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Appraise the consequence of internal marketing strategy for competitive advantage (case study: motor pump industries)

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ABSTRACT

Internal Marketing (IM) by definition distinguished between an organization and its environment and focuses only on intra organizational affairs. However, globalization and a knowledge-driven environment have produced a global networked economy with blurred boundaries between global companies and their requirements. This research assumed its paramount important in being a maiden attempt to unearth the nuances, antecedents, factors and consequences of 'Internal Marketing strategy for competitive advantage'. Micro, Small and Medium Enterprise (MSME) sector is the growth engine of Indian economy. Present research in order to investigate factors internal marketing behaviors internal customers (Employees) in private motor pump industries, domestic marketing as the reason for confidence-building, job satisfaction and loyalty of employees examine and test. The research questionnaire of literature and research questionnaire derived from the standard. This study reveals that the pump manufacturing units of the city has adopted a systematic global marketing strategy and follows uninterrupted logistic and supply chain system. This study also highlights certain marketing issues which are related to pump manufacturing units. The research indicates: Internal marketing and the trust managers, job satisfaction and loyalty internal customers' positive relationship and meaningful.

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Introduction

Internal marketing concept emphasizes that group work in the employees of a key factor in development strategy and maintenance of a successful business in the organization. Establishment of Internal marketing indicate that the business that should be positive relations with their workers. and this issue in the case is possible that the business aspects of the development of understanding as feeling and thought of staff, management employees as individuals, presenting products and personal services to the staff, and a long-term relationship with their concentration. (Roberts-Lombard, 2010). Internal marketing is an ongoing process that occurs strictly within the organization, where by the competency process aligns, motivates and empowers the employees at all levels to consistently deliver a satisfactory customer experience. It is concerned with ensuring that everybody inside the firm is, not only aware of the company's policies, but also enthusiastic and support the organization. Motor pumps play a dominant role in the sectors like agriculture, production of oil and natural gas, petroleum refining, petrochemicals, power generation, domestic and household utilities, etc, and contribute a major part in nation's economy.

The Indian motor pump manufacturers have traditionally catered to the needs of domestic market. In India, motor pumps are mainly used for pumping water from wells in households. With the effect of LPG (Liberalization, Privatization and Globalization) the Indian motor pump manufacturers have started exporting to foreign countries, where motor pumps are used for various purposes in different industrial sectors like, oil refineries, steel mills, mines etc.

- This has led to the increasing trend in export of motor pumps.
- The Indian motor pumps market is fairly mature, with domestic sales expected to increase at a rate of 16 to 18 per cent per year, and exports projected to grow at around 10 to 12 per cent over the next few years.
- In India, there are over 800 motor pump manufacturers, of which a few are large players Indian and MNCs with revenues above Rs100 crore and plenty of SME players.
- The motor pumps market is broadly classified into two categories: industrial motor pumps, which cater to infrastructure sectors, agriculture and domestic motor pumps. International players include KSB Motor pumps, Flowserve, CRI, Texmo, Sharp and Aquasub, which have manufacturing bases in India.

Moreover, low-cost manufacturing and domestic demand have created an attractive environment for most international players. These companies have also introduced the latest technologies for energy efficiency and high performance.

Statement of the problem

On the importance of this research can be said that all the measures marketing done in every organization in order to attract, protection and promotion of fidelity employees in organizations. On this issue, human resources management sought to gain access to internal employees, satisfaction and job to win the confidence to the managers of this issue, with its internal marketing organization has been mixed.

Internal marketing of great importance in a company and can be the outlook was cooperation win-win between employees and companies. (Lin & Zhang, 2011)

Employees in service organizations such as motor pump industries to attract employees and maintain contact with their main role is to serve. In fact, internal marketing efforts and

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rewards of teaching and the overall management of human resources to provide better services. (Cooper & Cronin, 2000)

Today's, internal marketing as a strategy for the implementation of enterprise applications has been. Studies in this field show the influence of internal marketing activities and motivate employees to improve competitiveness of enterprises and enhancing the competence Edit. (Ahmed et al, 2003)

Today's motor pump industry on the other hand one of the major economic institutions and the other side the strongest institution supported by other economic institutions and families.(Shydaei Rad,1998)

It seems that implemented internal marketing in such a unit (motor pump industries), and were equipped with competence and capabilities that while making use of the opportunities of the Environment, improving the performance will be followed. (Abzari et al, 2009)

In today's world business, organizations have found out for the presence and staying competition arena, communication structures with independence customer fidelity employees are vital. (Subramaniam, 2007) For the purpose of this study the internal market environment refers to a working environment that is conducive to the development and empowerment of employees, the approach of employees towards internal marketing encompasses a positive inclination towards internal customer orientation, the motivation of employees refers to the provision of recognition (financial or non-financial) for creativity, initiative and good customer satisfaction, the building blocks of internal marketing relate to the development of an understanding for the emotions and opinions of employees and their treatment as individuals, internal market research areas encompass a focus on the establishment of employee skills, as well as their satisfaction needs, whilst the implementation of internal marketing activities

Background

Berry and Gronoroo introduced in the 1980 s for the first time internal marketing concept, In the heart of the internal marketing this point is that employees, domestic market within an organization. Every organization has a market that is a internal customers and Distributors that internal security needs of the internal customers for the success is necessary. Real need to improve the capabilities of the Organization in providing services to customers with value commensurate with the needs of customers as based on competitive strategy and competitive advantage over the issue is very important in management level of literature has changed. Employees can serve as internal customers to have been; their job can be as products seen organization. (Iliopoulos&Priporas,2011)

Chou (2011) in the thesis under his influence as internal marketing, the quality of relations between employees and the amount of human rights and welfare issues in tendency to leave his job: to study in disconfirmed insurance industry. Motor pump industries in Taiwan despite the amount of financial flows up with a lack of serious has been facing employees. So, many of motor pump industries by planning the human side to pay more rights and create better welfare has moved. Nevertheless he reached the conclusion due to lack of marketing in the internal industry meaningful relationship between elements there is not mentioned. (Chou, 2011)

Huang (2011) in the thesis under the title: The connection between the internal marketing and organizational case study, banking industry in Tyepeh city, showed no significant relationship between internal marketing, organizational job satisfaction and also there is a staff. (Huang,2011)

Subramaniam(2007)in the thesis under the title: The performance of internal marketing in Asian multinational company Cargill in

Singapore, showed true understanding of internal customers which of them - with a internal shareholders - and employing internal marketing method suitable access to domestic effective exchanges and establishing balance between you and withstand further price hikes external business.(Subramaniam,2007)

Khodabash Gorgani(2010) in the thesis as: Marketing effect on internal customers satisfaction Iran Motor pump industries branches in Tehran (A State motor pump industries) showed employees of job satisfaction and coordination between the responsibility to them through their service quality has increased the customers satisfaction and customer-orientation it as Conversional go between in connection with the job satisfaction and quality of services to considerable role. (Khodabash Gorgani,2010)

Abbasi and Salehi(2011) in his article under the title of internal marketing customer-orientation in the insurance industry (Case Study: motor pump industries in Tehran city), who, with the impact of the internal marketing the customer behavior humanist thoughts employees of the insurance industry was done, the results of this research showed that job satisfaction in connection with the internal marketing and customer-orientation mediation role.(Abbasi and Salehi,2011)

Profile of pump industry in kongu region

The first electric motor and water lifting pump in India were produced in Kongu region seven decades back. India's first pump was produced at DPF, Kongu region in the year 1928. Today 60% of India's requirements of domestic and agricultural pump sets are made in Kongu region. Besides Kongu region, Ahmedabad, Baroda, Calcutta, and Dewas are the other places where agricultural pump industries are situated. Today, the pump and motor manufacturing sector is among the largest engineering activities in the city. The pump manufacturing industry in Kongu region holds a major portion of the total Indian market share. Over the years, the city has become as well known for its pumps as it has for its textiles. Many brands in the international market are Kongu region based companies and the quality and technical superiority of the products has helped the sector cater to both domestic and global demands. Apart from a leading presence in the water pump market, the city's manufacturing houses also specialize in the manufacture of industrial pumps. The motor and pump industry supplies over 40% of India's requirements. The Major Pump manufacturers Aquasub engineering, Mahendra Pumps, Suguna pumps, Sharp Industries, Deccan Pumps, CRI Pumps, Texmo Industries, PVG Industries, Flowserve, Kirloskar Brothers & KSB Pumps have manufacturing base in the city.





Figure 1. Internal marketing activities associated with external marketing Source: (Bansal et al,2001)

Pumps in foreign markets:

The Indian pump industry is poised to register a faster growth rate than global average.

India exports pumps to almost 100 countries, with the USA and Germany, at around 13 and 12 per cent respectively, being the largest destinations. International players with an Indian presence have buyback arrangements, meaning that pumps manufactured in their Indian facilities are sold abroad. The total share of Indian pumps in global exports is less than three per cent. Exports registered a drop in the 2010 financial year — a year- on-year drop of eight per cent — due to recessionary pressures; but these have since picked up and this industry is estimated to grow around 10 per cent each year Appraise the Consequence of Internal marketing strategy for competitive advantage 569 over the coming years. Indian Pumps & motors are now being exported to more than 70 countries both developed and developing countries. This can be expected to happen increasingly and across many more countries around the world through proper interventions.

Imports account for around five per cent of total domestic consumption, with the US, China and France being the largest sources. Meanwhile, the low-cost model of local manufacturers has limited the scale of Chinese imports in the agriculture sector, and the lack of established after-sales service has also limited the expansion of Chinese supplies to the industrial sectors.

Internal Marketing Elements

Today's internal marketing as a strategy for the implementation of the program is known. Studies in this area suggests that the influence of internal marketing activities and motivate employees to improve the competitiveness and enhancing the competency. (Ahmed et al, 2003)

In general it can be said that internal marketing within the boundaries of the organization and the satisfaction and motivation of those deals.(Papasolomou & Vrontis,2006)

All marketing activities conducted by the organization to attract, retain and promote customer loyalty (both internal and external) is done. Bansal and colleagues (2001) to show the relationship between the main elements of internal marketing and external marketing agency received the following models:

Internal customers competitive advantage

1. Internal customers (employees) loyalty: Loyalty as a prejudice that (businesses) and the answer behavior during that time is that person in a special show to show other (businesses) are preferred to make a mental commitment in the decision that it hurts. (McMullan & Gilmore, 2008) Today's only employees who feel they belong to the organization for, as an asset and lucrative long-term for the organization to come. (Gee et al,2008)

2. Job satisfaction: Job satisfaction, a good conception of the capabilities and achievements of a job that due to the values that job. (Hosseinzadeh, 2008)

3. Trust in Management: Trust is sure to find the observation of integrity, ability, predictable commanders of the region and the forces under the command of them.

Trust manager is expected that internal customers (employees) of their head, which is equivalent to promise someone else, will, and knows that it can be used by men to trust. (Smith, 2005)

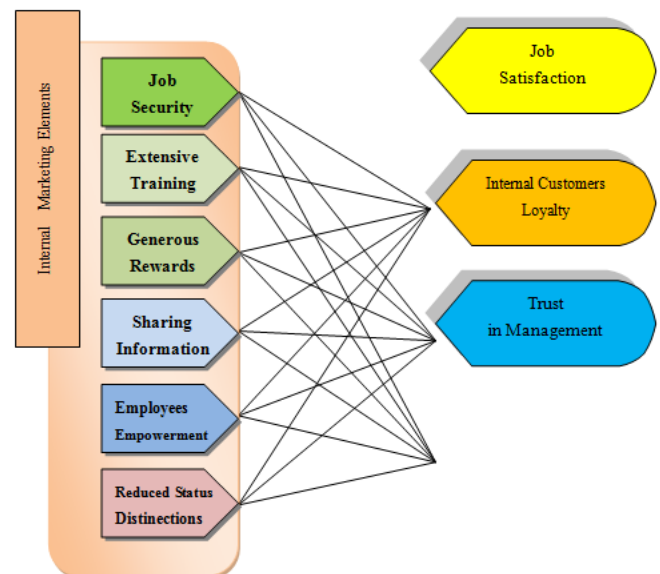


Figure 2. Conceptual model research (from model: Bansal et al, 2001)

Analysis And Findings

Global Marketing Strategy

Planning of the marketing strategy is essential to approach the market. Strategically the planning starts by identifying the emerging business opportunity, understanding the current market situation, considering the external environment factors, knowing the customer segments and offering the marketing mixes. Sales of these pumps are made either by manufacturers directly and through its dedicated dealer network, or they are clubbed together with EPC packages. For the agriculture and domestic segment, small pumps are typically sold through a distributor network. Here, the lowest price is the single most important factor influencing purchaser decision. Each unit in the pumps & motor product line has developed its own marketing channel. There are no common marketing channels available for the cluster. Few medium scales are also exporting their products to other countries. These marketing channels had been developed over a period by the respective units. Others are supplying through agents who are selling through dealers. Some agents come to kongu region to place orders and take the product on their own. These traders develop a severe price competition among the manufacturers.

Conceptual model research

This study investigated the role of internal marketing on trust, job satisfaction and employee loyalty are private insurance companies. The basic hypothesis of this study is that internal marketing behavior among internal customers (trust in management, job satisfaction and employee loyalty) there is a significant relationship. Based on the assumption that the model of Bansal model and colleagues (2001) have been selected.

Major players in the Indian pump industry of kongu region

Pump exports from India have been made to number of countries like Australia, Egypt A. Rep, U.K, U.S., Singapore, Ghana, Germany, Nepal, U.A.E., Netherlands, Italy etc. About 15 of the total 70 registered companies from Kongu region, dominated by SMEs, have already entered the Asian markets, Middle-east, Egypt, USA, Italy, Greece and southern parts of African countries. Some of the leading exporters from Kongu region include, CRI Pumps, Sharp Pumps, Aqua Sub Pumps, Suguna Motors & Pumps, Texmo Pumps, Aqua Sub and Mahendra Pumps etc. Many of the firms export their products to Indian subcontinents, and Middle East markets. This show the Physical distance with countries while Internationalization. According to the latest reports, the firms have widened their market to Europe and US. These firms operate with previous International experience, market knowledge, ability to create networks and pro-activeness of the Entrepreneur.

Strategies for the future

Given the positive relationship between internal marketing and employees loyalty confirmed their mutual relationship; motor pump industries must focus on the internal marketing due to the exit of the staff and especially their organizational commitment.

Including measures to strengthen the internal market can be informed about the changes in staff perception of labor market conditions, understanding the implications of certain internal employees based on personality and desires, and design strategies for internal customers.

This world of constantly changing competitive and more companies today are looking for ways to increase their competitive advantage, one of the ways to move toward improving service delivery to customers.

They will try usually to provide more options to customers and their needs are met. But smart organizations and prospective employees before any action in relation to their behavior and appeal to and the first step is to keep them satisfied.

Leading pump players must clearly identify their priority segments, rather than expend their energies across the entire industry. Large companies face the critical challenge of having to compete on price while targeting the agriculture segment. These companies must look at hedging their risks and focus on growth opportunities in the industrial segment. The pumps sector must collaborate with infrastructure players to cushion the overall impact of reduced margins from the end-application points. Enhancing market share in the industrial sector will require pump manufacturers to focus on strengthening all aspects of the value chain, from customer-centric solutions to service offerings.

Suggestions

Implementation of internal marketing in the private motor pump industries and mainly with their new competencies and capabilities to taking advantage of the environmental opportunities, improving their performance will follow. (Abzari et al, 2009)

Internal marketing is a very important issue due to the insurance companies; these companies should have the right marketing system to further their business development services to take advantage of favorable.

If staffs aren't adequately trained till they, Poor attitude towards their jobs and internal and external customers will be. But if adequately supported by systems employing technologies, internal service providers and managers and supervisors of the company will be successful. The staffs are satisfied that our customers are satisfied. (Lin & Zhang, 2011)

Private motor pump industries will offer the following with results of this study:

1. Appropriate employment and their employment in positions related to their degree.
2. Efficient managers familiar with knowledge management for posts and positions in the organization of motor pump industries.
3. Create an internal working group to exchange ideas and information with regards customers between employees of different departments.
4. Periodically assess staff performance and provide appropriate rewards them for doing the right things.
5. Extensive and diverse teaching staff on how to deal with and provide services to their customers.

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