



EFFECT OF INTERNAL MARKETING ON ORGANISATIONAL OBJECTIVES OF MANUFACTURING COMPANIES IN NIGERIA (A STUDY OF NIGERIAN BREWERIES PLC)

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Cite this article:

Obafemi, O. O., Obisesan, A. A. (2024), Effect of Internal Marketing on Organisational Objectives of Manufacturing Companies in Nigeria (A Study of Nigerian Breweries Plc). British Journal of Management and Marketing Studies 7(4), 28-39. DOI: 10.52589/BJMMS-2LKZLO68

Manuscript History

Received: 17 Aug 2024

Accepted: 26 Sep 2024

Published: 3 Oct 2024

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ABSTRACT: *The study examines the effect of internal marketing on organisational objectives. To determine this, the study establishes the effect of organisational value exchange on organisational objectives; determines the rate of organisational internal communication on organisational objectives and examines the effect of training and development on organisational objectives. The analysis of the internal marketing tools in the study showed that a variety of internal marketing tools has led the company (Nigerian Breweries Plc) to achieve its organisational objectives. To sustain this achievement, there is a need to pay attention towards internal customers (employees). A simple random technique was adopted to select 155 employees of Nigerian Breweries, Lagos. Correlation analysis was adopted to determine the relationship between internal marketing variables (Value exchange, Internal Communication and Training & Development) and organisational objectives (performance). The result reveals the value of the correlation coefficient to be less than the standard 0.05 at a 5% significance level, this depicts that internal communication has a positive impact on the organisational objectives of companies in Nigeria. This results in tandem with the findings of Gordon & Wakibi (2019) that internal marketing and job satisfaction are positively and statistically significantly associated with quality health service delivery. The study concludes that the role of internal communication, value exchange and training and development among employees in manufacturing companies should be given utmost attention since employees need the exchange of information to drive the marketing capabilities of the organisation, identify and merge the values of the organisation with the values of the staff to maximize efficiency on the market drive and offer quality marketing training and development for the employees to gain competitive advantage and capture the large market within a short period.*

KEYWORDS: Effect, Internal marketing, Organisational Objectives, Manufacturing Companies



INTRODUCTION

The world of business faces constant changes in terms of its economic, political, and social environment, creating permanent instability of customer demands in the global markets (Moreira Mero et al., 2020). As such, companies embark on either internal marketing or external marketing to have a competitive advantage over their rivals. An approach, companies can consider improving their competitiveness is through the use of internal marketing practices to satisfy and enable employees to deliver superior service quality and perceived customer satisfaction (De Bruin et al., (2020).

The idea of internal marketing is to view employees as internal customers and to use jobs as internal products to satisfy their needs which, will, in turn, educate, reward, and motivate them to meet the needs of external customers. Internal marketing focuses on employee satisfaction first for better service performance and suggests that employees who are given more power and authority are more likely to obtain satisfaction (Chen et al., 2020). This has continued to draw attention from both academic and professional levels, and this is very important with respect to the manufacturing industry. This is because it remains one of the tools organisations use to improve the commitment level of their employees to increase organisational performance.

The Nigerian manufacturing sector is a significant contributor to the nation's economy, but it faces various challenges. Despite growth potential, the sector struggles with issues like low productivity, limited technological adoption, and infrastructural deficiencies. Internal marketing focuses on treating employees as "internal customers" and creating a positive work environment. Therefore, the need for internal marketing in most corporate organisations such as manufacturing companies cannot be overemphasized. This research was designed to examine the relationship between internal marketing and organisational performance in Nigerian Breweries.

Statement of the Problem:

The Nigerian manufacturing sector plays a crucial role in the nation's economic development. However, despite its potential, the sector faces challenges such as low productivity, limited technological adoption, and infrastructural deficiencies.

A number of previous studies have been carried out on internal marketing practices and their entire effect on the profitability and growth of an organisation. Gordon & Wakibi (2019) examine the combined influence of internal marketing and job satisfaction on quality health service delivery in Greater Iganga Local Government. The study found that the relationship between internal marketing, job satisfaction and quality health service delivery was statistically significant.

Khin (2020) explored the effect of internal marketing practices on job satisfaction among the employees of the hotel industry in Mandalay, the results revealed that internal marketing practices have significant direct effects on the job satisfaction of employees and indirect effects on employee commitment.

Aamir and Muhammad (2018) examined the effect of internal marketing on the organisational commitment of employees in private banks of Faisalabad. Using a regression method, the study



found job satisfaction, understanding and differentiation, inter-functional coordination and integration to be the most effective components of the internal marketing influencers of organisational commitment.

Olorunleke (2020) investigated the effects of aspects of internal marketing on organisational commitment among managers of Nigerian banks in Lagos, Nigeria, and found that “inter-functional coordination and integration”, training and motivation have positive effects on the manager's commitment. While research suggests a positive correlation between internal marketing and organisational performance in general, there is a scarcity of research specifically exploring the impact of internal marketing on manufacturing companies in the Nigerian context. This lack of specific data makes it difficult for Nigerian manufacturing companies to confidently invest in and implement internal marketing strategies.

Therefore, the core problem addressed by this study is the lack of empirical evidence regarding the effectiveness of internal marketing strategies in driving the achievement of organisational objectives within Nigerian manufacturing companies.

CONCEPTUAL REVIEW

Internal Marketing

The main concept of internal marketing is to make the employees as important as the external customers by treating them as internal customers. Internal marketing orientation is an important concept where organisations apply marketing tools to attract and retain the best employees, which will affect business performance. (Khin, 2020).

Internal marketing stresses that the success of external marketing is dependent on the firm having motivated, satisfied and innovative employees. Internal marketing is used by firms to uplift their employees' competencies to respond to the organisational goals. In this arena of competition, organisations are trying to improve and increase the quality and standard of their services. Many researchers agree that organisations have to cater to both internal and external customers to improve the quality. To grow and sustain the growth, organisations need to pay attention towards both external and internal customers' needs to improve the service quality.

Internal marketing starts when the organisation start to recruit the best possible employees and to develop them to fulfil their personal and organisational needs so that the employees will give the maximum output and improved job performance which will gratify the customers. There are two main stakeholders of the concept of internal marketing. Firstly, every employee of the organisation has their internal customer, and that they in reciprocal also have internal customers. Secondly, the employer has some important duties to give benefits, preserve rights and provide extra rewards for their employees, which in return gives better performance to the organisation overall in the external market.



Elements of Internal Marketing

Ahmed & Rafiq (2018) identified some elements of internal marketing.

1. ***Employee Motivation and Satisfaction:*** Since motivation influences productivity, supervisors need to understand what motivates employees to reach peak performance. It is not an easy task to increase employee motivation because employees respond in different ways to their jobs and their organisation's practices. Motivation is the set of processes that moves a person toward a goal. Organisational practices are the rules, human resources, policies, managerial practices, and reward systems of an organisation. Supervisors must consider how these factors interact to affect employee job performance. Maslow's hierarchy of needs identifies five levels of needs, which are best seen as a hierarchy with the most basic need emerging first and the most sophisticated need last.
2. ***Customer orientation and customer satisfaction:*** The centrality of customer orientation reflects its importance in the marketing literature and its central role in achieving customer satisfaction and hence organisational goals. Ahmed et. al., (2018), highlighted the key role of training in customer orientation and customer satisfaction. They explained that employees also need the right type and level of training to perform their jobs. This can help to reduce ambiguity surrounding their role and help employees meet the needs of customers more effectively.
3. ***Inter-functional coordination and integration:*** To overcome organisational resistance to change and alignment, there is a need to motivate and inter-functionally coordinate and integrate employees towards the effective implementation of corporate and functional strategies to deliver customer satisfaction through a process of creating motivated and customer-oriented employees".
4. ***Marketing-like approach:*** In this view, it is not sufficient that employees are motivated to perform better, but they must also be "sales" minded, holding that an organisation's internal market of employees can be influenced most effectively and hence motivated to customer-consciousness, market orientation and sales mindedness by a marketing-like internal approach and by applying marketing-centric activities internally. Internal Marketing holds that employees are "best motivated for service-mindedness and customer-oriented behaviour by an active marketing-like approach, that is aligned and used internally.
5. ***Implementation of specific corporate or functional strategies:*** the role of internal marketing is that of aligning, educating and motivating staff towards organisational objectives. Implementation of specific corporate strategies is advocated on the general tool for the implementation of any organisational strategy whether internal or external. In due course, internal marketing has come to be seen as a mechanism for reducing departmental isolation, reducing inter-functional friction, and overcoming resistance to change.



Dimensions of Internal Marketing

Gordon & Wakibi, (2019) identified dimensions of internal marketing as training and skill development activities, work environment, superior support, coworker support and recognition have a significant impact on the satisfaction level of employees.

Ahmed and Rafiq (2020) classified internal marketing dimensions into strategic rewards; internal communications; training and development; organisational structure; senior leadership; physical environment; staffing; selection and succession; inter-functional coordination; incentive systems; empowerment; and operational process changes.

The analysis of the internal marketing dimension is a fundamental part of the overall management of a business given that, through its study and application, the employee's satisfaction and the subsequent achievement of the same goals can be reached.

1. ***The Identify Value Exchange (IVE)***. This dimension is to collect information about the internal market so that what the employees hope to receive from the business is known, as well as the benefits that they are going to give to the business. This component occurs when hiring staff when the values of new staff are identified, as well as those of the organisation, so as to know if they share the same philosophy.
2. ***Internal Market Segmentation (IMS)***. On the other hand, the IMS dimension, involves the separation of functions which each employee of the organisation performs, considering aspects of macro-segmentation (socio-demographic aspects) and micro-segmentation (attitude, behaviour, etc.), all of this at diverse levels of management.
3. ***Internal Communication (IC)***. For its part, the IC dimension is essential in all the interpersonal relationships that help the development of activities through the exchange of information between the leader and the employees. In this sense, communication should be extended to different levels of the organisation, to be able to influence the behaviour of all the employees. As such, the improvement of IC could offer unique capacities for a significant performance in the target market.
4. ***Management Concern (MC)***. An internal marketing dimension, suggests that supervisors should worry about knowing the present and future expectations that workers have; and disclosing good management practices to motivate employees in the performance of their work (Chareonwongsak, 2017).
5. ***Training (TR)***. About TR, this dimension looks to prepare employees for the development of abilities and capacities that the work position requires and, in turn, means an opportunity for growth within the business (Abbas and Riaz, 2018).



Tools to Enhance Internal Marketing

1. **Internal Launch Campaigns:** Internal launch campaigns are marketing platforms that target employees. These campaigns take place before the public revelation of the same campaign. Internal launch campaigns are highly effective internal marketing tools because they generate enthusiasm for the campaign among the employees who will be in charge of managing it. Thus, by the time the campaign hits the public, momentum is in full swing. Internal launches also allow small businesses to work out some of the kinks before the campaign goes live to consumers.
2. **Influential Employees:** Influential employees in an organisation often function as effective internal marketing tools. These employees are typically non-managerial, highly visible and admired members of the organisation. Examples may include a particularly gifted programmer or salesperson. Often these employees shape opinions inside your business, so getting their input on the marketing campaign before it goes out to the consumer often encourages buy-in from other employees.
3. **Events:** Events that target employees in a positive manner represent another valuable internal marketing tool. Events may showcase employees' other talents, such as the dancing and singing competition featured during the annual sales conference of Nigerian Bottling Company (NBC), wherein sales function employees from various territories compete amongst one another and prizes are won. Such events serve the dual purpose of rewarding employees and elevating the image of the brand in the eyes of their distributors and dealers respectively.
4. **Training:** Training programs represent another useful internal marketing tool. Teams of employees engaged in shared learning experiences tend to develop social support networks among themselves that further the internal marketing goal of employee engagement with the organisation, as well as increase job satisfaction.

Empirical Review

Several studies on internal marketing practices in corporate organisations have been carried out, especially on the subject of organisational performance.

Gordon & Wakibi (2019) examine the influence of internal marketing and job satisfaction on quality health service delivery in Iganga Local Government, in the eastern region of Uganda. The results indicated that independently, internal marketing and job satisfaction are positive and significantly associated with quality health service delivery at $r=0.695$; $p<0.001$ and $r=0.720$; $p<0.001$ respectively.

Atiqur and Dewan (2018) examined the relationship between internal marketing factors and employee job satisfaction in the retail sector of Bangladesh. The results of the multiple regression indicated that there is variation in the effect of internal marketing factors on job satisfaction.

Khin (2020) explored the role of internal marketing practices on the employees of the hotel industry in Mandalay, Myanmar. The results revealed that the internal marketing practices (training and development, motivation and rewards, employee empowerment and internal communication) have significant direct effects on job satisfaction of employees and indirect effects on employee commitment.



Olorunleke (2020) investigated the effects of internal marketing on the organisational commitment of employees in the major commercial city of Lagos, Nigeria. Results indicated that “inter-functional coordination and integration”, training and motivation have positive effects on the organisational commitment of employees among Nigerian banks.

Abdelaziz, Mohamed, Emad & Marwa, (2022) investigate the effect of internal marketing on innovation in hotels. The results indicated the significant effect of internal marketing on innovation.

Theoretical Framework

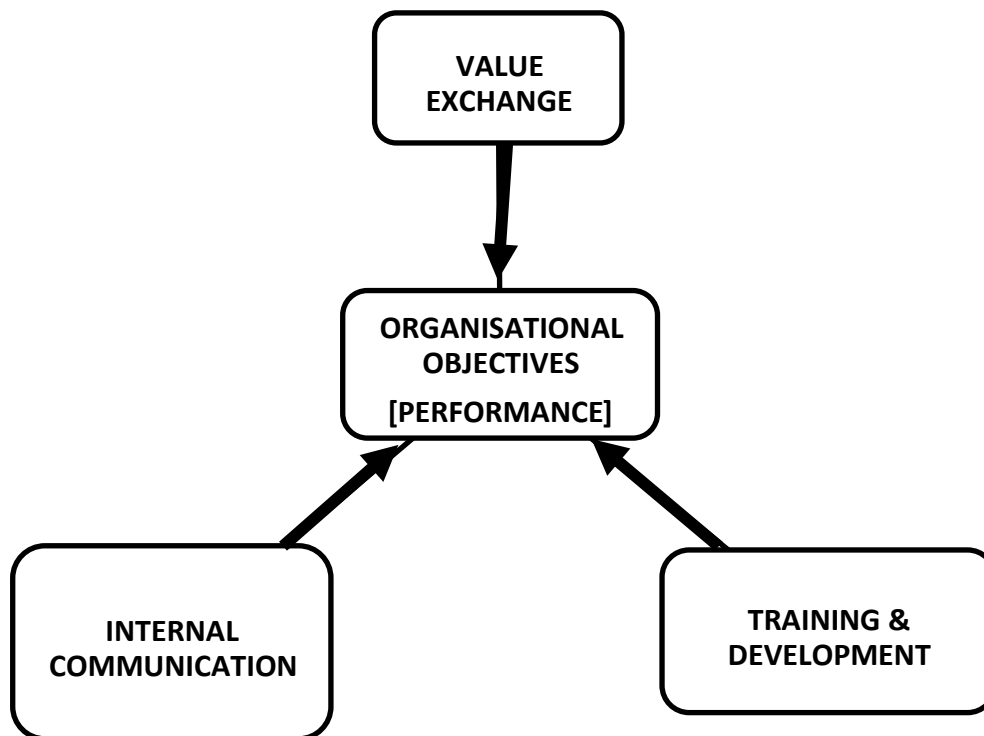
The relationship marketing theory

The relationship marketing theory has scope for internal marketing that is characterized by rationality, judgement and enthusiasm for exchanging intellectual weapons to support and improve overall relationships based on outside linkage (Wulf & Butel, 2017). Within an organisation, a healthy internal relationship is a good strategy for fixing exchanged-based relationships (Dodd, 2018).

The social exchange theory

Exchange theory is regarded as the base stone for developing the social exchange theory (Xia, Wu, & Zhou, 2021). Social exchange theory exposes the situation where employees see their relationship with their boss, with their department as well as with their organisation from the point of a give-and-take or reciprocity-based relationship, where they only show their positive attitude and behaviour if their employer could make them satisfied.

Conceptual Framework



Source: Researcher's conceptualization, 2024

METHODS AND MATERIALS

The study employed non-probability sampling by using a convenient sampling technique. Convenience sampling is the type of non-probability sampling in which the population meet certain practical criteria, such as geographical proximity, availability at a certain time, easy accessibility, or willingness to volunteer. A sample of 155 respondents were examined in the study. The sample was drawn from Nigerian Breweries, Lagos. The instrument of data collection used for this study is a quantitative analysis tool. Quantitative analysis uses numerical data to identify statistical relationships between variables; for example, surveys, questionnaires and evaluations that include multiple choice items and ratings (e.g. Likert scale) provide quantitative data for analysis. For the purpose of the specific population to be used, questionnaires are a suitable method for gathering information from the staff members of the selected company. The questionnaires were self-administered with various question sections which address each objective of this research.

Therefore, primary data was used for this study and collected using questionnaires. The questionnaires included closed and open-ended questions.

A correlation model was applied to determine the relative importance of each of the independent variables concerning the organisational objectives of the case study.



Model Specification

The model specification for the regression was as follows:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon \text{ Where:}$$

Y = Organisational Objectives

β_0 = Constant Term

X1= Value Exchange

X2= Internal Communication

X3= Training & Development ε = Error term

Apriori Expectation $\beta_1, \beta_2, \beta_3,$ and β_4 = Beta coefficients

DATA ANALYSIS

Research Hypothesis 1: There is no significant relationship between value exchange and organisational objectives.

Table 1: Correlation between Value Exchange & Organisational Objectives

		Organisational objectives
Value exchange	Pearson	.685
	Correlation sign (2-Tailed)	.015
	N	155

Source: SPSS Result Output

The table above shows the correlation between value exchange and organisational objectives. The results showed that there is a 68.5% positive correlation between value exchange and performance. This implies that both the dependent and independent variables are strongly correlated. Since the probability value of the correlation coefficient, which is 0.015, is less than the critical 0.05 at a 5% significance level, the alternative hypothesis (H_1) is accepted that value exchange significantly enhances the organisational objectives of companies in Nigeria.



Research question 2: There is no significant relationship between internal communication and organisational objectives.

Table 2: Correlation between internal communication and organisational objectives

		Organisational objectives
Internal Communication	Pearson Correlation sign (2-Tailed)	.692 .002
	N	155

Source: SPSS Result Output

Table 2 shows the correlation between internal communication and organisational objectives. The results showed that there is a 69.2% positive correlation between internal communication and organisational objectives. This implies that going concern of internal communication and organisational objectives are strongly correlated. Since the probability value of the correlation coefficient, which is 0.002, is less than the standard 0.05 at a 5% significance level, the alternative hypothesis (H_1) is accepted that internal communication has a positive impact on the organisational objectives of companies in Nigeria.

Research question 3: There is no significant relationship between training and development and organisational objectives.

Table 3: Correlation between training and development and Organisational objectives

		Organisational objectives
Training & development	Pearson Correlation sign (2-Tailed)	.772 .015
	N	155

Source: SPSS Result Output

Table 3 shows the correlation between training & development and organisational objectives. The results showed that there is a 77.2% positive correlation between training and development and the quality of organisational objectives. This implies that training & development and performance are strongly correlated. Since the probability value of the correlation coefficient, which is 0.015, is less than the critical 0.05 at a 5% significance level, the alternative hypothesis (H_1) is accepted that training and development have a significant effect on improving the organisational objectives of companies in Nigeria.



DISCUSSION OF FINDINGS

The link between internal marketing and employee performance is well-established in the study. By viewing employees as "internal customers" and investing in their well-being and development, organisations can reap significant rewards. From Table 1 above, the finding reveals there was a correlation between value exchange and organisational objectives at a 5% significance level. In addition, Table 2 shows the correlation between internal communication and organisational objectives. It was established that there is a positive correlation between internal communication and organisational objectives. This implies that going concern of internal communication and organisational objectives are strongly correlated. Lastly, Table 3 shows the correlation between training & development and organisational objectives. The results indicate that there is a positive correlation between training and development and the quality of organisational objectives. It was assumed that training & development and performance are strongly correlated. Since the probability value of all the correlation coefficients of the result, which is 0.015, is less than the critical 0.05 at a 5% significance level, thus all alternative hypotheses (H_1 - H_3) tested in this study have a significant effect. Thereby, it could be deduced that internal marketing improves the organisational objectives of companies in Nigeria. By promoting employee performance, internal marketing ultimately contributes to achieving organisational objectives. Increased productivity, innovation, and customer satisfaction can lead to higher profitability, market share growth, and a stronger competitive position.

CONCLUSION

The most important tools of internal marketing at Nigerian Breweries are training and development of marketing executives, internal communication and value exchange. These tools have been used as marketing measures to determine how well the mindset of the Nigerian Breweries staff aligns with the objectives and core values of the organisation. It was observed that the implementation of internal marketing at Nigerian breweries has yielded a positive result. Thus, the acceptability of its various product brands and the high customer patronage in Lagos, Nigeria and other parts of the country cannot be underestimated.

RECOMMENDATIONS

It's important to recognize that internal marketing is an ongoing process, not a one-time fix. Companies need to be committed to continuous improvement and adaptation of their internal marketing strategies. The effectiveness of internal marketing can be influenced by factors like company culture, leadership style, and industry dynamics. Companies should consider these factors when developing their internal marketing approach. By implementing these recommendations and conducting further research, Nigerian manufacturing companies can leverage internal marketing to unlock their full potential and thrive in the competitive global market.



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