



Evaluating the effect of internal marketing on customer satisfaction by considering the mediating variable of quality of electronic service (Case study: Mellat Bank branches of Gorgan)

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ABSTRACT

The main aim of this study is to evaluate the effect of internal marketing on customer satisfaction by considering the mediating variable of quality of electronic service in Mellat Bank branches of Gorgan. The method of the present research is applied in terms of aim and descriptive-correlational in terms of nature and is a survey (field) in terms of data collection. The statistical population in this study included the employees of Mellat Bank branches of Gorgan. According to the field studies and interviews with employees and heads of Mellat Bank branches of Gorgan, the number of employees of this bank branches is 246. Therefore, to determine the sample size, the Cochran's formula was used, and accordingly, the sample size was determined to be 150 employees. The random sampling was used in this study. The data collection tool was a standard questionnaire and SPSS and Smart-PLS software was used to analyze the data. The results showed the significant effect of internal marketing on customer satisfaction and the significant effect of internal marketing on the quality of electronic services.

Keywords: Internal Marketing, Customer Satisfaction, Quality of electronic service.

INTRODUCTION

The bank is a service institution in the community and is a sensitive regarding the customer satisfaction, because the success of this institution depends on identifying customer needs, internalizing the needs in the form of customer attraction and retention programs and ultimately improving the previous measures. For this purpose, they use various mechanisms to satisfy the customers. One of the factors influencing customer satisfaction is internal marketing. Internal marketing is a bridge between marketing and human resources, to attract, motivate and retain employees to achieve organizational goals. Internal marketing plays a key role in providing better services and is a necessity for external marketing (Seyed Javadin and Kimasi, 2010). Also, the quality of electronic services plays a major role in banks, since better quality of electronic service is not only an optional strategy, but also it distinguishes the successful and inefficient banks and should be considered according to the changes. Thus, given the environment changes in money and financial markets, they should identify the customers' needs, expectations, and pay attention to the market situation. Therefore, the quality of electronic services is also a factor affecting customer satisfaction.

In general, it can be stated that the implementation of internal marketing in service organizations equips these organizations with competencies and capabilities to take advantage of environmental opportunities to improve their performance (Rodrigues et al., 2010). Therefore, attention to internal marketing has increased due to the increase in the intensity of competition and the growth of human needs to achieve a high level of quality and effective performance. Due to severe economic volatilities, bank managers use this strategy to gain competitive advantage and customer satisfaction. In this regard, the present study is an attempt to investigate the effect of internal marketing on customer satisfaction by considering the mediating variable of electronic services quality in Mellat Bank branches of Gorgan.

Research model

The conceptual model of the research consists of 3 variables and examines the effect of internal marketing as an independent variable including the dimensions of motivation, education and development, communication and empowerment (Ahmed and Rafiq, 2003) by considering the mediating variable of quality of electronic service on the dependent variable of customer satisfaction.

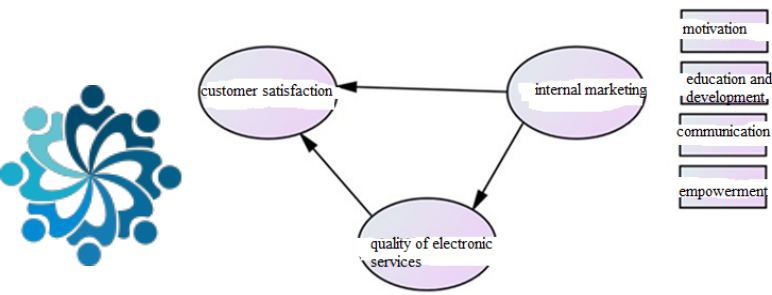


Figure 1 - Conceptual model of research (taken from Ahmed and Rafiq 2003, and Zeithaml et al. 2002)

Methods

The present study was an applied and descriptive-correlational research. The statistical population of the study included all customers and employees of Mellat Bank branches of Gorgan. Based on field studies and interviews with employees and heads of Mellat bank branches in Gorgan, the number of employees of the bank branches was 246. Therefore, to determine the sample size, Cochran's formula was used and the sample size was determined to be 150 employees. The employees were selected using random sampling method.

The data collection tool in this study was a questionnaire. The data of this research were collected through a standard questionnaire package which includes three dimensions of internal marketing with 18 questions, customer satisfaction with 27 questions and quality of electronic

services with 13 questions and a total of 58 questions. They were scored on a Likert scale. Content validity was used to prove the validity of the present research questionnaire. Due to the standard nature of the research questionnaires, the content validity was assessed by professors and experts. To assess the reliability, Cronbach's alpha method was used and it was obtained at 0.863 for the research questionnaire, indicating appropriate reliability. Descriptive statistics and inferential statistics tests were used in SPSS and Smart-Pls software to analyze the data.

Results

Table 1 shows the description of the research variables.

Table 1- Descriptive statistics of variables

Title		internal marketing	Quality of electronic services	Customer Satisfaction
N	Available	150	150	150
	Missing	0	0	0
mean		3.7583	4.0541	3.8633
SD		.78662	.42321	.53624
Skewness		-.568	-.446	-.703
Kurtosis		-.475	-.447	-.711

Based on Table 1, the kurtosis coefficient of observations in all variables follows the normal distribution.

Before testing the hypotheses of this study, the normality of the variables must first be ensured. To test the hypothesis of normality of the studied variables, one-sample Kolmogorov-Smirnov test was used.

H0=Factor *i* has a normal distribution

H1=Factor *i* does not have a normal distribution

Table 2 - Kolmogorov-Smirnov test

Title	internal marketing	Quality of electronic services	Customer Satisfaction
Number	150	150	150
Test statistics	.135	0.683	.175
Significant level	.000	.739	.000
Result	×abnormal	normal	×Abnormal



Using the Kolmogorov-Smirnov test, it was found that most variables are abnormal. For this reason, Lisrel software can not be used to analyze the data and Smart-PLS software was used.

Examining of structural model

Significance coefficients Z (t-values)

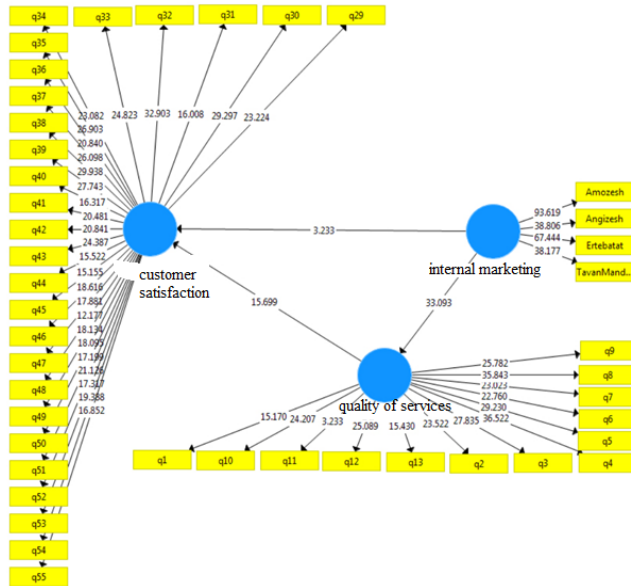


Figure 2 - Developed model with significant coefficients t-value

As shown in Figure 2, all the coefficients related to the paths between the variables of this research are greater than the value of 1.96, indicating the significance of all paths and the appropriateness of the structural model.

Coefficient of determination coefficient R² (R Squares)

Table (3) Coefficient of determination or R²

variable	value R ²
Quality of service	0.586
Customer Satisfaction	0.739

Based on Table 3, it can be said that the values of R² for most indices are high.

Predictive quality (Q²)

Table (4) Predictive quality (Q²)

structure	SSO	SSE	1-SSE/SSO
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Quality of service	935604.236	481418.143	394429.0
Customer Satisfaction	604750.298	269059.194	349411.0

Based on Table 4, the value of Q2 is strong for all structures and indicates that the model has a high predictive power about the index.

Examining of the general research model

Examining of the general research model is done using the GOF criterion. This criterion is the geometric mean of the multiple coefficient of determination in the average of the communalities.

Formula (1): GOF criteria

$$747508.0 = 6625 \cdot 843425 \times 0. = OGOF = \sqrt{\text{Communality} \times R^2}$$

Examining of research hypotheses

Table (5) - Results of hypotheses

Hypotheses	Path coefficient	Statistic t	result
Internal Marketing ---> Customer Satisfaction	256.0	233.3	Confirmed
Internal Marketing ---> Quality of Electronic Services	765.0	093.33	Confirmed
Quality of electronic services ---> Customer satisfaction	556.0	699.15	Confirmed



Based on Table 5:

In examining the first hypothesis, the path coefficient of internal marketing and customer satisfaction is 0.256 and according to the t-statistic (3.233), this hypothesis is accepted at the 95% confidence level and it can be stated that internal marketing has a significant effect on customer satisfaction. In examining the second hypothesis, the path coefficient of internal marketing and quality of electronic services is 0.765 and according to t-statistic (33.093), this hypothesis is accepted at 95% confidence level and it can be stated that internal marketing has a significant effect on the quality of electronic services. In examining the third hypothesis, the path coefficient of electronic services quality and customer satisfaction is 0.556 and according to t-statistic (15.699), this hypothesis is accepted at 95% confidence level and it can be stated that quality of electronic services has a significant effect on customer satisfaction.

Examining the role of the mediating variable: The quality of electronic services has a significant effect on the relationship between internal marketing and customer satisfaction

Table 6- Results of mediator variables

Hypotheses	a	b	S _a	S _b	Sobel Z-Value	Result
Internal marketing ---> Quality of electronic services ---> Customer satisfaction	765.0	556.0	102145.0	087541.0	84411364.4	Confirmed

a: The value of the path coefficient between the independent variable and the mediator variable

b: The value of the path coefficient between the mediator variable and the dependent variable

Sa: The standard error for the independent variable and the mediator variable path

Sb: The standard error for the mediator variable and the dependent variable path

In examining the role of the mediator variable, by placing the values in the above formula, the value obtained from the Sobel test for the mediator variable of quality of electronic service was 4.84411364. Since it is more than 1.96, it can be stated that at 95% confidence level the mediator variable of the competitive advantage is significant in the relationship between strategic alliance and organizational performance.

VAF statistic is used to determine the intensity of the effect of the mediator variable on the quality of electronic services. The VAF index using the above equation to determine the mediation percentage of the mediator variable of quality of electronic services was calculated at 0.6242. Thus, it can be calculated that the mediator variable of quality of electronic service explains 62.42% of the total relationship between the internal marketing variable and customer satisfaction. Thus, it can be said that it has a mediating role by more than 50%.

Conclusion

In examining the first hypothesis, the results showed that internal marketing has a significant effect on customer satisfaction. In examining the second hypothesis, the results showed that internal marketing has a significant effect on the quality of electronic services. In explaining these results, it can be stated that customer satisfaction is one of the internal actions of organizations, which shows their orientation towards satisfying customers' needs and to improve the quality of products and services. In this regard, various factors affect customer satisfaction. One of these factors is internal marketing. Internal marketing is the creation of an internal market in the organization by employees. Members of this market must be trained, rewarded and motivated to meet the needs of external customers. Another variable considered in this study and plays a mediating role is the quality of electronic services. Quality of electronic services is one of the best effective techniques to increase the productivity of the organization and its optimal use to satisfy customers.

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