

A Holistic Approach of Internal Marketing Practices on Banking Services

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Abstract

In the present financial vulnerability and uproar, assembling and saving steadfast compatibility with banking employees are essential for banks' business achievement. A few ways of thinking of rudimentary marketing smear to bank's business achievement. There have been perspective changes in the financial segment from transaction practices to holistic marketing practices. When using a holistic marketing strategy, each part of the financial business must be painstakingly thought of. Internal marketing speaks to a segment of holistic marketing strategy which is created by considering their representatives as their first market – their inside clients. Internal marketing makes a domain that empowers banks to concentrate on whatever necessities changing inside so they can improve their outer commercial center execution. Internal marketing assists banks with conveying better client encounters by adjusting, organizing, and spurring workers.

In this article, the researcher attempt to highlight how internal marketing philosophy helps the banks in improving banking services and to evaluate the benefits of internal marketing orientation for the banks success. The research is led at New Generation Banks in India viz, HDFC Bank, Axis Bank, Kotak Mahindra Bank, ICICI Bank and IndusInd Bank. Findings demonstrate that internal marketing and all its dimensions have significant and positive associations with banking practices. The findings have given knowledge to the New Generation Banks provides on the centered to be focused on in holding and fulfilling their representatives. The outcomes are talked about as far as its contribution to the upgrading of banking services and recommendations for future research. In future, this study can be enhanced by studying the effect

of internal marketing dimensions of public sector banks. Similarly a study likewise is led to learn about impact of internal marketing on banking services of foreign banks and co-operative banks.

Key Words: -holistic marketing, internal marketing, banking services, New Generation Banks.

1. INTRODUCTION

The worldwide financial situation is at present experiencing radical change inferable from the liberalization, privatization and globalization measures introduced by economies of world. The Indian banking industry is no exception to this circumstance. The dynamic and fast-changing nature of our banking industry is best portrayed by Volatility, Uncertainty, Complexity and Ambiguity (VUCA). In the present financial vulnerability and disturbance, making and keeping up faithful connections (Purcărea & Rațiu, 2011) with banking employees and customers fundamental for bank's business achievement. There have been paradigm shifts in the banking sector from transaction practices to holistic marketing practices. Holistic marketing represents a marketing strategy which is created by considering the banking business as a whole. A business utilizing a holistic marketing approach works under the solid conviction that all parts of its marketing strategy are interrelated. Holistic marketing practices are estimated through the accompanying dimensions: internal marketing, integrated marketing, relationship marketing and social responsibility marketing (Kotler & Keller, 2012).

Holistic marketing is external as well as internal customer oriented marketing strategy. It gives same priority to internal customers as the external customers (Saxena, 2017). The internal marketing provides a type of holistic marketing strategies in which customers and employees feel satisfied or dissatisfied. The internal marketing in banking industry is so important that everyone should be aware of its influence. Employees expect sufficient rewards and satisfaction, on the basis of their perception of the banking practices. These expectations tend to lead to their performance. The success of the banks highly depends upon its employees' attitude and performance.

Productive human asset the board and keeping up higher occupation fulfillment level in banks decide not just the performance and image of the bank yet additionally influence the development and execution of the whole economy. Along these lines, for the accomplishment of

banking it is essential to oversee human asset successfully and to discover whether its representatives are fulfilled or not just on the off chance that they are fulfilled, they will work with responsibility and task a positive picture of the organization. As in workers are significantly fulfilled and their discernment towards the banks in a positive manner, at that point they will contribute continuously and it is increasingly beneficial for the banks (Sumitha and Padmaja, 2017). Fulfillment level of employees prompts higher service quality and it influences on customer perception and satisfaction straightforwardly. It depends on the thought that New Generation Banks must concentrate on its representatives before fruitful projects can be aimed at its clients. This internal marketing component is measured through the accompanying variables: communication, empowerment, training, organizational culture and motivation.

The New Generation Banking sector is confronting quick changes in the market, such as new technologies, monetary vulnerabilities, fierce completion, more demanding customers and changing authoritative atmosphere which lead to an uncommon arrangement of difficulties. So in this intense competition and changing banking reforms, it is imperative that the new generation banks should take care and analyze the role and importance of internal marketing on banking services.

2. REVIEW OF LITERATURE

This section targets popular journals, magazines and various text books that contain fruitful information on holistic marketing as well as internal marketing.

Holistic Marketing

The trends and forces characterizing the 21st century are driving business firms to a new set of beliefs and practices. One of the most widely recognized form of modern marketing practices is holistic marketing. As per Kotler, Keller, Koshy & Jha, (2009) the holistic marketing idea depends on the improvement, structure and implementation of marketing programs, processes and activities that perceive the broadness and interdependencies of its dimensions. Govindarajan (2007) in his study investigation underlined that the idea of holistic marketing involves the more extensive perspective marketing strategies that include the advancement of marketing programs, procedures and exercises that help in the marketing of products. He calls attention to that the idea

of holistic marketing assumes a significant role, particularly in choosing marketing formats that help in distinguishing proof of comfortable marketing strategies. Pahwa (2017), in his study opined that holistic marketing is a business marketing philosophy which considers business and all its parts as one single entity and gives a shared purpose to every activity and person related to that business. A business, similar to a human body, has various parts, but just ready to work appropriately when each one of those parts cooperates towards an equivalent target. Holistic marketing idea implements this interrelatedness and accepts that an expansive and coordinated point of view is basic to accomplish best outcomes.

Internal Marketing

Internal marketing has been one of the well known ideas in the marketing arena since the 1970s. Numerous scholars have proposed definitions of internal marketing. Berry and Parasuraman (1992) outline the job of internal marketing' in organizations in pulling in, creating, spurring, and holding qualified representatives through employment items that fulfill their necessities .They express that internal marketing is the way of thinking of regarding workers as clients and fills in as a procedure for molding work items to fit human needs.

As indicated by Berry and Parasuraman's (1992) study, the fascination and improvement of qualified workers is one of the essential endeavors that any organization should make as an initial step while in transit to achievement in fulfilling its outer clients — a significant piece of the marketing techniques in an organization. Organizations need to focus on internal marketing as a method for being better than their rivals. The connection between any organization and its clients is an identical representation of how managers treat their workers as individuals with rights, needs, and wants. In this manner, internal marketing assumes a significant job in organizations by regarding workers as accomplices and urging them to create a good image of the organization in clients' minds (Kotler, Armstrong, Agnihotri & Haque, 2010). Yang (2010) opined that there is a similitude between the exercises of internal marketing and those of human resource management including correspondence, training, instruction and the arrangement of data and that the point of internal marketing is checked through workers' fulfillment. In this way, every organization should think about its employees and fulfill their necessities, so as to pick up their reliability and accomplish the organizational goals.

Rafiq and Ahmed (2000) call attention to that internal marketing as a booked exertion. Applying this marketing is basic to conquer organizational changes, adaptation, inspiration, coordination and combination of worker's exhibitions toward the powerful execution of organizational and execution methodologies so as to fulfill clients through spurred and client situated staff. Ezekiel (2014) in his investigation recognized the pertinence of internal marketing as a key instrument for fruitful external marketing and recent improvements in the banking industry have supported the basic jobs of representatives in accomplishing predominant service quality and customer loyalty which eventually bring about customer retention. He prescribed that banking industry ought to energize and practice internal marketing which can possibly impact the mentalities and behavior of staff towards service and client direction.

3. SCOPE OF THE STUDY

The study is led in New Generation Banks, to be specific: HDFC Bank Limited, ICICI Bank Limited, Kotak Mahindra Bank Limited, Axis Bank Limited and Indusind Bank Limited. The study on the influence of internal marketing practices on banking practices is conducted from January 2020 to March 2020. The study explicitly took a gander at the respondents' profile, and influence of internal marketing practices on banking services in New Generation Banks.

4. STATEMENT OF THE PROBLEM

Adopting holistic marketing practices begins with building strong internal relations at all hierarchical levels. New Generation Banks should initially deal with internal customers needs so as to more readily meet external customer needs. A lot of banks disregard this perspective and focus only on external relationships, partially or absolutely ignoring internal relationships (Gummesson, 2003). Internal marketing play a crucial role on employees' perception and satisfaction towards banking practices. Effective internal marketing is coordinated by a feeling of morals, qualities and social duty. From the problem discussion researchers has formulated the following research questions.

1. How internal marketing helps the banking sector to improve their banking services?
2. How far the various attributes of internal marketing influence on banking services?

5. OBJECTIVES OF THE STUDY

1. To analyze the influence of internal marketing on banking services in New Generation Banks in India.
2. To identify the interrelationships between internal marketing variables and banking services.

6. HYPOTHESES

The research questions are covering the communication, empowerment, organizational culture, training, and motivation variables through the following hypotheses:

H1: Communication has a positive effect on banking services.

H2: Empowerment has a positive effect on banking services.

H3: Organizational culture has a positive effect on banking services.

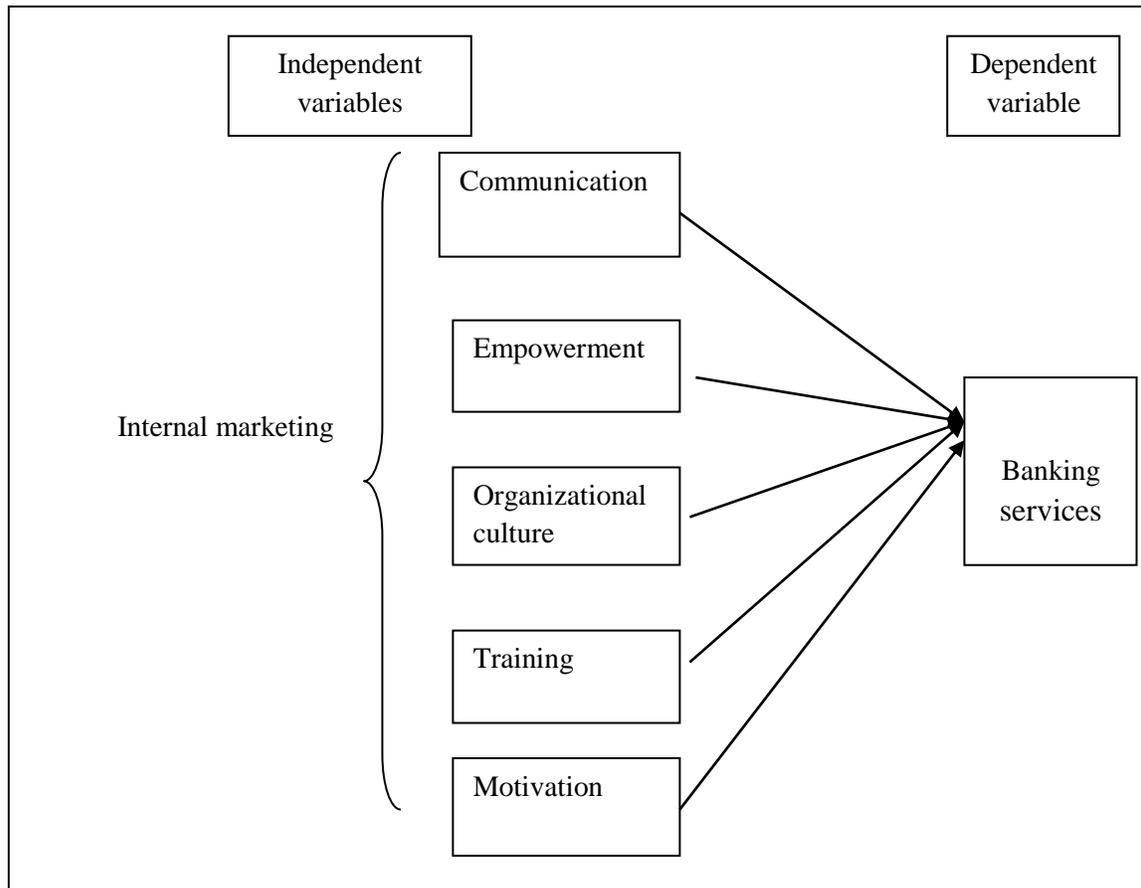
H4: Training has a positive effect on banking services.

H5: Motivation has a positive effect on banking services.

H6: Internal marketing has a positive influence on banking services.

7. CONCEPTUAL FRAMEWORK

On the basis of above literature review, following research framework is developed.

Figure 1 – Research Framework

8. RESEARCH METHODOLOGY

This study fundamentally utilized descriptive research design to gauge the influence of internal marketing on banking services. The targeted population of the present study is New Generation Bank employees of India. The research is conducted at New Generation Banks in India viz, HDFC Bank, Axis Bank, Kotak Mahindra Bank, ICICI Bank and IndusInd Bank. The researchers have chosen 150 respondents of New Generation Banking sector as sample. The study used simple random method as its sampling method, to arrive at representative sample size. The present study used primary data collected through a pretested questionnaire method. The questionnaire was pretested by conducting pilot study and reasonable change has been made in the questionnaire relating to the study. Data pertaining to the study gathered from January 2020 to March 2020. The questionnaire comprises of two sections. The initial segment comprises of general data of the respondents and second part comprises of different elements of internal

marketing on employees' job satisfaction. Study utilized Likert scale by five-point scales depicted at either end by "strongly disagree" to "strongly agree" was used (Kothari,2004). In the initial segment, the respondent's general data was asked such as name, gender, age, marital status, occupation, qualification, bank name, experience and monthly salary. The subsequent part comprises of 25 items. This part was partitioned in six dimensions. The first five dimensions, "communication, empowerment, organizational culture, training, motivation" consist of four questions and the sixth dimension which consists of "banking services" contained five (5) questions.

Reliability Test

Cronbach's alpha reliability coefficient normally ranges between 0 and 1. However, there is actually no lower limit to the coefficient. The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale. From Table 1 shown that Cronbach's Alpha 0.774 hence we can say the reliability of the questionnaire is at moderately good level.

Table – 1: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.774	.774	25

Source: Survey Data

Validity Analysis

The test of validity of data has been conducted with the help of KMO measure and Bartlett's test of Sphericity. The KMO statistics varies between 0 and 1 Kaiser(1974). The results of KMO test is .786. It shows that the value of KMO statistics is greater than 0.7, indicating that data could be used for further analysis.

9. ANALYSIS AND RESULTS

Appropriate measures were identified based on empirical researchers to test the hypothesized relationship. Quantitative data obtained and the data gathered were being treated by using the statistical software program namely Statistical Package for Social Research (SPSS) for analysis and summarization purposes. Several techniques of analysis were used including Correlation, and Multiple Regression.

Correlation analysis

Hypothesis 1: Communication has a positive effect on banking services.

From the table-2, it can be observed that the correlation coefficient between communication and banking services is 0.740, at a significant level of 0.01 (Pannerselvam, 2014). Hence we accept the Hypothesis 1. In other words communication and banking services are related with a moderate positive relationship ($r = 0.740^{**}$).

Table 2: Correlation between Communication and Banking services

		Communication	Banking services
Communication	Pearson Correlation	1	.740 ^{**}
	Sig. (1-tailed)		.000
	N	150	150
Banking services	Pearson Correlation	.740 ^{**}	1
	Sig. (1-tailed)	.000	
	N	150	150

^{**}. Correlation is significant at the 0.01 level (1-tailed).

Source: Survey Data

Hypothesis 2: Empowerment has a positive effect on banking services. From the table-3, it can be observed that the correlation coefficient between empowerment and banking services is 0.710,

at a significant level of 0.01. Hence we accept the Hypothesis 2. In other words empowerment and banking services are related with a high positive relationship ($r = 0.710^{**}$).

Table 3: Correlation between Empowerment and Banking services

		Empowerment	Banking services
Empowerment	Pearson Correlation	1	.710 ^{**}
	Sig. (1-tailed)		.000
	N	150	150
Banking services	Pearson Correlation	.710 ^{**}	1
	Sig. (1-tailed)	.000	
	N	150	150

** . Correlation is significant at the 0.01 level (1-tailed).

Source: Survey Data

Hypothesis 3: Organizational culture has a positive effect on banking services. From the table-4, it can be observed that the correlation coefficient between organizational culture and banking services is 0.705, at a significant level of 0.01. Hence we accept the Hypothesis 3. In other words organizational culture and banking services are related with a high positive relationship ($r = 0.705^{**}$).

Table 4: Correlation between Organizational culture and Banking services

		Organizational culture	Banking services
Organizational culture	Pearson Correlation	1	.705 ^{**}
	Sig. (1-tailed)		.000
	N	150	150
Banking services	Pearson Correlation	.705 ^{**}	1
	Sig. (1-tailed)	.000	
	N	150	150

** . Correlation is significant at the 0.01 level (1-tailed).

Source: Survey Data

Hypotheses 4: Training has a positive effect on banking services. From the table-5, it can be observed that the correlation coefficient between training and banking services is 0.654, at a significant level of 0.01. Hence we accept the Hypothesis 4. In other words training and banking services are related with a moderate positive relationship ($r = 0.654^{**}$).

Table 5: Correlation between Training and Banking services

		Training	Banking services
Training	Pearson Correlation	1	.654 ^{**}
	Sig. (1-tailed)		.000
	N	150	150
Banking services	Pearson Correlation	.654 ^{**}	1
	Sig. (1-tailed)	.000	
	N	150	150

^{**}. Correlation is significant at the 0.01 level (1-tailed).

Source: Survey Data

Hypotheses 5: Motivation has a positive effect on banking services. From the table-6, it can be observed that the correlation coefficient between motivation and banking services is 0.634, at a significant level of 0.01. Hence we accept the Hypothesis 5. In other words motivation and banking services are related with a moderate positive relationship ($r = 0.634^{**}$).

Table 6: Correlation between Motivation and Banking services

		Motivation	Banking services
Motivation	Pearson Correlation	1	.634 ^{**}
	Sig. (1-tailed)		.000
	N	150	150
Banking services	Pearson Correlation	.634 ^{**}	1
	Sig. (1-tailed)	.000	
	N	150	150

Table 6: Correlation between Motivation and Banking services

		Motivation	Banking services
Motivation	Pearson Correlation	1	.634**
	Sig. (1-tailed)		.000
	N	150	150
Banking services	Pearson Correlation	.634**	1
	Sig. (1-tailed)	.000	
	N	150	150

** . Correlation is significant at the 0.01 level (1-tailed).

Source: Survey Data

Multiple Regression Analysis

Table 7 (a): Model Summary

Model	R Square	Durbin-Watson
1	.458	1.539

a. Predictors: (Constant), Communication, Empowerment, Organizational culture, Training, Motivation

b. Dependent Variable: Banking services

Source: Survey Data

In the column (table 7.a) labeled R^2 , which is a measure of how much of the variability in the outcome is accounted for the predictors. For the R^2 model its value is .458 which means that banking services for 45.8% of the variation in predictors. The Durbin-Watson Statistic informs us about whether the assumption of independent errors is tenable. The value (1.539) is below 2 indicates a positive correlation.

The multiple regression model takes the form of a equation that contains a coefficients (b) for each predictor. The table7 (b) gives us estimates of these b values and these values indicate the individual contribution of each predictor to the model. The b values tell us about the relationship between banking practices and each predictor. If the value is positive we can tell that there is a positive relationship between the predictors and the outcome whereas a negative coefficient

represents a negative relationship. For these data all predictors have positive b values indicating positive relationships. The b values also tell us to what degree each predictor affects the outcome if the effects of all other predictors are held constant. Each of these beta values has an associated standard error indicating to what extent these values would vary across different samples, and these standard errors are used to determine whether errors are used to determine whether or not the b values differs significantly from zero. The major hypothesis stated in this paper was “internal marketing has a positive influence on banking services.” Regression analysis was used for examining whether each internal marketing dimensions is affected by banking practices. Thus the finding is in line with the hypothesis stated in the paper that internal marketing has a positive influence on banking services. Thus the major hypothesis stated is well accepted.

Table 7 (b): Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1(Constant)	.824	.196	
Organizational culture	.199	.099	.208
Empowerment	.301	.141	.318
Communication	.451	.121	.482
Training	.311	.131	.328
Motivation	.426	.105	.442

a. Dependent Variable: Banking services.

Source: Survey Data

10. FINDINGS & DISCUSSION

This particular study was oriented on the effect of internal marketing on banking services. The study well establishes that the internal marketing is having acceptable effect on the banking services. The research demonstrates that internal marketing is a significant technique for banking success, in the present progressively serious condition. Internal marketing is seen as the key factor in winning market share and developing a sustainable competitive advantage. The present

research finding supports the fact that internal marketing variables are noteworthy variables which influences the banking services. Banks need to perceive the intensity of internal marketing variables in keeping faithful associations with their employees.

11. RECOMMENDATIONS & SCOPE FOR FUTURE RESEARCH

This study recommends that banks need to put more attention to attract and maintain employees in terms of internal marketing. To be solid association between bank and its representatives is likewise fundamental for bank to maintaining a good correspondence with its employees. Banks should contemplate the quantity of messages sent to the representatives, so as to stay away from an overabundance or lack of correspondence. It is additionally significant for bank to worry in the preparation and inspiration approaches particularly for those are bringing the front picture of bank since they are spoken to in the interest of bank. Anyway the constraint of this exploration is that it is directed based on accessible information as it were. It is recommended to carry out further research. In future, this study can be enhanced by studying the impact of internal marketing dimensions of public sector banks. Similarly a study can also conducted to examine the impact of internal marketing on banking practices of foreign banks and co-operative banks.

12. CONCLUSIONS

In conclusion, the write up has highlighted internal marketing as being an essential marketing strategy that viably plan and execute projects and practices in adapting with market complexity. It has featured the need to utilize the five components of the internal marketing to completely address the banking services. It has noted that internal marketing has an essential job in structuring and keeping up brands since it not only publicize the bank's products and services, but it incorporates programs and practices that help in sharpening its activity and picture at the general public level. Additionally, the five forms of internal marketing should be used to viably convey and impart employees' values in banking sector. This research paper was conducted to analyze the effect of internal marketing on banking services. The study obviously shows the influence of independent variables on dependent variable. From the tests and findings all predictors including communication, empowerment, organizational culture, training and motivation have positive correlation to banking services.

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