

A Study on the Impact of Internal Marketing on Banks Internal Service Quality and Building Customer Relationship

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Abstract

Service quality as well as customer relationship is a way to progress and to outshine rivals in world of competition. This study aims at investigating the impact of internal marketing on internal service quality and customer relationship in marketing of banking services of Indian commercial banks. It is an employee oriented study because employee is the internal customer. To achieve study objectives a questionnaire was developed to measure the variables that may influence internal service quality and build customer relationship. 300 questionnaires were distributed over a sample of commercial banks employees in Khammam district. 250 were collected that is 83.3%. The study concludes the following findings: The banks are observing service quality evaluation by using different ways; enhancing employees' skills in dealing with customers, more over the employees have to meet customer's needs. The findings show that internal marketing does not only affect internal service quality, but also It can build the good customer relationship by retaining the best employees, rewards systems, supporting and develops employees' skills and attitude towards satisfaction of customers. Finally, the study recommends that banks management should take care with human resources thorough motivating to render banking service go high quality.

Keywords: Commercial Banks, Customer Relationship, Internal Marketing, Internal Service, Internal Service Quality, Service Quality

Introduction

The internal marketing concept has been introduced at the beginning of 1980s last century, to define and meet the needs of employees as individuals. As a result of demanding competition and service organizations' desire to obtain a specific marketing share, such organizations started to concentrate most of their efforts on improving their services quality, in order to achieve competitive advantage as a result of technological development that led to change consumers purchasing manners , their behavior, and their thinking style. Due to such developments services organizations tried to develop their services and performance directed to fulfill client's needs and expectations. (Gi- Du et al, 2002)

For the purpose of creating and deepening service culture concept among organizations employees, such organizations tried to adopt internal marketing concept in increasing an accelerating form. Although of non agreement on this concept, but there is a belief that internal marketing is the best method to help organization in developing and maintaining service culture concept and introducing new marketing products and activities, these organizations agreed in general that internal marketing final goal is to try to satisfy employees in order to increase and deepening customers' perception of provided service quality. (Gi- Du et al, 2002)

In service industries, the quality of services has remained as a crisis in the business to maintain the competitive advantage in the market (SalehiKordabadi et al., 2010).

The relationship between the internal marketing for service operations based on increasing emphasis on services quality directed to customer in the institution, whereas the consumers simply they did not participate in service product. The participation in producing occur by the front office employees at the time of deal, however, the customer who is buying should understand him\ her by prospective of employees and institution.

The banks are consider the most important service constitution that seek to provide a high quality services for customers by focus on the employees (in that constitution).

Concept of Internal Marketing

Before doing marketing in the external market, it is necessary to do marketing first in the internal market. Marketing is not the one-person job. It involves all of the organizational people. Marketing is the exchange process. According to Sasser organization is a market. In the organization all the employees, are doing exchange with each other.

Many researchers defined internal marketing differently. There are the three views of meaning of internal marketing which are-

- ❖ It is to motivate and satisfy employee
- ❖ It makes employee customer oriented
- ❖ It helps in change management

Simply we can say that internal marketing is the marketing inside the organizational boundary. Giving motivation and satisfaction is the act of human resource management. However, due to increasing competition motivation of customer is essential. Concept of marketing changed due to fierce completion. Customer orientation is required to get success in the market. The organization, which is not using the concept of change management, is also lagging behind. To make the buy-in process motivation of employees is first priority.

The internal marketing concept views employees as customers and the functions are internal products in the organization. According to Vary and Lewis (1998) depicted that internal Marketing first identified within service literature in 1970. It is used as a solution to problem of delivering service quality. In the organization, there was problem of how to improve service quality? Thus, the aim of internal marketing is to develop customer conscious employee to improve service quality. According to (Ewing and Caruana, 1999) the main aim of internal marketing is to have customer-oriented employees motivated in the organization. It is also focusing on acquiring and retaining customer oriented employees. By using internal marketing approach, service quality of employees can be improved. In the organization, employees are working to provide service to external customers for this it is important to take care of employees because they are interacting with the external customers.

Organizations are facing problems that how to retain and motivate employees? Some scholars researched on effect of internal marketing in employee retention and they found that there is positive effect on it. Many researchers also worked to see impact of internal marketing on employee job satisfaction and this proved that due to internal marketing employee can be satisfied. Main intention here is that to make employees feel that management considers the employees and their needs. Institution also should concentrate on developing and motivating employees toward achieving the various objective of the institution (Ewing & Caruana, 1999) (Rafiq & Ahmad) defined the internal marketing as planning of various efforts with dimension marketing (obtained from marketing) that in general aimed to attempt getting over change resistance and achieving the unity and integration between employees to insure effectual applying of institution strategies to reach customers satisfy and consider the employees as internal employees in organization. According to Ballantyne (1997) many authors agreed that internal customer satisfaction would ultimately effect the satisfaction of external customers.

Thus, motivation of customer-oriented employees is important to improve service quality that is the function of internal marketing. According to Akroush et al., (2013) Today, all companies compete with their services, not physical products. According to Ismail et al., (2006) providing high-quality services is essential for companies and organizations to succeed. According to Ramooz et al., (2012) Service companies and organizations are always trying to improve the quality of services provided to customers and thus achieve sustainable competitive advantage. Living in the age of services has led people to experience new and various needs compared to the past. Accordingly, approaches have emerged in recent decades that have a greater willingness to provide services with higher quality. Ravneet Kaur (2012) presented a model, which shows that internal marketing aim is to improve service quality through employee satisfaction. Each of (Ahmad and Rafic 2000) determined three stages of developing the internal marketing in institution, And it can be review these stages as follows;

➤ **Strategic application and change management;** this stage focused on the opinion that internal marketing is the motive or the engine to implement organization strategy. It refers here to the necessity of employees' involvement in objectives and strategies setting, because they are responsible to achieve these objectives and implementing such strategies as well.

➤ **Employees' satisfaction stage:** this stage is characterized by concentrating on employee's motivation issues and achieving their satisfaction, the main reason behind this focus, is the necessity of directing internal marketing concept to improve and develop the provided services quality to customers.

➤ **Customer orientation stage:** it is the second major stage in the development of internal marketing concept, which begins by concentrating on importance of interaction concept between employees and customers, as a result of customer's needs and requirements meeting and maintaining relationship.

Importance of Internal Marketing

Internal marketing has an important and effective role in supporting organization's human resources, meeting their needs, and reducing employees turnover rate in the organization, in addition, applying internal marketing will ensure employees commitment to provide better services to customers, in order to ensure purchasing repetition. (Rafiq & Ahmad 2000) pointed out that internal marketing concept adopting will confirm the importance of interaction between employees and customers in services organizations in particular. This is due to inherent provided service process (service characteristics) between seller and buyer. Internal marketing concentrates on employee's participation importance with top management in setting objectives and strategies in order to achieve objectives efficiently and appropriate quality. Finally the internal marketing importance since internal marketing indicates the need for coordination between those working in front lines and employees work in other lines in order to perform efficient service with high – quality that satisfy the customers.

Internal Marketing in Banking Sector

Banking services sold in targeted markets are different from other services group that are sold in the markets themselves, This difference appears since banking services are interesting in location or place where it seek to attract clients to it, therefore internal marketing in banks contributes in creating positive sense of satisfaction for clients who are seeking for banking service, thus its role in increasing the followed effectiveness strategy marketing and to achieve its objectives.

It could be argued that success of marketing banking service efforts at the internal level in banks and operating organizations in the sector depends on creating appropriate marketing climate within organization by its employees,

the more consistency between the workers and management in banks, the more the bank degree elevated in providing service and maintain this relationship between clients and employees.

Documentation of corporation with existing and potential customers would contribute in re-building the mental position of the provided services and enhances customers participation in plans and promotional programs formulation and implementation by the bank, during their search related to desires and needs of these customers. The enhancing of mental positions of banking services is concentrated on matching customer desires and needs with bank directions and to benefit from new ideas they introduce to develop banking services process selling (Mckenna, 2001).

The studies indicated a set of important elements, which represent the internal marketing process in service organizations and can be used in determining these elements to banks as follows:

➤ **Hospitality relations and customer's good reception:** this must comprise improvement and development of hospitality relations between banks and customers and involves bank's staff orientation, qualifying and training to respect customers, more tact and good behavior that enhancing this relationship.

➤ **Quality control:** quality control includes improving provided bank service technical quality through the existence of a set of standards and principles to assess customer's needs and desires in addition to job quality that related to standards and principles associated with the manner in which the customer obtains banking service his needs.

➤ **Personal selling:** this aspect includes positive training for those who are working on their sales relations improvement, which in its turn reflected on improving banks competitive position in the market. Based on reward and punishment theory in the literature, motivation and rewarding such forces for their efforts will improve these processes.

Employees' Morale in Banks

By providing, the right climate to customer's desires will increase the positive satisfaction feeling they have, reduce bore feeling and complain. This aspect contributes in building moral rules and principles from which workers start in providing and rendering the bank service in appropriate, effective and sufficient level. Employees can be trained and motivated towards such aspect through programs organizing and special activities that deal with ethics rules reform to deal with customers and to maintain the same from time to time.

The available information shows another set of methods in which they can build positive relationships with customers including: communicate with customers during their visits to the bank, phone calls after , service ,thanking letters, greeting cards, special discounts and electronic news that demonstrate bank 'successful experiences for (Sunils, 2006).

Therefore, this research tries to study the impact of internal marketing on internal service quality and customer relationship in commercial banks.

Study Statement

Commercial banks in India are seeking to provide high quality services that help in attracting and retaining large potential number of clients and keeping the existent clients. Therefore, the study problem tries to study the impact of internal marketing on internal services quality and building customer relationship in Indian commercial banks. The study statement is determined through answering the following questions:

➤ What are the internal marketing dimensions of internal service quality and build the customer relationship in commercial banks?

- What is the impact of internal marketing on internal service quality and customer relationship in commercial banks?
- What are the affecting elements on internal services quality and customer relationship in Indian commercial banks?

Objectives of the Study

The study aimed to achieve a set of objectives as follows:

- To investigate internal marketing dimensions in general and commercial banks in particular.
- To determine internal marketing impact on internal services quality and customer relationship in Indian commercial banks.
- To demonstrate internal marketing dimensions that affect internal service quality and customer relationship in commercial banks
- To provide concerns parties with marketing information that may be useful in making decisions related to improving the quality of provided service and customer relationship.

Importance of the Study

The study importance stems concurrently with the subject importance it handles represented by internal marketing topic and its impact on internal service quality and customer relationship. Due to topic modernity and its applicable importance for banking sector, as well as human factor (People in 7P's) importance and its role in improving banking service provided to banks customers.

Review of Literature

Alexanders (2001) study aimed to explore internal service chain in three international hotels. Facts and behaviors have been identified that differentiate between success and non- success within the organization. Although the lack of awareness of internal customers, it is found that integrated relations affects to large extent in hotel internal service.

Barnes and Morris, (2000) conducted a study aimed to check the importance and excellence of internal marketing as a mechanism to promote quality concept among medium companies in Britain and France. This study included a sample consisted of 10 medium companies. Study results showed that British companies recorded a high rate of involvement of its employees in institutional organization, while French have shown less attention to internal marketing concept and human resources management.

Ballantyne (2003) study aimed to reveal the structural relationship in which internal marketing can create value for organization, employees and customers. The study reported that internal marketing requires the existence of a particular approach that ensures that planned stages of education activity in voluntary campaigns will create an important internal knowledge to improve the external market performance. The study provided five proposed data to support internal marketing relationship theory.

Donavan, Brown & Mowen (2004) Under these assumptions, jobs must be shaped, the physical environment must be improved, and organizational/procedural structures must be altered to fit the employees' needs in order to increase job satisfaction and get more committed employees, mostly customer-contact employees.

David, (2003) study aimed to reveal the structural relationship in which internal marketing can create value for organization, customers, and employees. The study reported that internal marketing requires an approach or improved style. The study added that through planning educational activities stages in voluntary groups a new knowledge that improves or contributes to external market performance can be created **Dr. Tareq N.**

Hashem & Dr. Iyad A. AL-nsour (2008) this study aims at investigating the impact of internal marketing on internal service quality in Jordanian banks. The study recommends that banks management should take care with human resources thorough motivating to render banking service go high quality.

Gi-Du et al,(2002) study indicates that internal marketing is considered an important method to support service culture and customer-oriented in any organization. This study considered internal marketing as a condition for internal service quality. It also pointed out that the researches, which studied internal service quality concept, did not reach to agreement regarding this measure. The researchers still used SERVQUAL scale as a tool to measure internal service, the same measure used by this study, with some modification, which made it an appropriate tool for measuring internal service quality.

Pervais et al (2003) study aimed to propose and evaluate applying the new model of internal marketing as framework to apply marketing strategies, the study suggested a mix for the concept of internal marketing within the institution, which can be used effectively to affect workers ,employees and motivating them, where they can act as a part of client oriented model .

Although the previous study has focused on importance of adopting internal marketing concept and covered more than one country, but this sample was small and not represent the population. Moreover one of its main defects is that researcher has linked internal marketing concept application within country culture.

Population and Sample of the Study

A convenience sample totaling 300 respondents was select drawn from the population. 250 questionnaires were collected that is 83.3% of the total sample.

Statistical Analysis Techniques

Descriptive statistics approaches had been used to describe study sample characteristics. Frequencies and percents used. Means and standard deviations were used to investigate study sample attitudes. T-test was also used determine the relationship type between internal marketing and internal marketing quality.

Table (1): Reliability Coefficient for Independent Variables

Sl. No	Variable	Coefficient
1	Appropriate employees selection	70.3%
2	Employees capabilities development	66.6%
3	Retaining best employees	66.9%
4	Employees Motivation	81.6 %
5	Providing the required supporting system	81%
6	Internal service quality	89.9%

Sample Characteristics: The following table shows the most prominent display of what has been concluded of data results analysis collected from study sample:

Table (2): Sample Distribution According to Personal Characteristics

S. No.	Characteristics	Frequency	Percentage
1	Sex	<ul style="list-style-type: none"> ▪ Male (64.8%) ▪ Female (35.2%) 	100
2	Age	<ul style="list-style-type: none"> ▪ Less than 25 years (17.9%) ▪ 25-35 years (46.4%) ▪ 36-45 years (22.7%) ▪ 46+ (13%) 	56.9
3	Education	<ul style="list-style-type: none"> ▪ Bachelor (74.4%) ▪ Master (25.6%) 	43.1
4	Experience	<ul style="list-style-type: none"> ▪ 5 years and less (20.7%) ▪ 6-10 years (44.4%) ▪ 11-15 years (18.1%) ▪ 16+ (16.8%) 	100

Table (2) shows that 64.8% of study sample are males , while 35.2% are females, Such results indicates the female percent is high due to increment of banks employing females.

The Same Table indicates 17.9% are of age less than 25 years, 46.4 %while of the total sample are of the age ranging from (25-35) years. 22.7% t of the total sample are of age ranging between (36-45) years, finally 13% of the sample are of the age 46 year and more.

Table (2) results indicate that the majority of the sample is holding the first university degree that is 74.4%. The rest of the sample is holding master degree.

Finally, last table indicates that 20.7 % of research subjects have (less than 5 years), 44.4% of the sample have an experience ranging (6-10 years). 18.1% of the sample has an experience ranging between (11-15) years. Finally, 16.8 % have an experience 16 years and more.

Data Analysis

Standard deviation and means were calculates for sample's responses, table below demonstrate the results:

Table (3): Means and Standard Deviations of Sample's Responses

S. No.	Question	Mean	S.D
1	The bank attracts employees with high experience	3.864	0.4518
2	The bank selects the gifted and distinguished employees	3.88	0.4088
3	Employees with required skills and capabilities are selected to provide good service	3.939	0.2794
4	The bank observes to consider the specialization upon recruiting process	3.869	0.4419
5	The bank observes to train its employees to enhance their technical and interactive skills	4.234	1.0588
6	The bank observes to provide its employees with customers' dealing skills	4.142	1.1576
7	The bank observes to prepare and implement training programs for employees periodically	4.232	1.0112
8	The bank observes to empower employees to take the required decisions for job performance	3.364	1.3445
9	Bank's employees participate in decisions taking	4.604	0.8212
10	The bank observes its employees satisfaction	3.367	1.2295
11	The bank motivates its good employees	4.137	1.2719
12	The banks accounts its employees (Thanks and appreciations certificates and moral motives	4.178	1.1459
13	The bank provide it employees with financial and moral motives	4.232	1.1008
14	The bank delegates distinguished staff for training courses abroad that helps in developing their performance	1.831	1.1273
15	The bank communicates distinguished employees names which increase job motivation	4.086	1.3332
16	The bank uses open door policy in dealing with its staff	4.056	1.3097
17	Bank respects employee work and encourages him to deliver the best and maintain relationship with customers	4.221	1.1462
18	The bank provides job safety	4.344	1.1085
19	The bank provides its staff with additional advantages	4.352	1.1436
20	The bank observes evaluation service quality in different ways	4.329	1.0469
21	The bank observes using subjective standards to measure service quality	3.867	1.5694

22	The bank uses performance self assessment	4.02	1.3662
23	The banks provides financial and technical support for job performance	3.818	1.5189
24	The banks provides staff with new communication means	3.821	1.5386
25	The banking service is provided right from the first time	3.313	1.8952
26	Banking service is provided in the promised time	4.331	1.223
27	The banks observes customer's notification regarding the right time to render the service	3.267	1.8887
28	Banking service is obtained quickly	4.349	1.2419
29	The bank observes enhancing trust in provided banking services	4.04	1.3335
30	The bank observes enhancing safe dealing	3.165	1.9085
31	Bank is keen the staff to know customers needs	3.227	1.9222
32	Bank observes the fitness of working hours of the bank	3.071	1.9742
33	The bank provides services and new technologies	3.987	1.3293
34	Bank offers an attractive physical facilities	3.535	1.453
35	The bank provides staff with new communication means	3.27	1.5115

Table (3) indicates that subjects agreed positively on all paragraphs stipulated in the table, because their means are more than the virtual mean (3), save paragraph 14 since India banks don't delegate distinguished employees in training courses abroad.

The means stipulated in table no. 4 demonstrate the study independent variables. It reflects the positive attitudes of sample responses regarding such variables, because their means are more than the virtual mean (3) of the fifth scale instrument as mentioned before.

Table (4): Standard Deviations and Means for Study Independent Variable

S. No.	Variable	Mean	S. D
1	Proper employees selection	3.888	0.2918
2	Employees capacities development	3.993	0.8126
3	Retaining bet employees	4.072	0.8010
4	Employees Motivations	3.875	0.8168
5	Providing the needed support systems	3.971	1.07
6	Internal Service Quality	3.596	1.1524

Hypothesis Testing

In order to test research hypothesis, several statistical methods and tests were used, as follows.

Testing of First Main Hypotheses

Ho: There is no impact of internal marketing on internal service quality and customer relationship in Indian commercial banks.

Table (5): Test of First Main Hypothesis

F Calculated	F Tabulated	Sig F	R
36.9	2.21	0.000	0.569

Simple regression was used to test this hypothesis. Table (5) indicated that calculated (F) is 36.9 which is more than, tabulated (F= 2.21).And in the same way the statistical significance value can be compared with the 0.05 level. Therefore, the null hypothesis is rejected and the alternative is accepted, this means that internal marketing impacts internal service quality and customer relationship in such banks.

Testing of First sub Hypothesis

Ho1: There is no impact of selection and recruitment proper staff on internal service quality and customer relationship in Indian commercial banks.

Table (6): Test of First sub Hypothesis

T -Calculated	T -Tabulated	Sig T	R
4.602	1.96	0.000	0.227

*significant level for the test as a whole is 5%

One simple regression test was used to test this hypothesis. Table (6) indicates that (T calculated=4.602) value is greater than (T – tabulated=1.96). In addition, the test significant is less than 0.05. Therefore, the null hypothesis is rejected and the alternative one is accepted.

Therefore, the null hypothesis is rejected and the alternative is accepted, this means that selection and recruitment proper staff impacts internal service quality and customer relationship in Indian commercial banks.

Although this variable is significant, but it is positively related with internal service quality within 22.7%.

The statements had been arranged according to their importance from study sample perspective through using the means as follows

- Employees with required skills and capabilities are selected to provide good service (3.939)
- The bank selects the gifted and distinguished employees (3.88)
- The bank observes to consider the specialization upon recruiting process (3.869)
- The bank attracts employees with high experience (3.864)
- Testing of second sub Hypothesis

Ho2: There is no impact of staff development on internal service quality and customer relationship in Indian commercial banks.

Table (7): Test of second sub Hypothesis

T Calculated	T Tabulated	Sig T	R
5.029	1.96	0.000	0.247

Simple regression was used to test this hypothesis. Table (7) indicated that calculated ($T=5.029$) is more than, tabulated ($T= 1.96$) and the statistical significance value is less than 0.05. Therefore, the null hypothesis is rejected and the alternative is accepted, this means that staff development impacts internal service quality and customer relationship in Indian commercial banks, with a correlation percent 24.7%.

The statements had been arranged according to their importance from study sample perspective through using the means as follows:

- The bank observes to train its employees to enhance their technical and interactive skills (4.234)
- The bank observes to prepare and implement training programs for employees periodically (4.232)
- The bank observes to provide its employees with customers' dealing skills (4.142)
- The bank observes to empower employees to take the required decisions for job performance (3.364)

Testing of Third Sub Hypothesis

Ho3: There is no impact of best staff retention on internal service quality and customer relationship in Indian commercial banks.

Table (8): Test of third sub Hypothesis

T Calculated	T Tabulated	Sig T	R
8.266	1.96	0.000	0.386

Simple regression was used to test this hypothesis. Table (8) indicated that calculated ($T=8.266$) is more than, tabulated ($T= 1.96$).And the statistical significance value is less than 0.05 level. Therefore, the null hypothesis is rejected and the alternative is accepted, this means that best staff retention impacts internal service quality and customer relationship in Indian commercial banks, with a correlation percent 38.6%.

The statements had been arranged according to their importance from study sample perspective through using the means as follows:

- Bank involves employees in decision taking (4.604).
- Banks appreciates employees (thanks and appreciate certificates, and moral motives) (4.221).
- Bank motivates its good employees (4.137).
- Bank observes to satisfy its employees (3.367).

Testing of Fourth Sub Hypothesis

Ho4: There is no impact of staff motivation system on internal service quality and customer relationship in Indian commercial banks.

Table (9): Test of Fourth Sub Hypothesis

T Calculated	T Tabulated	Sig T	R
5.48	1.96	0.000	0.267

Simple regression was used to test this hypothesis. Table (9) indicated that calculated ($T= 5.48$) is more than, tabulated ($T= 1.96$).And the statistical significance value is less than 0.05 level. Therefore, the null hypothesis is rejected and the alternative is accepted, this

means that staff motivation system impacts internal service quality and customer relationship in Indian commercial banks.

The statements had been arranged according to their importance from study sample perspective through using the means as follows

- Bank provides its employees with additional advantages (4.352)
- Bank provides job security (4.344).
- Bank provides employees with money and moral motives (4.232).
- Bank appreciates employee work and encourages providing the best (4.221)
- The bank communicates distinguished employees names, which increase job motivation.

Testing of Fifth Sub Hypothesis

Ho5: There is no impact of the availability of needed supporting system on internal service quality and customer relationship in Indian commercial banks.

Table (10): Test of Fifth Sub Hypothesis

T Calculated	T Tabulated	Sig T	R
10.448	1.96	0.000	0.468

Simple regression was used to test this hypothesis. Table (10) indicated that calculated (T= 10.448) is more than, tabulated (T= 1.96). And the statistical significance value is less than 0.05 level. Therefore the null hypothesis is rejected and the alternative is accepted, this means that the availability of needed supporting system on Internal service quality in Indian commercial banks.

The statements had been arranged according to their importance from study sample perspective through using the means as follows

- The bank observes evaluation service quality in different ways
- The bank uses performance self assessment (4.02)
- The bank observes using subjective standards to measure service quality (3.867)
- The bank provides staff with new communication means (3.821)
- Bank provides financial and technological support for work performance (3.818)

Conclusions and Recommendations

Conclusions

- ✓ Data analysis results showed that banks are observing to evaluate service quality in different way according to their evaluation aims and objectives. The banks also are working to provide their staff with customers dealing skills as well as the staff try to know client's needs and requirements.
- ✓ The analysis results showed that the banks do not delegate the distinguished employees for training courses abroad to develop their skills and their performance. The banks profit objectives dominate other objectives.
- ✓ Data analysis results showed that internal marketing in general is considered an influential factor in internal service quality and customer relationship. Such result agrees with previous studies

- ✓ Data analysis results showed a set of factors that succeeded in effecting internal service quality namely: to keep the best staff in Indian commercial banks, and the available staff motivation system in Indian commercial banks, and the necessary of providing the needed support systems in internal service quality of Indian commercial banks, and finally, staff development affects the internal service quality to large extent in these banks and building customer relationship.

The most important independent variables (paragraphs) that affect internal service quality and customer relationship in Indian commercial banks.

From the study sample point of view by using mean were arranged as follows:

- ✓ Bank involves employees in decision taking (4.604)
- ✓ Bank observes to satisfy its employees (4.367)
- ✓ Bank offers employees with additional advantages (4.352)
- ✓ Bank provides job security (4.344)
- ✓ Bank observes to evaluate service quality with different methods (4.329)
- ✓ Bank observes to train employees to improve their technical and interactive skills (4.234).
- ✓ Bank observes to prepare and implement periodical training programs for employees (4.232)
- ✓ Bank provides employees with money and moral motives (4.232).
- ✓ Bank appreciates employee work and encourages providing the best (4.221)
- ✓ Banks appreciates employees (thanks and appreciate certificates, and moral motives) (4.221).
- ✓ Bank motivates its good employees (4.137).

The most important paragraphs that consist of internal service quality concept in Indian commercial banks from study sample point of view by using mean were arranged as follows:

- ✓ Banking service is obtained quickly (4.349).
- ✓ Banking service is provided in the specified time (4.331).
- ✓ Bank observes to enhance trust in rendered banking service (4.04).
- ✓ Bank provides equipment and new techniques (4.389).
- ✓ Bank has attractive physical facilities (3.535).
- ✓ Bank provides employees with new communication means (3.27)
- ✓ Bank observes to notify the client about the right time to provide the Service (3.267).
- ✓ Bank encourages its employees to know client's need (3.227).

Recommendations:

In light of study results discussion the researchers recommended the following:

- ✓ The study recommends that bank management should take care with human element through motivating them to provide banking service with high quality and maintaining good relationship with customers by effective performance.
- ✓ Indian banks should have a clear policy in staff selection, and recruitment and attracting the gifted and distinguished people, this can help to obtain competencies that are able to provide distinguished services to existing and potential customers.

- ✓ To set annual training plans for employees in commercial banks according to their major and in line with bank needs and for the purpose of developing workers skills in order to perform the work assigned to them carefully, review these plans periodically and update the same if necessary.
- ✓ Commercial banks departments should adopt a flexible and effective incentives that include all types of material and moral incentives that interest the workers in the Indian banking sector.

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