

Evaluating the Effect of Internal Marketing (IM) on Competitive Advantage through Mediation Customer Satisfaction in MELI Bank Branches of Khuzestan Province (Ahvaz branches Study)

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Abstract: With the Appearance of a Competitive Economy, Concepts Such as Customer Orientation, Customer Focus and Customer Satisfaction Considered Foundation of Business, and Those Organizations That Does Not Pay Attention to it, Removed From The Market. Internal Marketing Activities through Employees Influence and Motivate (Internal Customers) Lead to Customer Satisfaction and Organizational Competitiveness. The Main Purpose This Study Is to Investigate the Effect Interanl Marketing (Organizational Vision, Reward System, Staff development) on Competitive Advantage with Mediating Role of Customer Satisfaction. Statistical Population of This Study Is 374 Staff of MELI Bank Branches of Khuzestan Province (Ahvaz Metropolis Study). Using of Simple Random Sampling Method, and With Using krejcie and Morgan Table, 245 of them were Chosen. In Total, 245 Questionnaires Were Distribute And The 235 Number Questionnaires Were Collected From The Respondents. In Order to Measure the Research Variables Was Used three Questionnaires Contains: Internal Marketing, Customer Satisfaction and Competitive Advantage. Data Analysis On Two Levels: Descriptive And Inferential Statistics With Using Statistical Software SPSS And Lisrrl Done. Research Findings Show That Internal Marketing Has Positive and Significant Effect on Customer Satisfaction and Competitive Advantage; Also Findings Show That Internal Marketing Has Positive and Significant Impact on Competitive Advantage through Mediating Role of Customer Saris faction in MELI Bank Branches of Khuzestan Province-Ahvaz.

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Keywords: Internal Marketing (IM), Customer Satisfaction, Competitive Advantage MELI Bank Branches of Khuzestan Province (Ahvaz branches Study)

Introduction

In outlook of 21 century, firms are placed in a competitive and complicated situation effected by varieties of factors such as globalization, technological development and increasing speed of new technologies distribution. In the framework of this outlook, firms must act differently than the past for their survival and progress. Preserving and promoting customer loyalty is a strategic challenge for the companies where they are concern to maintain and develop their competitive position in the market (Moharam nejad 2010). The staffs of company are major part of beneficiaries who affect directly and indirectly on perception of value by customer. Paying attention to employees need and supplying the needs can lead to improve effort to create value for customer. Employee satisfaction is necessary to provide quality services, for this reason employees are in core attention of internal marketing activities. Employees are considered as the most valuable assets of organization and they are treated as same as internal customers that it would lead to obtain competitive advantage of organization.

Literature review

Foreign researches

- Evan et al (2015) did their research in title of "internal marketing and customer loyalty". Findings showed that the internal marketing has positive and significant impact on customer loyalty and this relationship is mediated by variables of customer satisfaction, affective commitment and organizational citizenship behavior.

- Al-Hakimi and Al-Hariri (2014) did their research in title of "internal marketing as a competitive advantage in banking industry". Findings will help managers to identify vital dimensions of internal marketing that consequently will cause to effect on competition level of banks.

- Dalbooh and khasawneh (2013) did their research in title of "the effect of internal marketing on increase of customer satisfaction in Jordanian tourism sector: an empirical study from the view of customers in north region". Results showed that the internal marketing has positive and significant impact on customer satisfaction.

Domestic researches:

- A research done by Safir (2014) named “the effect of internal marketing on market orientation with an emphasis on customer satisfaction based on Servqual model (a case study of Iranian Saderat Bank) the results of research showed that internal marketing practices and its impact on market orientation in Iranian Saderat Bank has managed to increase the path analysis of quality of services and increase customer satisfaction based on a conceptual model.

- A research done by Oraee (2013) named “analyzing the relation of internal marketing and customer orientation of employees of Sepah bank”. The results of the research indicated the positive and significant relationship of internal marketing with customer orientation of employees.

- A research done by Azizi et al. (2012) named “the effect of internal marketing on customer orientation of employees with an emphasis on outlook indexes, improvement and development, reward; case Study: the staffs of Melli Bank branches in

Mazandaran province”. The results obtained from data analysis and test of hypotheses indicated that internal marketing and its components other than organization’s outlook, has positive and significant impact on customer orientation.

- Research hypotheses

-hypothesis 1: internal marketing has positive and significant impact on competitive advantage in Melli Bank branches in Khozestan- Ahvaz province.

-Sub-hypothesis 2: customer satisfaction has positive and significant impact on competitive advantage in Melli Bank branches-Ahvaz in Khuzestan province.

Conceptual model of research

In this research, the following conceptual model (figure 2-8) was accepted and analyzed in order to investigate the effect of internal marketing on competitive advantage with mediating role of customer satisfaction.

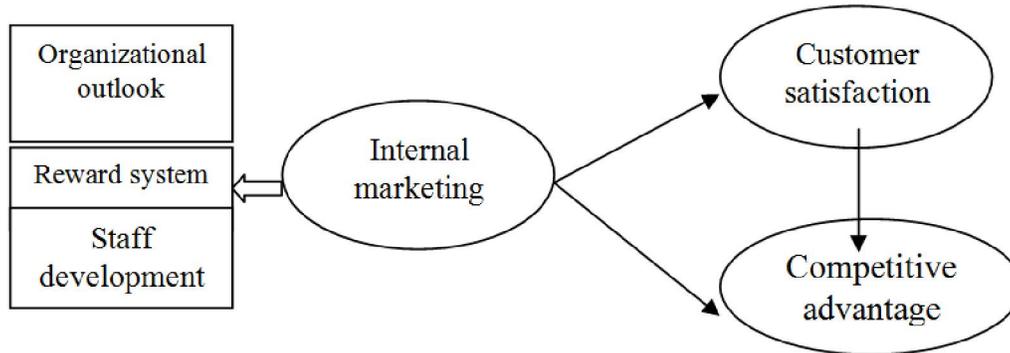


Figure 2-8: conceptual model of research (resulted from literature and theories of research)

Research methodology

Given that the aim of this research is to develop the applied knowledge based on applied objective and in terms of the way of collating data is descriptive and is a type of causal researches.

The results of Kolmogorov-Smirnov test

In this part the distribution of statistical sampling being analyzed through distribution compliance of Kolmogorov-Smirnov test. As shown to you in table 4-6 the distribution of statistical population is normal ($p > 0/05$).

Table 4-6: the results of Kolmogorov-Smirnov test

	Internal marketing	Customer satisfaction	competitive advantage
Kolmogorov-Smirnov Z	.807	1.240	1.552
Asymp. Sig. (2-tailed)	.532	.093	.061

Distribution of variables of research is normal

The Results Of T Test

Status of internal marketing and its dimensions in Ahvaz Melli Bank branches in Khuzestan province.

In order to investigate the status of internal marketing and its dimensions in Ahvaz Melli Bank branches in Khuzestan province one-sample t test was

used. The results of this analysis are provided in table 4-7.

As is shown the obtained average is greater than number three, therefore; it is clear that this variable has favorable status in Ahvaz Melli Bank branches in Khuzestan province.

Table 4-7: One-sample t test of internal marketing variable and its dimension

One-Sample Statistics

variable	Number	average	Standard deviation	standard error of the mean
outlook	235	3.4489	.77732	.05071
reward system	235	3.1709	.81503	.5317
staff development	235	3.3794	.74830	.04881
internal marketing	235	3.3331	.70437	.04595

One-Sample Test

	Test Value = 3					
	T	Degrees of freedom	Sig. (2-tailed)	Mean difference	95% confidence interval of the difference	
					lower	Higher
outlook	8.854	234	.000	.44894	.3490	.5488
reward system	3.215	234	.001	.17092	.0662	.2757
staff development	7.773	234	.000	.37943	.2833	.4756
internal marketing	7.249	234	.000	.33310	.2426	.4236

Status of customer satisfaction in Melli Bank branches-Ahvaz in Khuzestan province

In order to investigate the status of customer satisfaction in Melli Bank branches of Ahvaz in Khuzestan province one-sample t test was used. The results of this analysis are provided in table 4-8.

As is shown the average of customer satisfaction in Ahvaz Melli Bank branches in Khuzestan province is greater than number three, therefore; it is clear that this variable has favorable status.

Table 4-8: One-sample t-test of customer satisfaction

One-Sample Statistics

variable	number	average	Standard deviation	standard error of the mean
customer satisfaction	235	3.0783	.68307	.04456

One-Sample Test

	Test Value = 3					
	T	Degrees of freedom	Sig. (2-tailed)	Mean difference	95% confidence interval of the difference	
					lower	higher
customer satisfaction	6.908	234	.000	.30780	.2200	.3956

Status of competitive advantage in Melli Bank branches-Ahvaz in Khuzestan province

In order to investigate the status of competitive advantage in Melli Bank branches of Ahvaz in Khuzestan province one-sample t test was used. The results of this analysis are provided in table 4-9.

As is shown the average of competitive advantage in Melli Bank branches-Ahvaz in Khuzestan province is greater than number three, therefore; it is clear that this variable has favorable status.

Table 4-9: One-sample t-test of competitive advantage

One-Sample Statistics

variable	number	average	Standard deviation	standard error of the mean
competitive advantage	235	3.2349	.79634	.05195

One-Sample Test

	Test Value = 3					
	T	Degrees of freedom	Sig. (2-tailed)	Mean difference	95% confidence interval of the difference	
					lower	higher
competitive advantage	4.522	234	.000	.23489	.1325	.3372

Friedman test results

In this section Friedman test has been used in order to classify the components of research. As shown in table 4-10, given to the components of internal marketing in branches of Melli Bank Khuzestan-Ahvaz province, outlook, staff development, and rewards systems have respectively been classified.

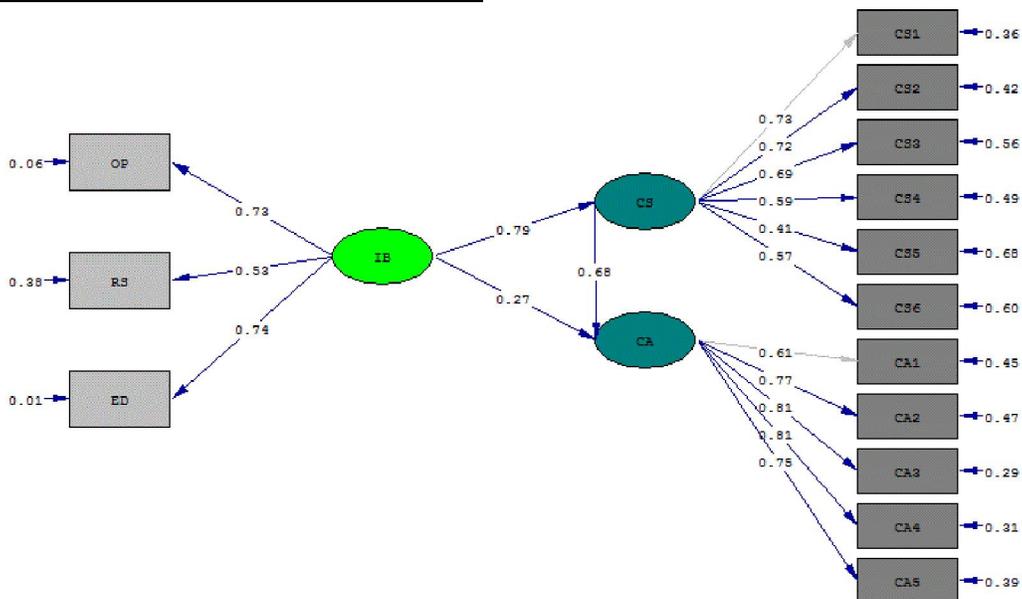
Table 4-10: Friedman test results for components of internal marketing

Variable	Ranking average	Rank
Outlook	2.22	1
Rewards systems	1.74	3
Staff development	2.04	2

Research hypotheses test

Following the confirmatory factor analysis and identification of latent variables, in this section we will do the research hypotheses test by appropriate analysis. For hypotheses tests the structural equation model and Lisrel software have been used.

To do the structural equation modeling for research hypotheses test, at first the output of software indicates the suitability of fitting structural model ($\chi^2/df=1/35$, RMSEA=0/047, GFI=0/95, AGFI=0/93, NFI=0/96, NNFI=0/98, CFI=0/99). In other words, observed data are in accordance with research conceptual model to a large extent (diagram 4-1.4).



Chi-Square=236.73, df=174, P-value=0.00000, RMSEA=0.047

Figure 4-14: Research structural model in state of standard estimate

In diagram 4-15 the significant of coefficients and obtained parameters of research structural model is shown as well.

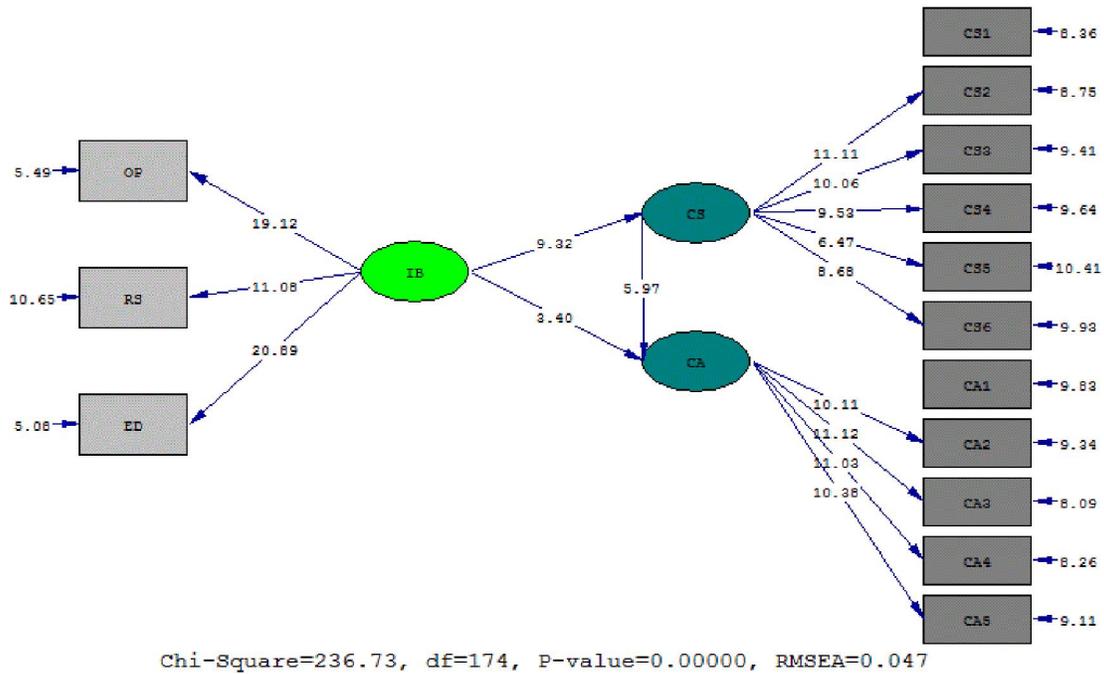


Figure 4-15: significant numbers of research structural model coefficients

The results of structural equation model show that internal marketing has positive and significant impact on customer satisfaction ($\beta=0.79$; $t=9.32$) and competitive advantage ($\beta=0.27$; $t=3.40$) in branches of Melli Bank of Khozastan- Ahvaz province. Customer satisfaction has also directly and significant impact on competitive advantage in branches of Melli Bank of Khozastan- Ahvaz province ($\beta=0.68$; $t=5.97$) as well as results indicate the confirmation of mediation effectiveness of customer satisfaction variable in explain the relationship between internal marketing and competitive advantage ($\beta:0.27 < \beta: 0.79*0.68=0.5372$). Therefore; the null hypothesis is rejected and all hypotheses of research are confirmed.

The results obtained from research findings test

Sub-hypothesis 2: internal marketing has positive and significant effect on competitive advantage in branches of Ahvaz Melli Bank in Khuzestan-province. Findings of the research show this hypothesis being confirmed with path coefficient 0.27 and significant number 3.40. Therefore; it can be stated that this Bank will able to achieve the organizational objectives such as market share and higher profit. Organization will be able to build relationships with key customers through smart and effective internal marketing and thus will be able to gain competitive advantage and organizational excellence.

Sub-hypothesis 3: Customers’ satisfaction has positive and significant effect on competitive advantage in branches of Ahvaz Melli Bank in Khuzestan-province. Findings of the research show this hypothesis being confirmed with path coefficient 0.68 and significant number 5.97. Therefore; it can be stated that organization will be able to attract new customer and gains significant share of growth and share of market through keeping customers satisfied and make them loyal. In fact, to gain customer satisfaction and fulfill it before the competitors is an essential condition for the success of companies.

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