d] Explanation of the causes of the conclusion based on individual item statistics

**Recommendation:** Internal Marketing Practices not only influence the organizations performance, the performance of internal customers, but also the performance of the external customers too. Therefore, organization should give due importance to the implementation of internal marketing practices in the organizations.

#### **4.9. Conclusion of the chapter 4**

From the above it is observed that there exists low to moderate level of relationship between the Level of **internal marketing practices [as perceived by internal customers]** and **the organization's performance [ as perceived by management] both in the sample as well as in the population.** In other words, the Level of **internal marketing practices** do not affect **the organization's performance**

From the above it is observed that there exists a moderate to high degree of relationship between [a] Level of internal marketing practices followed by management as perceived by the internal customers and [b] the level of the employees' performance as perceived by internal customers both in respect of sample as well as in the population. Thus, the Level of internal marketing practices does affect the employees' performance.

Thus, there exists a very low level of negative relationship between [a] the Level of internal marketing practices [as perceived by the internal customers] and [b] the external customers performance as perceived by the internal customers both in respect of the samples as well as in the population. Thus, the Level of internal marketing practices do not affect the external customers performance.