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Analysing Internal Marketing Practices: A Case Study of Proficient Minds

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Abstract

This study investigates the internal marketing practices implemented within Proficient Minds, aiming to uncover key dimensions and their influence on internal outcomes. Through exploratory factor analysis, five distinct dimensions were identified: Formal Written Communication, Information Dissemination, Response, Formal Face-to-Face Communication, and Informal Communication. These findings highlight the organization's diverse approach to engaging with internal stakeholders, with an emphasis on structured communication channels and transparent information sharing. The structural model analysis further reveals significant positive relationships between communication practices and internal responses, emphasizing the importance of effective internal marketing strategies in shaping organizational dynamics and fostering employee engagement. Overall, this research contributes to the understanding of internal marketing practices and offers insights that can inform organizational leaders in optimizing their internal communication strategies to enhance organizational effectiveness.

Keywords: Internal Marketing Practices, Internal Marketing, Organizational Communication, Employee Engagement, Organizational Effectiveness

1. Introduction

In the dynamic landscape of modern business, organizations are increasingly recognizing the pivotal role of internal marketing practices in nurturing a motivated workforce, fostering employee engagement, and ultimately enhancing organizational performance. Among these organizations, Proficient Minds stands out as a beacon of innovation and excellence in leveraging internal marketing strategies to cultivate a thriving workplace environment.

This study embarks on an exploration of the internal marketing practices adopted by Proficient Minds, delving into the multifaceted realm of Human Resource Management (HRM). As the cornerstone of organizational success, HRM plays a pivotal role in orchestrating internal marketing initiatives that resonate with employees, align with organizational objectives, and contribute to sustainable growth. Within this context, the significance of internal marketing cannot be overstated. It encompasses a spectrum of activities aimed at effectively

communicating organizational goals, values, and expectations to employees while fostering a culture of collaboration, empowerment, and continuous learning. By cultivating a sense of belonging and ownership among employees, internal marketing endeavors to transform them into passionate advocates for the organization, both internally and externally.

In essence, this study serves as a testament to the transformative power of internal marketing in shaping organizational culture, driving employee motivation, and fostering sustainable growth. By shedding light on the intricate interplay between HRM and internal marketing, it aspires to contribute to the broader discourse on effective management practices in the contemporary business landscape.

2. Review of Literature

Internal marketing is a strategic approach that focuses on treating employees as internal customers and emphasizes the importance of engaging and satisfying them to achieve organizational goals. It involves applying marketing principles within the



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organization to align employee attitudes and behaviors with the company's objectives. This literature review explores the concept of internal marketing, its significance in today's business landscape, key components, and its impact on employee engagement and organizational success.

Internal marketing emerged as a response to the growing recognition of the critical role employees play in delivering quality services and creating value for customers. It acknowledges that satisfied and engaged employees are more likely to deliver exceptional customer experiences, leading to increased customer satisfaction, loyalty, and ultimately, organizational success.

In today's competitive business environment, where differentiation based solely on products or services is becoming increasingly challenging, organizations are turning their focus inward to gain a competitive edge. Internal marketing serves as a strategic tool for creating a positive work environment, fostering employee satisfaction, and enhancing organizational performance. By investing in the well-being and development of employees, companies can cultivate a culture of excellence, innovation, and continuous improvement.

Effective communication is essential for disseminating information, sharing organizational goals, and fostering a sense of belonging among employees. Clear, transparent communication channels facilitate the exchange of ideas, feedback, and expectations, enabling employees to understand their roles and responsibilities within the broader context of the organization's mission and vision.

Empowering employees involves granting them autonomy, authority, and decision-making power to perform their jobs effectively. Empowered employees feel valued, trusted, and motivated to contribute their best efforts towards achieving organizational objectives. This sense of ownership fosters a culture of accountability, innovation, and continuous improvement.

Investing in employee training and development is crucial for enhancing skills, knowledge, and competencies. By providing relevant training programs, workshops, and educational opportunities, organizations empower employees to excel in their roles, adapt to changing market dynamics, and contribute to organizational growth. Continuous learning also promotes employee engagement, job satisfaction, and career advancement. Recognizing and rewarding employee contributions is essential for reinforcing positive behaviors, motivating performance, and fostering a culture of appreciation and gratitude. Whether through monetary incentives, awards, or public acknowledgment, acknowledging employee achievements strengthens morale, boosts motivation, and encourages continued excellence. Strong leadership and management support are critical for driving internal marketing initiatives and cultivating a culture of trust, respect, and collaboration. Leaders play a pivotal role in setting the tone, defining organizational values, and inspiring employees to strive for excellence. By demonstrating commitment to employee well-being and development, leaders can inspire loyalty, commitment, and high-performance. Research has consistently shown a positive correlation between internal marketing practices, employee engagement, and organizational performance. Engaged employees are more committed, motivated, and passionate about their work, leading to higher levels of productivity, creativity, and customer satisfaction. Organizations that prioritize internal marketing initiatives experience lower turnover rates, higher employee retention, and increased profitability.

Furthermore, internal marketing contributes to the development of a strong employer brand, attracting top talent and enhancing the organization's reputation as an employer of choice. Engaged employees serve as brand ambassadors, promoting the company's values, culture, and mission both

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internally and externally, thereby strengthening customer relationships and brand loyalty.

3. Research Methods

The objective of this research paper is to identify the "Internal Marketing Practices" followed by Proficient Minds. The research design employed is explanatory research, also known as causal research, aiming to investigate potential cause-and-effect relationships between different events. The universe for this study comprises 130 employees, and convenience sampling, a non-probability sampling method, was utilized to select a sample size of 73 employees. Data analysis techniques include both univariate and multivariate methods, with exploratory factor analysis, confirmatory factor analysis, and structural equation modeling being employed. Statistical tools utilized for analysis include IBM SPSS 23 and AMOS 23. Through this comprehensive approach, the study seeks to shed light on the internal marketing practices within Proficient Minds and their potential impact on organizational performance. The objective of this study is to identify the "Internal Marketing Practices" within Proficient Minds, with the independent variables including Informal Information Generation, Formal Face-to-Face (F2F) Information Generation, and Formal Written Information Generation. The dependent variables to be examined are Dissemination and Response. The tools of data collection employed for this research are questionnaires. Through this investigation, the study aims to gain insights into how different internal marketing practices contribute to the dissemination of information within the organization and the subsequent response from employees.

Table 1: KMO Test

KMO & BARLETT'S TEST			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy			0.833
Barlett's Test of	Approx.	Chi-	485.04

Sphericity	Square	
	df	105
	Sig.	0.000

The preliminary assessments for factor analysis indicate favorable conditions for further analysis. The Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy attains a value of 0.833, signifying good suitability for factor analysis. Additionally, Bartlett's Test of Sphericity reveals an approximate chi-square value of 485.04, with a significance level approaching zero, indicating significant differences from an identity matrix. These findings affirm the appropriateness of conducting factor analysis on the dataset, suggesting that the data is sufficiently structured for meaningful analysis.

The rotated component matrix resulting from the exploratory factor analysis (EFA) illuminates the relationships between observed variables and identified factors, providing insights into distinct dimensions of internal marketing practices at Proficient Minds. Higher factor loadings indicate stronger associations, with factors labeled 1 through 5 representing variable groupings such as "Response," "Information Dissemination," and so forth. Interpretation involves scrutinizing the highest factor loadings for each variable to comprehend their associations, with Varimax rotation employed for stability. These findings facilitate understanding the nuanced aspects of internal marketing practices, guiding research implications aligned with specific objectives and variable contexts.

In the hypotheses section, we propose several assertions to examine how different factors influence internal marketing practices. These hypotheses investigate the impact of informal, formal face-to-face, and formal written information generation on dissemination and response within our organization. Specifically, hypotheses H1 to H7 suggest significant relationships between various types of information generation and



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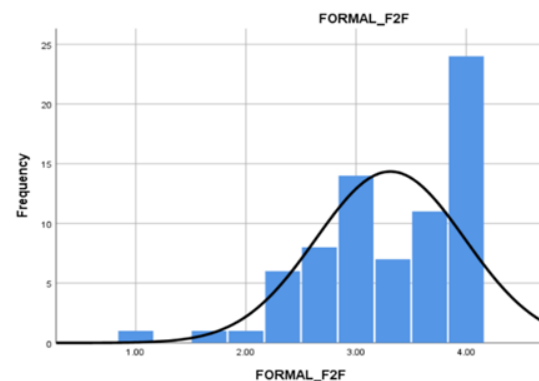
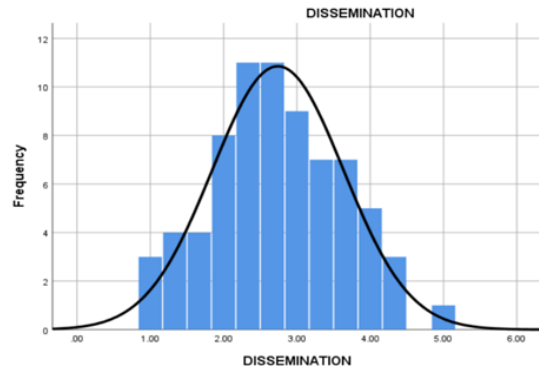
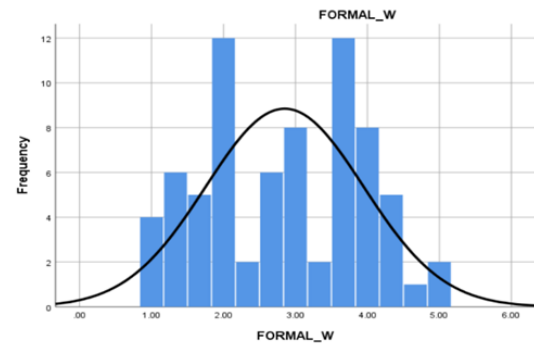
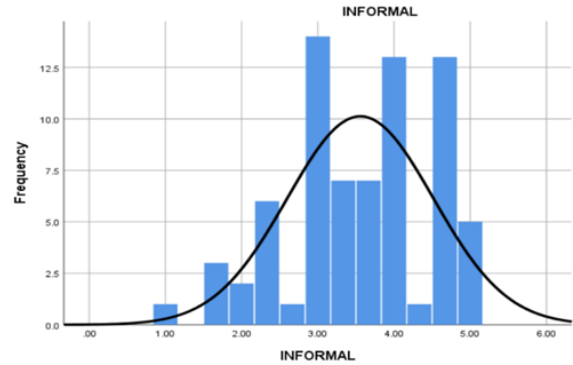


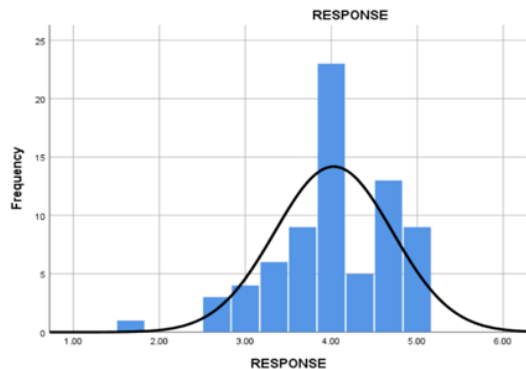
dissemination/response outcomes. To test these hypotheses empirically, we utilize Structural Equation Modeling (SEM), which requires preliminary assessments of data normality and linearity. Upon examining the normality of residuals and variables, we find that the data approximately follows a bell-shaped curve, indicating a close-to-normal distribution. Additionally, analysis of linearity charts reveals consistent linear relationships between independent and dependent variables, which is crucial for SEM validity. Scatterplots consistently display straight-line trends, indicating proportional changes between variables and enhancing confidence in parameter estimates' accuracy and model reliability. Thus, SEM is deemed appropriate for further exploration of the complex relationships among the variables, helping us gain a comprehensive understanding of internal marketing practices at Proficient Minds.

Table 2: Exploratory Factor Analysis

Rotated Component Matrix					
	1	2	3	4	5
Response 1				0.778	
Response 2				0.795	
Response 3				0.749	
Information Dissemination 1			0.76		
Information Dissemination 2			0.824		
Information Dissemination 3			0.783		
Formal Written 1	0.789				
Formal Written 2	0.823				
Formal Written 3	0.843				
Formal Face2Face 1					0.733
Formal Face2Face 2					0.879
Formal Face2Face 3					0.749
Informal 1		0.877			
Informal 2		0.901			
Informal 3		0.78			
Extraction Method: Principal Component Analysis					
Rotation Method: Varimax with Kaiser Normalization ^a					
a. Rotation Converged in 6 iterations.					

3.1. Normality

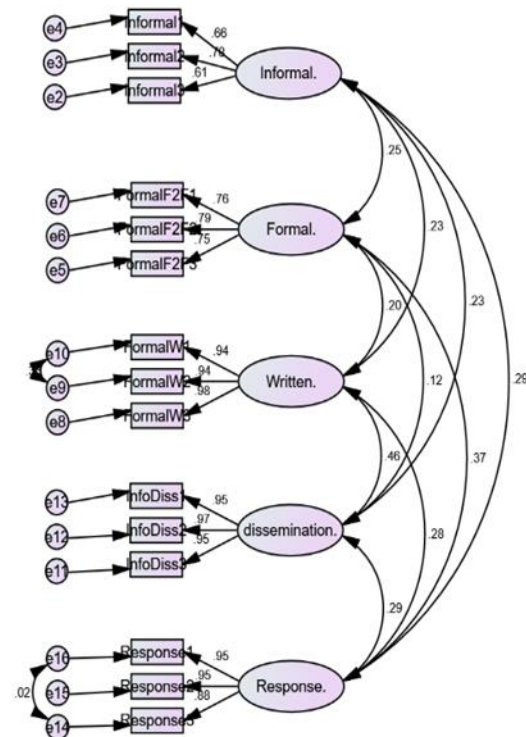




When we ascertain that the residuals or variables exhibit a normal distribution, we are describing a pattern where their values form a bell-shaped curve, with most observations concentrated around the mean and fewer observations in the tails. Consequently, we can infer that the data is approximately normally distributed. The analysis of linearity charts provides evidence of a consistent and distinct linear relationship between independent and dependent variables, which is crucial for ensuring the validity of Structural Equation Modeling (SEM). Scatterplots consistently display straight-line trends, suggesting proportional changes between variables. This adherence to linearity enhances our confidence in the accuracy of parameter estimates and the reliability of the model. Hence, SEM is considered suitable for further exploration of the complex relationships among the variables. Additionally, our study utilized histograms to confirm the normal distribution, with corresponding visual representations provided.

In Confirmatory Factor Analysis (CFA), convergent validity is pivotal for ensuring the reliability and consistency of the measurement model. This validity assessment scrutinizes the agreement among indicators measuring the same underlying latent construct. It aims to verify whether different measures intended to capture the same concept yield similar results.

Figure 1: Measurement Model



To quantify convergent validity, two key metrics are commonly used: composite reliability (CR) and average variance extracted (AVE). Composite reliability measures the internal consistency of indicators for a latent construct, with values exceeding 0.7 considered acceptable, indicating strong agreement among the indicators. Average variance extracted (AVE) assesses the convergence of indicators by examining the proportion of variance in the observed variables captured by the underlying latent construct. Values above 0.5 are typically desired, indicating that more than half of the variance in the indicators is attributed to the latent construct they measure. A high AVE value suggests that observed variables are closely related to the underlying construct and contribute meaningfully to its measurement. In the context provided, both composite reliability (CR) and average variance extracted (AVE) values surpass their respective threshold values (0.7 for CR and 0.5



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for AVE), indicating strong internal consistency among the indicators and robust convergent validity. These results affirm the reliability and validity of the measurement model, instilling confidence in the accuracy of the latent constructs being measured. The table provided presents the Composite Reliability (CR) and Average Variance Extracted (AVE) values for five latent constructs: Formal, Written, Dissemination, Response, and Informal. CR measures the internal consistency of indicators within each construct, while AVE assesses the convergence of indicators. For the "Formal" construct, the CR value is 0.809 and the AVE value is 0.586, indicating moderate internal consistency and convergent validity. The "Written" and "Dissemination" constructs exhibit exceptionally high CR and AVE values (0.969 for CR and 0.912 for AVE for Written; 0.969 for CR and 0.913 for AVE for Dissemination), suggesting strong internal consistency and convergent validity. Similarly, the "Response" construct demonstrates strong internal consistency and convergent validity with a CR value of 0.950 and an AVE value of 0.863. The "Informal" construct shows moderate internal consistency and convergent validity with a CR value of 0.823 and an AVE value of 0.567. Overall, these results highlight the varying levels of internal consistency and convergent validity across the latent constructs, underscoring the importance of assessing these properties for ensuring the reliability of the measurement model.

Table 3: Convergent Validity

	CR	AVE
Formal	0.809	0.586
Written	0.969	0.912
Dissemination	0.969	0.913
Response	0.950	0.863
Informal	0.823	0.567

The table 4 illustrates the correlation coefficients between the latent constructs: Formal, Written, Dissemination, Response, and Informal. These coefficients are indicative of discriminant validity, which assesses the degree to which distinct constructs are indeed measuring different underlying concepts. In this context, discriminant validity is evaluated by ensuring that the correlations between constructs are lower than 1, suggesting that they are measuring different constructs and are not perfectly correlated. Each cell in the table represents the correlation between two latent constructs. For instance, the correlation coefficient between Formal and Written is 0.199, while the correlation between Dissemination and Response is 0.294. These coefficients are all less than 1, indicating that the constructs are measuring distinct concepts and supporting the discriminant validity of the measurement model.

Table 4: Discriminant validity

	Formal	Written	Dissemination	Response	Informal
Formal	0.766				
Written	0.199	0.955			
Dissemination	0.125	0.462	0.956		
Response	0.369	0.282	0.294	0.929	
Informal	0.249	0.229	0.229	0.286	0.684

Table 5 presents the results of the path analysis, indicating the coefficients, p-values, and remarks for each hypothesis tested. The hypotheses examined relationships between different variables. For instance, the coefficient of 0.142 with a p-value of 0.001 suggests a significant positive relationship between Informal and Dissemination, supporting hypothesis H1. Similarly, coefficients and p-values for other paths indicate significant relationships, supporting respective hypotheses. For example, the coefficient of 0.171 and p-value of 0.000 for the path between Formal F2F Dissemination and Dissemination (H2) suggests a supported relationship. Overall, the results indicate support for



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all hypotheses tested, signifying the presence of significant relationships between the variables under consideration.

Table 5: Path Analysis

Path	Hypothesis	Co-efficient	P value	Remarks
Informal Dissemination	H1	0.142	0.001	Supported
Formal F2F Dissemination	H2	0.171	0.000	Supported
Formal W Dissemination	H3	0.386	0.000	Supported
Dissemination Response	H4	0.165	0.000	Supported
Informal Response	H5	0.177	0.003	Supported
Formal F2F Response	H6	0.338	0.000	Supported
Formal W Response	H7	0.112	0.000	Supported

Table 6 presents the fit indices, providing an evaluation of the structural equation model's adequacy in explaining the observed data. The fit indices include the Goodness of Fit Index (GFI), Comparative Fit Index (CFI), and Root Mean Square Error of Approximation (RMSEA). The GFI value of 0.943 exceeds the recommended threshold of 0.9, indicating a favorable fit between the hypothesized model and the observed data. Similarly, the CFI value of 0.975 surpasses the threshold of 0.9, indicating strong agreement between the model and observed data. Additionally, the RMSEA value of 0.066 falls below the recommended threshold of 0.08, suggesting a relatively small discrepancy between observed and predicted data. In summary, these fit indices collectively indicate that the structural equation model provides a satisfactory fit to the observed data, with minimal error.

4. Results and Discussion

The results of the exploratory factor analysis reveal five distinct dimensions associated with internal marketing practices at Proficient Minds: Formal Written Communication, Information Dissemination, Response, Formal Face-to-Face Communication, and Informal Communication.

This suggests that the organization employs a diverse range of strategies to engage with its internal stakeholders. Notably, Formal Written Communication emerges as a prominent component, underscored by the strong factor loadings of associated variables. This highlights the organization's emphasis on structured and clear communication channels. Additionally, Information Dissemination plays a significant role, with variables related to dissemination demonstrating strong loadings on a single factor. This indicates a focus on transparent and effective sharing of information within the organization. The structural model further supports these findings, revealing statistically significant positive relationships between communication practices and internal responses. These results emphasize the importance of internal marketing strategies in shaping organizational dynamics and fostering engagement among employees at Proficient Minds.

5. Conclusion

This study has provided valuable insights into the internal marketing practices employed by Proficient Minds. Through exploratory factor analysis, we identified five key dimensions: Formal Written Communication, Information Dissemination, Response, Formal Face-to-Face Communication, and Informal Communication. These findings underscore the organization's multifaceted approach to engaging with its internal stakeholders. Notably, Formal Written Communication emerged as a prominent component, reflecting the organization's emphasis on clear and structured communication channels. Additionally, Information Dissemination played a significant role, highlighting the importance of transparent sharing of information within the organization.

Moreover, the structural model analysis revealed statistically significant positive relationships between communication practices and internal responses. These results emphasize the impact of



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effective internal marketing strategies on organizational dynamics and employee engagement. By prioritizing clear communication channels and promoting information dissemination, Proficient Minds can enhance internal cohesion, productivity, and overall organizational effectiveness. Moving forward, it is crucial for the organization to continue investing in internal marketing efforts and implementing strategies that facilitate effective communication and information sharing. This study contributes to the broader understanding of internal marketing practices, offering insights that can inform organizational leaders in optimizing their internal communication strategies to create a positive and conducive work environment at Proficient Minds.

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