

Internal marketing strategies in LIS: a strategic management perspective

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Abstract

Reviews the literature which discusses the link between service quality and service delivery, and the recognition that employees are a critical factor in determining the success of the service exchange and customer satisfaction. Reports a study of a sample of public librarians in London using semi-structured questionnaires, unobtrusive observation, and an analysis of mission statements. The results suggest that a planned internal marketing programme may help to improve the success of public library services.

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Introduction

A key feature of the literature of services marketing is a discussion of the link between service quality and service delivery (Berry and Parasuraman, 1991; Irons, 1997; Lewis and Entwistle, 1990; Palmer, 2000). In such a discussion, it is recognised that employees are the critical factor in determining the success of the service exchange and customer satisfaction within organisations. Corrall and Brewerton (1999, p. 246) suggest that staff are the cheapest and most effective way of marketing an organisation:

Friendly staff can often make up for shortcomings elsewhere in the service. Staff are also the most potentially damaging part of the marketing equation. Customers do not always notice good service, but they invariably notice and remember poor service, which is often a consequence of limited interpersonal skills.

An important element of services marketing that has been much neglected in the literature is internal marketing, the main focus of which is the central role of employees in the successful delivery of services to the customer. Ewing and Caruana (1999) argue that companies must first sell to their employees before they can sell successfully to their customers. Palmer (2000, p. 172) remarks that:

... successful organizations understand the importance of contact personnel and see an important role for "internal marketing".

Many authors have suggested that internal marketing is a prerequisite for external marketing (Foreman and Money, 1995; Greene *et al.*, 1994; Gronroos, 2000; Kotler, 2000; Pitt *et al.*, 1999; and Sutter, 1995). They all argue that in order for external marketing to be successful, the employees of an organisation must all be committed to marketing and be able to deliver the service promised. Indeed, Rosenblunth and Peters (1992) take this concept a stage further, arguing that the needs of the customers should be second to those of the employees, as customer needs can only be met successfully after those of the employees have been met satisfactorily. Pitt *et al.* (1999) argue that an organisation cannot promise to provide an excellent service before the staff are committed to such service delivery, a view echoed also by Kotler (2000). However, Greene *et al.* (1994, p. 5) identify the



importance of customer service and customer loyalty in internal marketing:

Internal marketing is the key to superior service and the result is external marketing success.

Whilst certain exponents of the concept may appear to take the idea to extremes, nonetheless, all commentators are agreed on the contribution internal marketing makes to a successful marketing strategy for an organisation.

The concept of internal marketing was first introduced in the literature just over 20 years ago, and was outlined by Berry (1981, p. 272) as:

... viewing employees as internal customers, viewing jobs as internal products, and then endeavouring to offer internal products that satisfy the needs and wants of these internal customers while addressing the objectives of the organisation.

Whilst much has been written subsequently on the topic of internal marketing, there is still no single definition of the term. The primary reason for this lies in the fact that the concept has developed greatly since it was first introduced. Rafiq and Ahmed (2000, p. 450) trace the development of internal marketing, suggesting that there are three phases in its evolution, namely:

- (1) employee satisfaction;
- (2) customer orientation; and
- (3) strategy implementation and change management.

These concepts are explored in relation to the management of public library services in England in two companion articles. This first article focuses on the strategic perspective, whilst the second[1] examines issues relating to employee satisfaction and customer orientation. The definition of internal marketing chosen for the purposes of these papers is that provided by Hogg and Carter (2000, p. 109):

The essence of internal marketing is those activities that improve internal communications and customer-consciousness among employees, and the link between those activities and external market place performance.

Previous studies

Previous empirical research in the area of internal marketing has focused on service industries such as banking (Ballantyne, 2000;

Gorchels, 1995) and airlines (Foreman and Money, 1995). Although these studies highlight some key issues in internal marketing, such as service quality, customer orientation and internal communication, the results are not relevant for this study.

The reason for this is that such industries bear little resemblance to library and information service (LIS) organisations. They are large in structure, employ a high number of staff, contain many diverse departments, operate on a national and international scale, and are profit-making organisations. In contrast, LIS organisations differ markedly; they are usually smaller in size, with fewer employees, and, in respect of public libraries, are predominantly non-profit making.

Methodology

These papers[1] are based upon the results of a research project undertaken in the summer of 2001. The purpose of the study was twofold, namely to:

- (1) identify the extent to which internal marketing strategies had been adopted by public libraries; and
- (2) investigate managers' views of internal marketing as a strategy, and the extent to which they believed it to contribute to the success of a library.

As time was limited, a random sample of six London public library authorities were chosen for the survey, consisting of three inner London and three outer London library authorities. Public libraries were selected for investigation for two reasons:

- (1) no prior research of internal marketing in such organisations appeared to have been undertaken previously; and
- (2) as a general community resource, serving the whole population rather than merely a discrete customer base, they provide a wide range of differing services to different clients.

In each of the sample authorities, semi-structured interviews were conducted with the chief librarian in order to ascertain the views and opinions of those with responsibility for internal marketing. Had time allowed, it would have been useful to ascertain the views of a range of staff within the organisations. However, this was a pilot

project, the results of which may serve as a springboard for a larger survey.

In addition to interviews with senior managers, unobtrusive observation was undertaken in order to collect data regarding the physical surroundings of the libraries. A key element of internal marketing is the importance of the physical environment, and the potential impact of this on employees' attitudes and performance at work. Thus, an observation schedule was constructed to ascertain the quality of the physical surroundings.

Finally, an analysis of library Web sites and mission statements (or equivalent documentation) was conducted. The purpose of this analysis was to obtain any additional information regarding internal marketing, such as the marketing activities of libraries, and policies regarding staff training, in order to supplement and enrich the survey data collected.

Strategic management perspectives

Many authors consider internal marketing to be a strategic management issue (Ballantyne, 2000; Gronroos, 2000; Hill, 2001; Rafiq and Ahmed, 2000). As Gronroos (2000, p. 332) states:

If top management does not understand the strategic role of internal marketing, money invested in internal marketing issues will not pay off.

Therefore, internal marketing requires the commitment of strategic management in order to ensure it receives sufficient importance within the organisation.

... for this strategy to be successful top level management must fully embrace it. Thus, the idea of internal marketing must originate at the top and be communicated down to the very bottom of the firm (Greene *et al.*, 1994, p. 5).

As Ewing and Caruana (1999) suggest, at the strategic level, internal marketing should create an environment that fosters customer consciousness amongst employees. Thus, the concept is concerned with challenging the attitudes and behaviour of employees to make them more "customer conscious".

Therefore, the starting point of the survey was an investigation of senior managers' views and perceptions of internal marketing, and the degree to which such a concept formed

part of their overall marketing strategy. The interviewees were questioned as to their understanding of the term internal marketing. Two of the six managers stated that they were aware of the phrase. Their definitions of the term, however, do differ in some respects from those given in the literature and outlined above. One manager defined it as:

It's making your case to your "stakeholders" ... to us the main stakeholder is the council, the councillors and senior officers ... it's mainly inside the council but not ... exclusively so ... we also produce documents which are the basis for sending out to other people like lottery bids, for example, or to send round to local voluntary groups or potential sponsors (Interview A.3.5.).

Whilst the second observed:

I would see that as either ... needing to sell, make other departments aware of the services we can either offer them or the benefits we have for the community or how we overlap with their objectives. About the need to, not just carry on doing services, it's about keeping politicians aware of what you're doing and the challenges you face (Interview E.3.8.).

Both the above definitions focus on the need for librarians to market the service internally to stakeholders, which in this instance were perceived to be local authority members alone; neither definition referred to employees in this context.

Although the remaining interviewees had indicated that they were unfamiliar with the term, they were nonetheless, asked to suggest a possible definition. As with managers in libraries A and E, their definitions also focused on the need to "raise the profile" of the library service to stakeholders. For example, one manager suggested:

I would guess it is probably marketing our service amongst our organisation. It's what we actually refer to as "raising our profile" (Interview F.2.8.).

Similarly, another stated:

If you say internal marketing is selling ... and promoting your service to non-public sources, like raising the profile of the library service within the council in order to secure resources ... that will then benefit the service (Interview D.3.7.).

It was evident from the responses above, that none of the librarians understood the term as defined in the literature currently. In all the definitions provided, not one manager viewed internal marketing as encompassing the concept of marketing the service to their employees. When shown such a definition

based upon the literature, they agreed largely with the ideas outlined, although a number queried the use of the term “marketing”, namely:

I am not sure I would call it “internal marketing” (Interview B.3.7.).

It makes sense but . . . I would not have applied marketing . . . I would have used the word “motivation” . . . I would call it motivating the workforce to know the aims and objectives of the workforce and give them the tools and support to actually do the job that’s needed (Interview D.3.8.).

We would do all that; we just wouldn’t call it “internal marketing” (Interview F.2.9.).

Many recognised the importance of staff in contributing to the provision of a successful service, but did not link this to the term “internal marketing”:

I haven’t used that term but . . . our staff are our biggest asset. We’ve been lucky in the past with the quality of the staff we’ve had but it is getting more difficult because salary levels are not as good . . . whereas a few years ago I think staff were prepared to accept the salary . . . now . . . think they want a bit more from their job, we’re finding that quite hard . . . there are not so many [professional] librarians coming forward who want to work in the public sector (Interview C.3.8.).

Mission statement

A strong mission statement should set out the aims and objectives of the organisation to all employees. Berry and Parasuraman (1991, p. 157) suggest that one of the essentials of internal marketing is to “offer a vision”:

People delivering services need to know how their work fits in the broader scheme of business operations, how their work contributes to the firm . . . visions should be . . . communicated personally by top management.

Palmer and Hartley (1999, p. 61) observe that one of the common internal marketing techniques is the existence of an organisational mission statement:

The organisation’s mission statement must be clearly formulated and communicated to employees. It should provide a general statement about the organisation’s essential purpose.

At interview, respondents were questioned as to whether their library authority had a written mission statement or service plan. All respondents had annual library plans (ALP)

as required by the Department of Culture, Media and Sport (DCMS) (DCMS, 2001). As one manager stated:

What we’ve got is an action plan . . . obviously in things like the Annual Library Plan (Interview E.3.1.).

In addition to the ALP, some of the library authorities also had separate mission statements. Two of the six libraries stated that they had wider mission statements, which covered more than just the library service *per se*, namely:

. . . we also have a mission statement. I have responsibility for the library service, and museums and community services . . . and we have a joint mission statement for all those three services (Interview F.2.1.).

Much of the literature stresses the importance of keeping mission statements simple, and making them available for all employees to read (Berry and Parasuraman, 1991; Gorchels, 1995; Palmer and Hartley, 1999). All the librarians stated that their mission statement was available for staff to read, although, as one respondent observed:

They would have access to it [but] you know, hand on heart I don’t know whether everyone looks at it (Interview E.3.2.).

The availability of such documentation ranged from the statement being available in the library and also outlined on a poster, to one library which gave each member of staff a personal pack:

. . . we’ve just done a personal development review pack for each member of staff and within that we have got the key objectives for the service (Interview C.3.2.).

Four of the six interviewees also stated that the aims and objectives were available in electronic format, for example:

It is certainly written . . . the DCMS Annual Plan . . . is [also] available electronically (Interview D.3.1.).

However, library manager E did suggest that staff access to materials held electronically may not necessarily be straightforward:

It would be available electronically. [But] to be fair that’s probably something they’d need to have an understanding of what folders to get into and that kind of stuff (Interview E.3.4.).

A review of the library Web sites revealed that three out of the six libraries had their mission statements available online.

Library aims and objectives

Interviewees were asked to summarise the main aims and objectives of their library service. Three of the six referred to the aims and standards set out by the government, for example:

... we are told what the main aims are now by the Government ... It's Lifelong Learning, Social Inclusion, IT, redevelopment's, etc., those are the kind of key things that libraries should be about. The ... government is far more prescriptive than any government has been before; far more interventionist in terms of telling you exactly to do this and this and check[ing] up on you (Interview A.3.2.).

The remaining library managers outlined their aims and objectives as focusing on the desire to help and meet the needs of the local community. These objectives encompassed the aims of the government in terms of social inclusion and lifelong learning, as follows:

We aim to enrich quality of life by giving access to information, celebrating diversity of culture and heritage, and encouraging individual enjoyment of learning throughout life (Interview F.2.3.).

Only one of the respondents referred to employees in their aims and objectives:

We have a library strategy ... and there [are] three key themes within that. The first one is about developing the social role of the library ... The second one is around developing IT in libraries. And the third one is about re-skilling staff in order to achieve those other two aims and objectives (Interview C.3.3.).

Culture

A strong theme in the literature relating to internal marketing is the need for organisations to be customer-conscious, for example:

... all staff must "think customer". This attitude ... must permeate the company's culture ... Unless your staff have the right attitude of open-mindedness and readiness to act in response to customer needs, your company will be ill-equipped to win the battle for competitive advantage (Hill, 2001, p. 6).

Gronroos (1984, p. 95) was one of the first to develop the idea of customer orientation with regard to internal marketing. At a strategic level, the objective of internal marketing should be:

... to create an internal environment that supports customer-consciousness and sales-mindedness among the personnel.

Ballantyne (2000) shares this view, suggesting that in order to put customers first, not only should front-line staff be "customer conscious", but that all employees are required to subscribe to such a philosophy. Thus, the objective of internal marketing should be "motivated and customer conscious employees" (Rafiq and Ahmed, 2000, p. 237).

In addition to the creation of a service culture, once created, it must be maintained actively, otherwise employees may easily revert to a culture whereby the concerns of the customer are no longer of paramount importance, and thus the organisation ceases to have a marketing orientation.

Marketing orientation

Ballantyne (2000, p. 45) defines a marketing orientation "as [being] a sense of direction", citing Hooley in support:

... marketing is a guiding philosophy of the organisation, and is not confined merely to the marketing department.

This view that marketing should be an organisational wide philosophy, rather than a departmental one, is echoed by many other authors in internal marketing, such as Kotler (2000), and Hogg *et al.* (1998, p. 880), namely:

Marketing is organisational not a departmental function.

Thus, the librarians were questioned as to whether they had a service-wide marketing plan. Of the six librarians interviewed, only two acknowledged that they had such plan:

... it's actually being re-written at this moment ... And again, the marketing plan goes back to the mission statement (Interview D.3.3.).

... we have an Annual Library Plan, which will have elements of marketing in it. And within that we then have an action plan for the libraries, which again has elements of marketing in it (Interview E.3.5.).

However, of the remaining four librarians, two commented that they were in the process of developing such a plan, whilst another remarked that they carried out marketing activities, but lacked a document entitled a marketing plan. Library manager F stated:

... we have got a new member of staff ... this particular person is working on a lot of presentation and marketing issues at the moment and that will probably include, at some point, drafting a marketing plan (Interview F.2.5.).

When interviewees were asked to identify those of their staff with responsibility for marketing, four of the six stated that it was the responsibility of one person. One respondent noted:

We're not big enough to have a department so there are two people key in the library service ... they meet on a monthly basis to see what's going on and that brings in other staff from different parts of the library service (Interview D.3.5.).

One manager stated that the person who was responsible for marketing in their library was also responsible for training, which gave rise to problems of prioritisation, namely:

Within the development team there is a service development librarian who is responsible for training and marketing ... a large part of her job has been around the NOF ICT training and the IIP work. The marketing has had to take bit more of a back seat (Interview C.3.5.).

The remaining two interviewees observed that marketing was the responsibility of all staff, for example:

... it's one of those things that is sort of everybody's responsibility. The department, Cultural services department, has a marketing section ... we're in a process of change where a strategy is being devised for the whole of the department (Interview B.3.3).

However, library manager F commented that staff may be resistant with regard to marketing:

I think they have some difficulty understanding it. They're very suspicious of marketing. We did a training course for a lot of staff last year on presentation skills and we got a marketing professional to do the training course and she used the word *marketing* quite a bit throughout ... and the feedback we got from that was that they didn't understand what it had to do with them. So there's a huge amount of suspicion and there's a huge amount of ignorance and that's something we need to address (Interview F.8.2.).

Such suspicion of marketing may stem from employees' perceptions of senior management views as to the importance of marketing in relation to other managerial functions within the service. When managers were questioned

as to the importance of marketing in relation to other managerial functions, responses were mixed. Two of the six librarians viewed it as the most important function. As one remarked:

I would say that that is almost the prime thing we do in various ways. It is done in ... lots of ways which might not immediately seem to be marketing, but it does go on even if people don't quite realise it ... A lot of people think it's publicity and producing leaflets and things ... but it's not just that. It's all the kind of market research and finding out what people want, and all of that (Interview A.3.4.).

However, the remaining four managers all believed that finance and human resources were more important management functions than was marketing, as library manager C observed:

Finance is fundamental to the service and human resources, well staff are the key to the delivery of the service ... we certainly don't put as much in to marketing the service as those other two (Interview C.3.6.).

Strategy implementation and change management

A key tenet of the literature relating to internal marketing suggests that the employment of such a strategy may help overcome resistance to change and departmental conflict within organisations (Greene *et al.*, 1994; and Morgan, 2001). Rafiq and Ahmed (2000, p. 453) believe that the scope of internal marketing is much wider than merely that of motivating employees, being rather a:

... planned effort to overcome organizational resistance to change and to align, motivate and integrate employees towards the effective implementation of corporate and functional strategies.

The library managers were questioned as to the extent of resistance to change within their organisations and strategies for overcoming such resistance. All remarked on the extent of such resistance to change within their organisations, with one commenting:

... in my view library staff [take] a time to get to grips with [change] because it's a learning curve ... you've got people there who are hesitant ... and in my view changes in libraries do not come about overnight (Interview D.1.5.).

Conclusion

The results of the research suggest that a planned internal marketing programme may help to improve the success of public library services. As identified above, many internal marketing processes already exist in libraries, and therefore such a programme is required in order to reinforce, co-ordinate and augment current practices.

However, organisations need first to address existing weaknesses. In order for internal marketing to be implemented successfully, public library managers need to overcome resistance to change, and any staff apprehensions as to the role and purpose of marketing within a service organisation.

The libraries surveyed appear to lack both a clearly defined marketing orientation, and the strategies to deal with resistance to change that are necessary in an organisation committed to internal marketing. Hogg and Carter (2000) suggest that Investors in People (IIP) may provide service organisations with a practical solution to this problem.

Although primarily viewed as a training initiative, IIP carries with it a number of communication imperatives which suggest that it can be a useful framework for internal marketing and a catalyst for changing the culture of an organisation towards achieving and sustaining a marketing orientation. IIP offers organisations a framework with which to implement changes in organisation culture and can be used to transmit news, as well as reinforcing existing, organisational messages. Importantly, however, IIP is only a medium and not the message. If the core values of an organisation remain incompatible with their stated strategic objectives, programmes which aim to instigate changes in culture can not succeed (Hogg and Carter (2000, pp. 110-11).

In the second article, the remaining two perspectives of internal marketing, namely, employee satisfaction and customer orientation, are explored and the survey results evaluated.

Note

- 1 The second paper based on this research will appear in *Library Management*, Vol. 23 Nos. 8 and 9.

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