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The Employee as the Customer:
Leading the Development of Services
by Utilizing Marketing Management
Practices

The Employee as the Customer: Leading the Development of Services by Utilizing Marketing Management Practices

by
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A Leadership Thesis Submitted in Partial Fulfillment of the Requirements
for the degree of
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Table of Contents

Abstract	4
Acknowledgements	5
Chapter 1 – Introduction and Purpose of the Research.....	6
Chapter 2 - Analysis of the Conceptual Context.....	14
Chapter 3 - Research Question and Methodology.....	24
Chapter 4 – Presentation of Results and Discussion.....	33
Chapter 5 – Summary and Results	52
Reference List	56
Appendices	59

Abstract

This research explores the relationship between the external marketing philosophy of relationship marketing and applies it to internal service organizations to develop the practice of intra-organizational marketing. The deficiency of research specific to internal service organizations led to the creation of the intra-organizational marketing concept. The concept was developed by exploring the theories and practices of external marketing and comparing it to the practices of consultants and practitioners of internal services. This research also looked at the issues of applying traditional manufacturing models to internal services.

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Chapter 1 – Introduction and Purpose of the Research

It seems to be happening more frequently, or it could be that I am just more aware of it. Sometimes it happens during a meeting, or while having a hallway conversation with a colleague, or even during a brainstorming session to come up with possible solutions to generate awareness of our internal services. But most recently it occurred in our annual strategic planning process for the Employee Club. We were in the midst of discussing what our priorities should be for the upcoming fiscal year in light of survey data from our employees when someone said we should ‘do’ a marketing campaign to generate awareness of Employee Club events and services. I heard that comment from across the room and it completely stopped me in my tracks. Even though I already knew the answer, I asked for clarification around what they meant. They said “you know, *marketing*, creating posters and flyers and stuff.” Hearing that answer made me cringe like the menacing sound of fingernails scraping across a chalk board. That same squeaking sound is what I hear when someone says we need to ‘do’ a marketing campaign. More often than not, they are talking about promotions or advertising, but certainly not marketing. Granted, promotional collateral or advertising campaigns may play a part in an overall marketing strategy but they should not be considered an end-all-be-all approach to strategically increase awareness or usage of a service.

In its simplest form, marketing is defined as “an organizational function and set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders”

("Marketing," 2010). I would place an emphasis on the word *process*. The emphasis of the term process helps to describe a key concept of marketing - it is not an end-state, but a set of processes to be deployed to deliver value. While this definition of marketing is sufficient and quite popular with the mainstream culture, it places too much emphasis on marketing solely as a set of defined processes and tools. Lovelock describes marketing as a philosophy, a phenomenon, (2001, p. 265-266) or "a way of thinking and an approach to the marketplace and the customer" (2001, p. 19). This definition depicts a broader perspective of marketing instead of a narrow perspective such as a focus on promotions.

Shifting the focus of marketing in terms of a strategic approach to the customer rather than just promotions or advertising campaigns, would lead to a culture of customer centricity. Involving the customer at all points in development and delivery will reduce the focus on advertising and promotions. Myths, such as the ones limiting marketing to promotions and advertising, have been embedded in our culture and would take years, if not decades to change. Don Schultz, a leader in the field of academic research for marketing explained that the problem with certain marketing myths are that "once [they] are established – that is, they become a collective belief established to justify a social institution – they just go on and on and on" (2009, p. 20). While it would be rewarding to establish this change in mindset, I am not suggesting that the purpose of my research will be to solve the misconception of what marketing truly is as that would be quite an undertaking in itself. What I will suggest is my hope that this research will help to create a paradigm shift at the convergence of Marketing and Management in relation to internal service development and the employee as the customer.

As context around internal service development, I define *internal services* as a process or work function that is performed by one department on the behalf of another department within the same overall organization and/or company, such as how a Human Resources department provides support (in the form of recruiting or compensation and benefits administration) to all other divisions and functions. A collection of departments or functions who provide internal services to multiple other departments within the same firm can be labeled as an Internal Service Organization (ISO). Below are a few more examples of departments which may fall within an internal service organization:

<i>Accounts Payable</i>	<i>Financial Analysis</i>	<i>Information Systems</i>
<i>Cost Accounting</i>	<i>Fixed Asset Accounting</i>	<i>Intercompany Accounting</i>
<i>Credit & Collections</i>	<i>Fleet Services</i>	<i>Payment Processing</i>
<i>Employee Club</i>	<i>General Ledger</i>	<i>Payroll</i>
<i>Employee Services</i>	<i>Graphic Design</i>	<i>Travel and Expense Reporting</i>
<i>Facilities</i>	<i>Human Resources</i>	

The Internal Service Organization in which I work is Employee Services which is a small part of an overall Global Business Solutions (GBS) organization. The GBS organization is made up of several service departments including: accounts payable, Employee Club, employee services, facilities, fixed asset accounting, graphic design, information systems, intercompany accounting, payment processing, payroll, and travel & expense reporting. In my role as manager of GBS Communications and Employee Services, I have the opportunity to work on

internal service projects with various service teams both within and outside of GBS. For example, I recently worked on a project with the payroll department to develop a rewards and recognition program that could be monitored easily in the current payroll system. The problem we addressed with this project is that all gift cards given to employees for recognition needed to be tracked manually. It was a time-consuming process for not just payroll employees, but for managers and other employees who had to track gift cards. We worked together to identify and promote a new reward and recognition solution that allowed for easier tracking within the payroll system.

It does not seem to matter which department I am working with, but one of the first solutions that is offered when we are working on a strategy to increase usage or raise awareness of a particular service is promotions. There is not a first look at the actual service and customer to see if the two align. What I am describing represents a misconception of what marketing is. It provides an example of a well-known problem in the service industry in which a heavy emphasis is placed on promotions instead of an overall strategy. In a Marketing Management textbook, the authors' corroborate my observation:

“[M]any service industries have been criticized for an overdependence on advertising. The overdependence on one or two elements of the marketing mix is a mistake that service marketers cannot afford. The sum total of the marketing mix elements represents the total impact of the firm's marketing strategy. The slack created by severely restricting one element cannot be compensated by heavier emphasis on another, since each element in the marketing

mix is designed to address specific problems and achieve specific objectives” (Peter & Donnelly, 2008, p. 181).

This illustrates what I have been witnessing within my organization – we are relying too heavily on promotions and advertising, but are not spending enough time developing an overall strategy. To be effective, “marketing starts with the recognition of customer needs and then works backward to devise products and services to satisfy these needs” (Peter and Donnelly, 2008, p. 2). Pushing out promotions on services that do not entirely suit the targeted population is a reflection of the lack of focus on strategy. This is where my research on marketing practices for when the employee is the customer will help internal service organizations be more successful.

The primary purpose of my research is to help create *a paradigm shift at the convergence of Marketing and Management in relation to internal service development and the employee as the customer*. The paradigm shift I reference cannot happen without a foundation deeply rooted in leadership principles. In order for my research to serve as the framework of a proverbial ‘intra-organizational marketing’ house, a firm foundation of leadership needs to be constructed otherwise the house will crumble.

The secondary purpose of my research is to provide the inspiration to challenge the status quo and lead the change effort. Ethical leadership principles are the foundation on which the Organizational Leadership program at St. Catherine University was built. These principles have been interwoven into all of the classes required for degree completion and have served as the hallmark of becoming a successful leader. Leadership is not about dictating what

change will happen, rather “to effect true change, one must become a leader of leaders, one who inspires others to lead the transformation” (O’ Toole, 1995, p. 14).

In *The Leadership Challenge* (2002), Kouzes and Posner describe five leadership practices that are found in exemplary leaders: model the way, inspire a shared vision, challenge the process, enable others to act, and encourage the heart. The leadership practice most aligned with my research is challenging the process. I have researched service marketing practices that are typically used externally and have applied them internally within an internal service organization context. The use of marketing practices within an organization will be called intra-organizational marketing (IOM) throughout this text.

The internal application of external marketing practices is a change in concept for how they are typically applied, however, this change is necessary to facilitate growth within internal service organizations. Kouzes and Posner describe leaders as pioneers, “people who are willing to step out into the unknown. They search for opportunities to innovate, grow, and improve”(Kouzes and Posner, 2002, p. 17). They say leaders need to be open and have a “willingness to challenge the system to get new products, processes, services, and systems adopted, leaders are early adopters of innovation” (Kouzes and Posner, 2002, p. 17).

There is a similarity in my view of looking at traditional external marketing practices and applying them internally and something that was done in baseball a number of years ago. The professional baseball team, Oakland A’s didn’t have as large of a budget as other major league franchises and as a result, they couldn’t recruit top talent as they couldn’t pay the high salaries they required. Billy Beane, the general manager, believed there was a secret to success in

baseball that didn't involve money. He was able to lead the Oakland A's to great success by deploying a strategy he developed by reading Bill James's *Abstracts* (Lewis, 2004, p. 97). Below is an excerpt of the knowledge he gleaned:

“...if you challenge the conventional wisdom, you will find ways to do things much better than they are currently done. ...take the knowledge developed by James and other analysts outside the game, and implement it inside the game. ...develop and extend that knowledge. Hypothesize, test against the evidence, never accept that a question has been answered as well as it ever will be” (Lewis, 2004, p. 98).

The success of the team was a result of Billy challenging conventional baseball knowledge and not prejudging “a player by his appearance and less meaningful statistics” (Lewis, 2004, p. 100). Rather, Billy looked at players who were ‘undervalued’ in the baseball market and he judged them by more meaningful statistics that Bill James developed.

This is precisely what I want my research to focus on – can the knowledge developed ‘outside the game’ (traditional marketing practices) be implemented ‘inside the game’ to expand upon the concept of intra-organizational marketing? If so, how can I use my research to develop and extend the knowledge of intra-organizational service marketing?

My hope is that confronting the need for a more formalized approach to strategic marketing for SSOs will lead to a clearer focus on long-term success as a replacement for short-term gains. Kouzes and Posner emphasize the need for leaders to focus on the future, “it’s imperative that we spend less time on daily operations and more time on future possibilities. This is one of the very few things that makes leadership different from other roles, and it’s critical that we make it a priority. It’s also where the creation of legacies begins – in the process of deciding how we want the world to be different from what it is today” (Kouzes and Posner, 2006, p. 106). The mention of legacies drives to the core of providing *lasting* value. It shifts the focus on how we can provide the services that both suit the needs of our customers while at the same time providing value to the organization and the stakeholders, not on the here and now.

The purposes of the research I have conducted are twofold: *to help create a paradigm shift at the convergence of Marketing and Management in relation to internal service development and the employee as the customer* **and** *to provide the inspiration to challenge the status quo and lead the change effort*. My **hope** is that this will inspire leaders to make a difference by challenging the current process.

“You just never know whose life you might touch. You just never know what change you might initiate and what impact you might have. You just never know when that critical moment might come. What you do know is that you can make a difference. You can leave this world better than you found it” (Kouzes and Posner, 2006, p. 181).

Chapter 2 - Analysis of the Conceptual Context

Although a vast majority of current literature focuses on customers who are external to an organization, those same underlying marketing philosophies and practices can be applied to the realm of internal service organizations. This section will focus on developing key marketing concepts necessary for the understanding of their application within an internal service organization.

There are differences that exist between product and service marketing because the characteristics of products and services are different. A product such as Dawn[®] dishwashing liquid is tangible whereas a service such as H&R Block's[®] tax preparation is intangible. Some services are unique in the aspect that they may be both tangible and intangible. The completed tax form is tangible, however, the time and effort of the tax accountant to prepare the forms is intangible. A corollary to an internal service organization such as a Payroll Department can be described as: an actual payroll check is tangible but the 'service' provided by the payroll employees (i.e. time and effort) is intangible. These examples provide a basis for the differences between products and services, however, the material in the following pages will delve into the differences in strategies of marketing products versus services. The service marketing concept of relationship marketing will be introduced and an explanation will be provided on how it applies to internal service organizations in the form of intra-organizational marketing. Additionally, the role of communication will be explored in an effort to provide

context around the need for marketing and not just promotion strategies within internal service organizations.

Product Marketing

In product marketing, there is a heavy emphasis placed on the marketing mix. In traditional marketing planning there are typically three focus areas; “establishing marketing objectives, selecting the target market, and developing the marketing mix” (Peter and Donnelly, 2008, p16). Marketing objectives are often stated in terms of performance and are tied to overall organizational objectives (Peter and Donnelly, 2008, p. 16). The target market is the group of customers the organization will serve in order to attain their marketing objectives. Similar to the target market, the development of a “set of controllable variables” (the marketing mix) is tied to the marketing objectives (Peter and Donnelly, 2008, p. 17). While the number and make-up of marketing mix variables has fluctuated since their inception in the 1950s, contemporary marketers recognize four: product, price, promotion, and place (Gronroos, 2007, p. 273; Peter and Donnelly, 2008, p. 17). These four variables are commonly known as the 4P’s of marketing.

A hypothetical example of Procter and Gamble's Dawn® dishwashing liquid will put these traditional marketing practices into context:

1. Establish objectives - increase market share by five percent in the dishwashing liquid category.
2. Select target market – environmentally friendly and sustainability conscious mother in her late twenties or early thirties.
3. Develop marketing mix:
 - a. Product – eco-friendly packaging with proceeds going towards wildlife relief for gulf oil spill disaster.
 - b. Price – cost per bottle will be five cents higher than traditional non-wildlife relief Dawn® bottles.
 - c. Promotion – television ads running on Animal Planet® and Planet Green® networks.
 - d. Place – available in traditional supermarkets and mass discount stores such as Cub Foods® and Target® as well as organic supermarkets like Whole Foods®.

Communication

Within the 4P's framework, specifically related to promotions, are two communication strategies that focus on internal employees. The traditional use of these strategies will be explored to shed light on how they differ from intra-organizational marketing.

Integrated Marketing Communication

The definition of Integrated Marketing Communication (IMC) was revised in 2005 to; “a strategic business process used to plan, develop, execute and evaluate coordinated, measurable, persuasive brand communications programs over time with consumers, customers, prospects, employees, associates and other targeted, relevant external and internal audiences. The goal is to generate both short-term financial returns and build long-term brand and shareholder value” (Schultz, 2004, p. 9). Put simply, IMC is a strategy to ensure all audiences both internally and externally are receiving the same brand messages. This would take shape in an organization where online ads, print ads, television ads, and communications to employees about new products all share the same message. Applying this to Dawn[®] dishwashing liquid, Procter & Gamble[®] would align their new eco-friendly product message across all advertising mediums (online, print, and television) as well as would communicate the very same eco-friendly message to their employees. Meaning, their external (advertising) message would align with their internal (employee communication) message. Applied to a Payroll Department example, the same message regarding new tax deduction policies would be listed on their intranet site, included on posters communicating the change, and given to the

employees of the payroll department as well as employees in all other departments who are impacted by the change. This ensures employees within the payroll department receive the same messages as those employees external to the department.

Integrated marketing communication is the communication strategy in which the Payroll Department used to make all employees aware of the tax deduction policies, however, it was not the overarching marketing philosophy for how the Payroll Department solves the needs of their customers. This helps to delineate a communication strategy from an overarching marketing strategy and how they are not one in the same. Communication plays a part in an overall marketing strategy, but cannot be used in place of an overall marketing strategy. The result of communication being used in the absence of a marketing strategy is an overreliance on promotions. This overreliance on promotions has been the Achilles heel of the service industry (Peter and Donnelly, 2008, p. 181).

Internal Marketing

The piece of integrated marketing communication that deals with the internal employee message is called internal marketing. Peter and Donnelly define it as a “continual process by which managers actively encourage, stimulate, and support employee commitment to the company, the company’s goods and services, and the company’s customers” (2008, p. 176). Internal marketing is more of a communication strategy than an overall marketing strategy as the product or service has already moved through three of the p’s (product, price, and place), with the internal marketing aspect as part of the final ‘p’ which is promotion. Meaning, an

organizations' employees are also consumers of their products. This manifests itself in a company such as Procter and Gamble® promoting their products to their employees as they are ultimately purchasers as well. They may offer free trial-size versions of their new products to their employees or may send collateral via intra-company mail to promote new products. As an internal service organization example, the Payroll Department keeps their own employees notified of services they provide to their 'customers' (which are employees of the overall organization) because Payroll employees are users of the services as well.

Similar to integrated marketing communication, internal marketing is focused on the communication or promotional aspect of marketing, not the overarching marketing strategy. As such, internal marketing or integrated marketing communication does not match the type of marketing done within an internal service organization context. Due to the nature and make-up of internal service organizations, a more appropriate application of marketing can be found in service marketing. More specifically, relationship marketing and its relevance to intra-organizational marketing.

Services

A 'service' can be defined in many ways and is commonly differentiated from products by referring to services as 'intangible' and products as 'tangible' (Peter and Donnelly, 2008, p. 169). Vargo and Lusch provide an alternate definition of services, "...the application of specialized competences (knowledge and skills) through deeds, processes, and performances for the benefit of another entity or the entity itself" (2004, p. 2). A complimentary definition is offered by Gronroos, "...services can be defined as processes that consist of a set of activities

which take place in interactions between a customer and people, goods and other physical resources, systems, and/or infrastructures representing the service provider and possibly involving other customers, which aim at solving customer's problems" (2006, p. 6). Instead of the shallow differentiation of intangible versus tangible, both of these definitions deem services as a process or performance between two parties, with Gronroos emphasizing the goal of solving the customer's problems.

Using an internal graphic design department as an example will demonstrate the application within an internal service organization context:

Table 2.1

Internal Service Org:	Graphic Design Department
Internal Customer:	Payroll Department
Need/Problem:	Creation of a poster to promote/communicate tax deduction changes.
Process/Performance:	Poster design work completed by internal graphic designer

The problem the graphics team is solving for their customer is the need for graphic design work to be completed. The process and/or performance relates to the actual design work the graphic designer creates for the customer.

The definition of services given in this section serves as a foundation for the discussion of the application of marketing within a service setting. The marketing philosophy best suited for services is relationship marketing and will be discussed in the following section.

Relationship Marketing

In the services industry, relationship marketing has long been deemed a successful marketing strategy. Most notably, scholars contend that relationship marketing is the philosophy that should be used within the services industry (Normann and Ramirez, 2000, p. 65; Gronroos, 2007, p. 276; Vargo and Lusch, 2004, p. 11). Gronroos states the purpose of relationship marketing “is to identify and establish, maintain and enhance, and when necessary terminate relationships with customers (and other parties) so that the objectives regarding economic and other variables of all parties are met” (2007, p. 275). In contrast to traditional product marketing and the 4P’s of product, place, price, and promotion, Gronroos provides only one ‘p’. His singular ‘p’ refers to marketing as a process, not a set of variables such as the 4P’s of the marketing mix. He concludes that “the process of marketing includes the following:

1. Market research to *identify* potentially interesting and profitable customers to contact.
2. *Establishing* the first contact with a customer so that a relationship starts to emerge.
3. *Maintaining* an existing relationship so that the customer is satisfied with the perceived quality and the value created and is willing to continue to do business with the other party of the relationship (getting a ‘share of the customer’s wallet’).

4. *Enhancement* of an ongoing relationship so that a trusting relationship and an emotional connection with the customer is emerging and the customer decides to expand the content of the relationship by, for example, purchasing larger quantities or new types of goods and services from the same seller (getting a 'share of the customer's heart and mind' and expanding the 'share of the customer's wallet')."

(Gronroos, 2007, p. 276)

A comparison of traditional marketing and relationship marketing is illustrated below through the use of the internal service organization example of an internal graphic design department.

Table 2.2

Traditional Marketing	4 P's → product, place, price, promotion
Product/Service	Services provided by graphic designers: logo creation, powerpoint master slide design, website layout and design, and poster design
Place	Only one distribution channel – intranet website
Price	N/A - the graphic design department does not charge other departments to use their services
Promotion	Promote services on intranet website and periodic posters on internal kiosks located in each building
Relationship Marketing	1 P → process
Identify	Discovered new customer through the need for monthly website development
Establish	Developed project requirements and expectations
Maintain	Work with customer throughout the creation of the website
Enhance	Satisfied with performance and quality, customer utilizes other graphic design services such as logo creation

Peter and Donnelly contend, "...because services possess certain distinguishing characteristics, the task of determining the marketing mix ingredients for a service marketing strategy may raise different and more difficult problems than those encountered in marketing products" (2008, p. 168). The limitations of the 4P's in the context of internal service organizations is demonstrated above. One of the limitations of the 4P's is that the identification of the customer as well as the customer need happens outside of the marketing mix model. This leaves internal service organizations such as the graphic design department to rely on promotions to reach potential customers instead of the formation or enhancement of relationships. The framework of relationship marketing and the focus on the 'process' allows the graphic design department to continually acquire new customers or offer new services to existing customers.

Intra-Organizational Marketing

There is very limited research on service or relationship marketing practices being applied to internal service organizations. An article in *Services Marketing Quarterly* mentions the term 'intramarketing' to describe marketing within an organization (Lowry, Bonna and Inks, 2007). For the purposes of this paper, I will use the term intra-organizational marketing as the application of relationship marketing practices within the context of an internal service organization when the employee is the customer. Meaning, the relationship marketing practices of; identify and establish, maintain and enhance are applied to customers who are internal to your organization. In terms of an internal graphic design department, the use of intra-organizational marketing means they would apply relationship marketing practices to the customers (departments) they serve or wish to serve in the future.

Chapter 3 - Research Question and Methodology

Research Question

Traditional marketing practices are aimed at customers who exist externally to an organization. What marketing practices should be utilized when your customers are your *own* employees? How do you conduct market research on the demographics of your employees without violating internal Human Resources' confidentiality policies? What does an internal distribution channel look like? We are no longer speaking in terms of production plants and customers. Our language turns to headquarters staff, field sales, production line hourly employees, etc. And what about promotions? We are no longer vying for advertising on a prime-time network or airing a commercial in a coveted Super Bowl spot. And finally, when determining pricing, we no longer speak in terms of what the market can bear, but rather shift the question to whether or not to allocate expenses back to the divisions or functions who are utilizing our services.

The issues outlined above are similar to the challenges that many internal service departments face. These service departments are varied in function and are spread across the entire organization. The functions range from finance to human resources, information technology to legal, research and development to warehousing, and may even include corporate communications and public relations. These internal service departments feel an almost constant tension created by being charged with driving cost savings on a broad scale

while investing dollars to create resources which will provide services to employees to further reduce costs. While this tension may be seen as having a negative impact, this tension is needed in order to provide the right environment to foster change. This environment of change can breed the creation of new ways to look at old problems, or new ways to look at what our employees perceive as problems. It is at the intersection of the identification of a customer (employee) problem and the creation of a service where marketing concepts and strategies should be deployed. This intersection is also where the epicenter of my research is focused. The overarching question which framed my thesis research is: ***How do internal service organizations lead the development of services when the employee is the customer?***

Summary of Methodology

Research Objectives

In order to answer my research question, I examined five areas of marketing management practices: identification of a customer need, creation of a new service, the link to organizational objectives/mission, new or existing service promotions, and how the success or usage of services are measured. I probed into these five areas through a combination of secondary and primary sources, and compared the results with widely accepted practices in traditional marketing.

The focus of the first area, identification of a customer need, was to examine how internal service departments determine who their customer is and what the needs of that customer are. This included a look into what market research methods and/or technology they utilize to develop their target market. I also investigated what strategies they deploy to develop and maintain a relationship with each customer or customer group, including how they collect customer data.

After the process of identifying their customer and their needs was uncovered, I probed into the process that is used in the creation of a new service. I compared the techniques that are used in the creation of a new service with traditional marketing principles.

Similar to the traditional marketing management process, after identifying the customer and then developing a service to meet their need, I inspected if the service had a link back to the organization's overall mission and/or objective(s).

The last two focus areas are the promotion and measurement of services. I looked into the strategies used to develop and execute promotions, communications, and training, and then inspected what measurement tools or strategies are used to determine success or overall usage of a service.

Secondary Sources

The data gathered was drawn from a combination of secondary and primary sources. The objective of my secondary research was to conduct a literature review to uncover current material on strategies and tools used by internal service organizations when serving their employees. Material on this aspect was sparse, thus the focus of my research shifted to service and relationship marketing for customers who are external to your organization.

Primary Sources

My primary research involved conducting interviews to investigate how internal service departments develop new services. Through these interviews, I gained a deeper understanding of what external marketing practices can be utilized within an organization.

I conducted a total of five interviews. Two of the subjects were marketing/communications consultants and the remaining three were individuals from internal service organizations.

To identify the subjects who best suited my study, I combined judgment sampling and snowball sampling techniques into a hybrid model. Judgment sampling is “a non probability sampling method in which participants are selected according to an experienced individual’s belief that they will meet the requirements of the study” (Bush et.al., 2003, p. 361), whereas snowball sampling is “a non probability sampling method in which a set of respondents are chosen and then helps the researcher identify additional people to be included in the study” (Bush et.al., 2003, p. 362). The application of these two sampling methods to select consultants, companies, and individuals is detailed below.

Consultant Selection

Utilizing snowball sampling, I contacted individuals within the internal service departments I currently work with (HR and IT) at General Mills to identify marketing/communications consultants they have used in the past when developing services. The criteria I used to select the consultants is listed below:

- Location – The consultants I selected lived and worked in the Minneapolis area so I conducted these interviews in person. The Twin Cities area is large enough to support a large number of successful marketing/communications consultants, therefore, I didn’t feel the necessity to look outside of Minneapolis for interview subjects.
- Association Membership(s) – because I wanted to interview consultants who had experience in the advertising/marketing/communication industries, I looked for

consultants who were either current or past members of either the American Marketing Association (AMA), the International Association of Business Communicators (IABC), or another professional marketing/communication association.

- Expertise – I wanted the consultants to have had ten years or more of experience in assisting internal organizations in the development and/or promotion of services.

After I selected two consultants who fit these criteria, I contacted the candidates via email to ask for participation in my study. I included potential interview dates and times in the email. The one-hour long interviews were conducted individually at a mutually agreed upon location.

Company Selection

I identified individuals from large internal service organizations that I wanted to interview for my study by first identifying the companies who would be most relevant to my study. To do this, I leveraged my membership in the Shared Services Roundtable (SSR) division of the Corporate Executive Board. To find the leaders in this industry, I contacted the Associate Director of the Finance Practice division of SSR and received a list of the top ten companies who are leaders in shared services. Utilizing judgment sampling, I relied upon an experienced individual's interpretation of which companies would best suit my study. The definition of a leader in the shared services industry was determined by the Associate Director as companies who are currently considered best in class or in the first/second quartile from their benchmarking survey.

I segmented the list of ten companies by industry and narrowed it down to companies who were in the consumer goods or manufacturing industry as a comparable sample to my organization. I cross-referenced the SSR list with the Fortune 'best' lists and selected companies who were listed in at least two or more of the following lists: top 20 most admired companies and 100 best companies to work for specifically narrowed down to: innovation, people management, or management quality (Fortune). To further narrow the list, I selected companies who were members of SSR so that I would be able to obtain contact information.

Participant selection.

I chose to identify individuals within the three companies I selected as either being in Finance, Human Resources, Communications, or Marketing.

For Finance, Communications, and Marketing participants, I obtained contact information from the networking contact list on SSR (Shared Services Roundtable). I narrowed the list of individuals down to the following titles: Finance Services Director, Director of Accounting and Reporting, Shared Services Director, Director of Marketing Shared Services, Communication and Training Manager. In the shared services realm, I chose interview participants who have responsibility for business development and have been in their role for two years or more. Being in the role of business development qualifies these individuals to be included in my study as they have experience in identifying a customer's need, the creation of a service, and the link to organizational objectives. The individuals also have had experience in the promotion and measurement of a new service.

For a Human Resources participant, I navigated to the World at Work site and narrowed the list down to individuals with the following titles; Senior Compensation and Benefits Manager, Manager of Cost Operations and Training, Director of Global Compensation, HR Compensation Manager (World at Work). In relation to Human Resources, I selected an individual who is responsible for the development of their employee service or training and development programs and has been in their role two years or more. This individual has experience in one or all of the following areas: identifying a customer need, the creation of a service, link to organizational objectives, promotion development and execution, and measurement. Throughout the remainder of this paper, I will refer to consultant research subjects as Consultant A and Consultant B and internal service organization research subjects as Practitioner A, Practitioner B, and Practitioner C.

The information I searched for during my interviews was knowledge around the development of services within an internal service organization context. The knowledge that sits within any company is considered a source of competitive advantage. Given this, I had great difficulty getting practitioners to agree to be interview subjects as well as difficulty getting the wealth of information I was looking for. For example, Practitioner C made it very clear at the beginning of our interview that he would not be able to answer any questions that would require him to disclose financial information. Even with these challenges, I was able to acquire rich data from my interviews of both consultants and practitioners.

Data Analysis

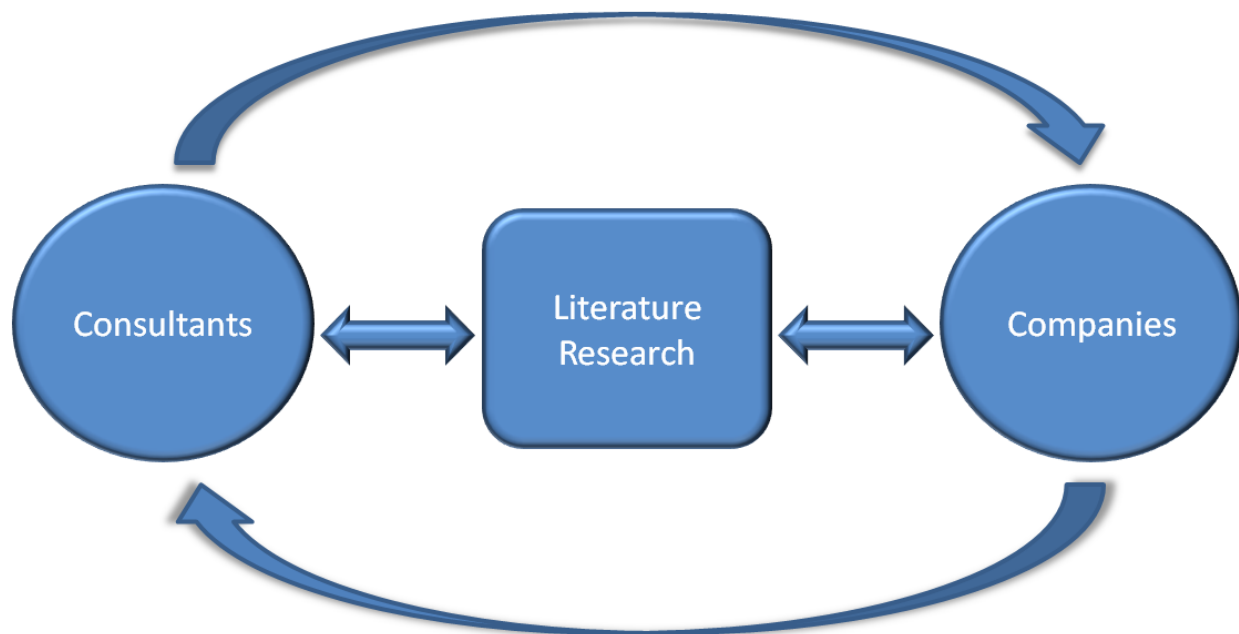
The goal of the analysis was to identify effective marketing practices which could be applied to internal service organizations. I analyzed both primary and secondary data through the use of traditional analysis methods as well as through the lens of my own observations from my years of being within an Internal Service Organization.

The data analysis methods gleaned from the textbook, *Marketing Research* (Bush, et.al.,2003) included transcribing interviews, and the creation of coding categories, and the use of a data display that served as an aid to cross-tabulate data. A secondary application of the data display allowed me to visually see the data in order to look for the relationships and the interconnectedness of the responses. In his book, *A Whole New Mind*, Daniel Pink defines this type of data analysis as symphony, “the capacity to synthesize rather than to analyze; to see relationships between seemingly unrelated fields; to detect broad patterns rather than to deliver specific answers; and to invent something new by combining elements nobody else thought to pair” (Pink, 2005, p. 130).

To code the interview data, I read through each interview transcript a few times and then used numerical coding to categorize themes that emerged. Starting with the consultant data first, I identified themes by underlining key words or phrases. The coding occurred when I labeled the themes by assigning a numerical value to each one. Next, I completed the same analysis with the data from each company participant. I then took the themes from each of these groups and compared them to investigate what was similar and what was different.

After coding both sets of interview data, I began coding the data collected from the literature investigation. I used the same coding process for the secondary data as I did for the primary data. I then took the themes from the primary research and compared them to the secondary research.

Figure 3.1



Viewing the data in a way to see the relationships between the interview responses and current literature was essential to organizing the data into categories and looking for patterns. I compared the categories and patterns to traditional marketing concepts and researched if they would work within a services organization. This required that instead of looking at external marketing practices and forcing them to fit into the context of an internal organization, to really view what marketing practices other organizations are using when developing services

for their employees. When comparing the primary research and the secondary research, I was cognizant that the secondary research was focused on customers external to the organization and my primary research was focused on customers internal to the organization. I compared the relationships of the data between the secondary and primary research to ascertain which marketing principles could be applied internally.

Bias and validity

Because of my long-term involvement in developing, promoting, and measuring services as well as my educational background in Marketing Management, researcher bias was difficult to avoid. I purposefully designed my study in a way to help alleviate validity threats specifically in reference to researcher bias. The validity checks I put into place were based upon a checklist provided by Joseph A. Maxwell in *Qualitative Research Design: rich data, triangulation, and searching for discrepant evidence and negative cases* (2005).

To help paint the picture of what the internal landscape looks like today, I conducted several intensive interviews. I not only analyzed my interview observation notes, but also analyzed the interview transcripts to ensure I collected rich data. Relying on observation notes alone would have jeopardized the collection of rich data.

By the collection of data from a variety of sources, namely interviews and an extensive review of current literature, validity was established via triangulation.

The last validity method I used was the search for discrepant evidence and negative cases. When I analyzed the data that I collected from my interview subjects, I tested assumptions and theories to current research as an effort to seek out contradictory evidence. When I reported my research findings and recommendations, I did not ignore contradictory evidence but incorporated it into my overall report.

Chapter 4 – Presentation of Results and Discussion

As the name implies, internal service organizations are indeed service organizations, not manufacturing organizations. Literature suggests that traditional manufacturing models are insufficient for use by services (Vargo and Lusch, 2004, Gronroos, 2007, Schlesinger and Haskett, 1991). Primary research into internal service organizations provides evidence to show a relational, not manufacturing mindset prevails. Because services are more relational in nature than products, relationship marketing philosophies are deployed (Gronroos, 2007, p. viii). Internal Service Organizations (ISOs) are service organizations with the key difference of customers being within their organization – their own employees. Being a service organization, ISOs are relational so a form of relationship marketing, intra-organizational marketing is used.

Figure 4.1



Literature provides the context for models developed “outside the game”, whereas interview data from both consultants and practitioners provide evidence for application “inside the game”.

Manufacturing Models are Insufficient for use Within Internal Service Organizations

Literature suggests that manufacturing models within a service organization such as an internal service organization is inadequate (Vargo and Lusch, 2004, Gronroos, 2007, Schlesinger and Heskett, 1991). This is further demonstrated by evidence from both practitioners and consultants in which it was trying to get away from the traditional manufacturing models.

Three specific areas that surfaced through interview data in which traditional manufacturing models have bled over into the internal service realm are in the areas of; cost reduction focus, lack of metrics, and an overreliance on promotions. According to Iacobucci and Swartz, “in terms of marketing and management, we do not yet possess the necessary frameworks or the mentalities to face most of the business problems of services” (2000, p. 9-10). Evidence of the lack of necessary frameworks for internal service organizations as shown through consultant and practitioner interviews are detailed in the following sections.

Cost Reduction

The past few decades have given rise to a focus on cost reduction as evidenced by ‘lean’ transformations within the manufacturing industry. The cost reduction measures have crossed over into services, specifically in internal service organizations, however, the mindset within

internal service organizations is shifting from cost reduction to providing the greatest value. This shift in mindset is signaling a change from traditional manufacturing models to service-based models. Two of the three practitioners provided examples of this shift to greater value and business effectiveness.

Practitioner A said, “[historically], the focus has been very much around cost and cost reduction. But now seeing it from the marketing perspective, whilst those things are important, the way we would position or the driver behind what we do is really around value and business effectiveness.” For existing services, Practitioner A is able to lower the cost per unit of a particular service by “driving efficiency and productivity.” However, for new services, “cost efficiency is not the primary goal, the primary goal is an offering that makes sense.” Meaning, a new service may be a little more expensive at the beginning, but over time productivity and efficiencies can be gained and thus lower the overall cost. In regards to one of the services Practitioner A provides, virtual events, there is a large investment in technology that has to be made up front. Rather than having each country or region office develop their own infrastructure to develop and execute virtual events, they have “centralized it into a demand center to provide [the virtual event] service back to all countries.” This allowed his team to take on the initial technology cost and then provide the service to a multitude of different internal clients. This is an example of providing a new service that may be expensive at the beginning, however, efficiencies and productivity were gained by providing this service back to several other client groups.

Another example of the shift from a cost focus was given by Practitioner C, “one of my goals is to provide efficient operations and good cost to any of the business units that we service without having to offshore the process. What I’m trying to do is avoid offshoring it only for the sake of having some overhead savings that may deplete the service levels over time”. This demonstrates the value in keeping a long-term focus on efficiencies rather than short-term gains in overhead savings.

Lack of Metrics

There is a lack of standard metrics or any metrics for that matter within internal service organizations. Primary data substantiates this claim in that traditional manufacturing organizations have “standardized metrics...for the kinds of return they are going to get” (Consultant B). Unfortunately, a framework for metrics is missing within internal service organizations (Consultant A, Consultant B). Two reasons for the lack of measurement arose – measuring is expensive and it is difficult. Consultant B said, “About 50% of the time we actually collectively commit to the measurements we talk about and that is almost always because measurement is quite hard and quite expensive. And so often it’s more expensive to measure than it is to build the tool in the first place.” Consultant A shared this same sentiment around measuring being hard, but added “people know when something’s been successful, they inherently know it, or not. An in a lot of cases that’s all they care about. Is have we done what we said we were going to do? Yes. Give me fifteen indicators of that and they are not as interested.”

A strategy used to combat this lack of measurement models within internal service organizations is to measure success of a service by providing an answer to the statement, “we will have succeeded when...” (Consultant A). Success for a manufacturing-based organization is measured in terms of ROI or percentage of market share, etc. Success for an internal service organization is measured in terms of employees’ “action [change], behavior change, and opinion change” (Consultant A).

Overreliance on Promotions

From a literature perspective, the service industry is plagued by an overreliance on promotions (Peter and Donnelly, 2008, p. 181). From the consultant’s perspective, this applies to internal service organizations as well. However, all three practitioners did not feel that they relied too heavily on promotions.

Consultant B said, “the cost to fix the operational problem is way less than the cost to run media to cover it up...here’s how many people it will reach, and we know most people ignore it, so it’s a tiny fraction of who will really listen and a smaller fraction of who will actually take advantage of it...you can spend lots of money and it’s actually not going to get you anything”. In effect, very few promotions actually reach the right people and when they do, very few will react to it. The meaning of this statement is that internal service organizations should fix operational issues of their service offerings instead of relying on promotions as fixing the issue in the first place is less expensive than launching a promotions campaign.

Instead of spending more resources on promotions, practitioners said they spend most of their time and money on maintaining their current services. This is contradictory to what the consultants said, so this finding is really inconclusive.

While evidence cited that there are certain frameworks missing for the management and marketing of services, there is evidence to suggest that service organizations are more relational than a manufacturing organization and thus a framework of relationship marketing can be applied.

Services are Relational

Services are relational in the sense that the customer is engaged in the service as a co-producer (Vargo and Lusch, 2004, p. 11; Gronroos, 2004, p. 2). Throughout the co-production of the service, the process of exchange leads to the development of a customized service offering. This concept is illustrated below with a hypothetical example of a traditional service offering.

1. Traditional service – download tax form from IRS website and completed the form yourself. For simplicity, assume you do not need assistance and do not call a help or service line. The form is representative of the service you received as well as the interaction with that service.
2. Relational service – you have hired a tax accountant to prepare your tax forms for the previous year. Your relationship is with the service, in this instance it is tax

preparation by an accountant. You work with the tax accountant as a co-producer of the service by providing receipts and other necessary documents. Both you and the tax accountant are creating the customized service via the process of exchange, or the process of information. At the end of the service, you have received a completely customized version of the tax form in which you played the role of co-producer.

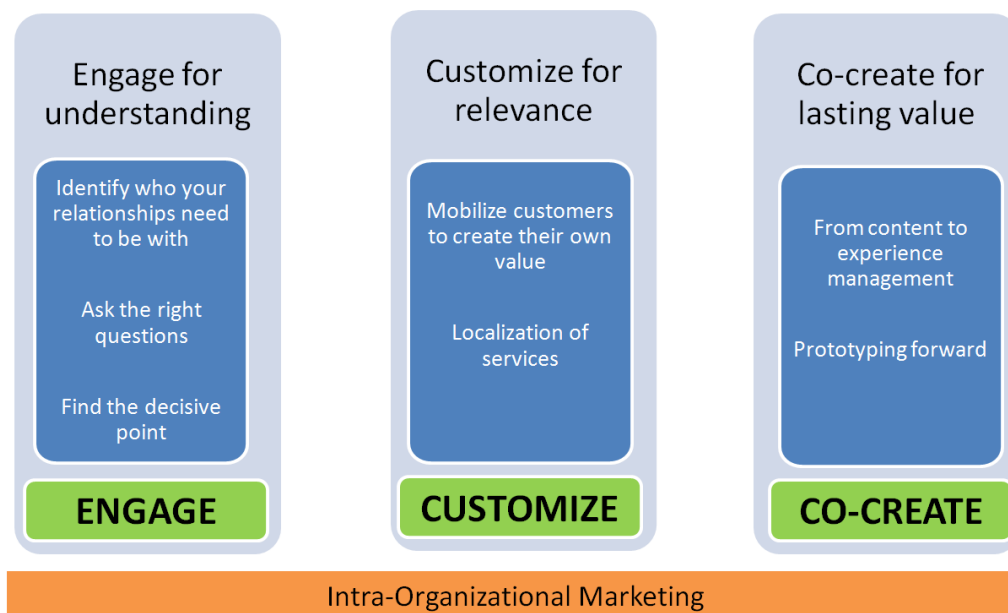
Traditional service organizations are relational. As the name suggests, internal service organizations are an internal type of service organization and thus are relational and benefit from a relationship marketing perspective.

From Relationship Marketing to Intra-Organizational Marketing

Internal service organizations are relational and benefit from the relationship marketing philosophies of identify and establish and maintain and enhance. This externally focused framework of relationship marketing serves as a basis for internal application. The internal application of relationship marketing is intra-organizational marketing. The definition of intra-organizational marketing is identifying and establishing, maintaining and enhancing a relationship with your customer by engaging for understanding, customizing for relevance, and co-creating for lasting value.

Literature doesn't specifically address challenges of internal service organizations and the marketing philosophies to be applied. However, analysis of secondary research on relationship marketing and primary research specific to internal service organizations lead me to believe externally focused marketing practices such as relationship marketing can be adapted to fit the internal service organization model. The practices explored in relationship marketing are: identify and establish, maintain and enhance.

Figure 4.2



Internal service organizations deploy three key strategies through a relationship marketing context; engagement, customization, and co-creation of value. The engagement strategy is used to help understand the customer and uncover what services would meet their

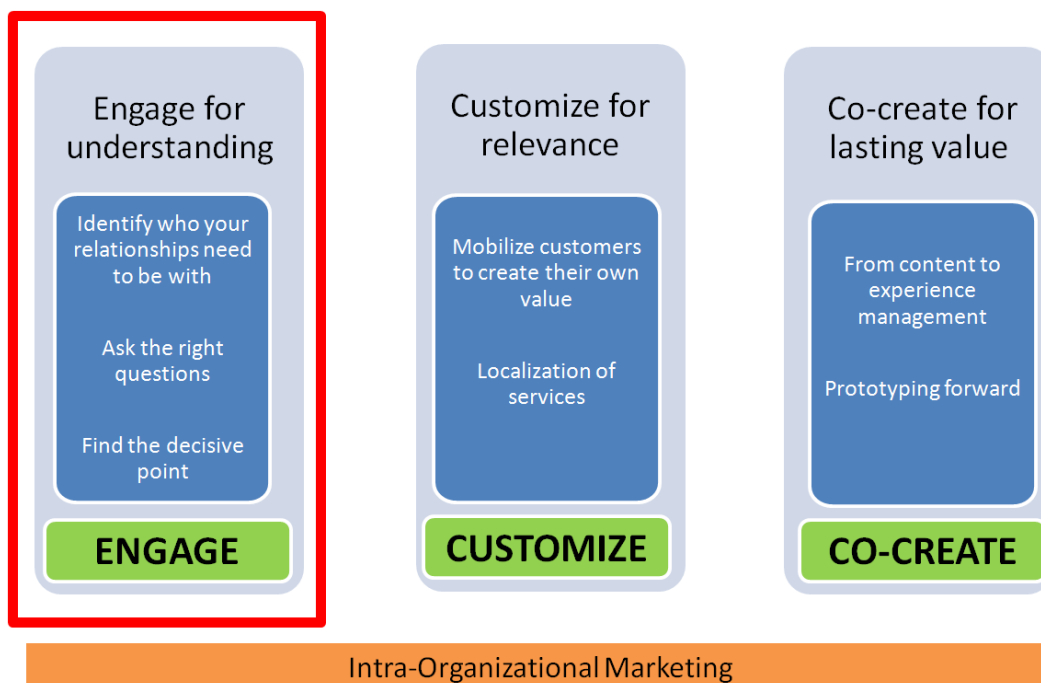
needs or fix their problems. Customization of services occurs when the needs of the customer do not match current service offerings so modifications to certain services occurs. Combining engagement and customization together creates a hybrid strategy of the co-creation of value, or the co-creation of a service that uniquely solves the needs of the customer.

Engage for understanding

Internal service organizations use the strategy of engagement during both the identify and establish phase as well as the maintain and enhance phase of relationship marketing.

The strategies identified by consultants to deploy to engage for understanding of the customer are: identify who your relationships need to be with, ask the right questions, and find the decisive point.

Figure 4.3



Identify who your relationships need to be with.

It is not realistic to suggest that a relationship needs to be forged with ALL of your customers. A relationship only needs to be formed with relevant customers. To further this concept, Consultant A suggests, “Relationships need to be with the people who affect your services either positively or negatively [to] achieve the goal you are trying to achieve.” For example, an Accounts Payable department does not need to develop a relationship with all employees within the overall organization. Rather, the relationships just need to be formed with employees who have responsibility to make payments to vendors on the behalf of the organization. Employees who do not need to pay external vendors or companies will not need to use the services of the Accounts Payable department and thus spending time forging a relationship is not beneficial for either party.

Ask the right questions.

The next strategy used by internal service organizations to engage for understanding is to “ask the right questions” (Consultant A, Consultant B). The purpose of this strategy is to find out what the customer wants, “what they need, where their issues are” (Consultant A). Finding out more about the customer can either take place virtually via an online survey tool or in person via an individual interview or a focus group. The term, ‘right’ is a bit of a misnomer as neither consultant divulged a list of questions in which they deemed as the ‘right’ ones for any situation. Consultant B suggests, “It’s not rocket science, you’ve got to ask those basic questions.” Those basic questions being around what the customer wants and what issues the customer is having that can be solved by a service offering.

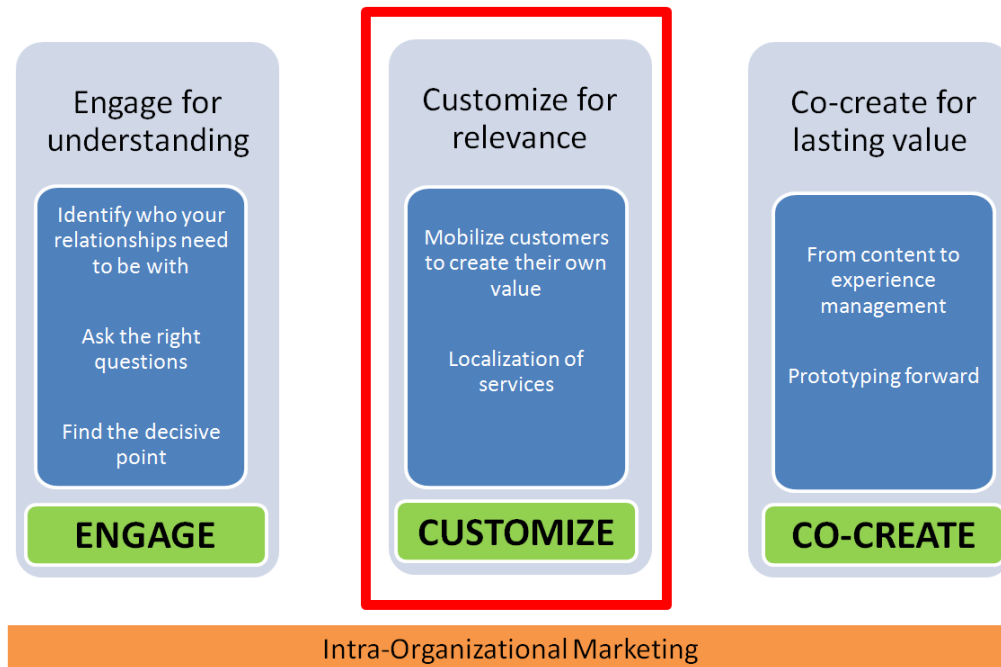
Find the decisive point.

Finding the decisive point is a continuation from asking the right questions. The decisive point is the point in which the entire situation hinges (Consultant B). This strategy is about not only asking the right questions, but probing further to get at what the customer really needs or wants. When working for a client, Consultant B continued to ask questions to get at what the real problem was with an online collaboration platform. The collaboration platform was a type of internal social networking tool that only employees could access. To get at what problem this new platform would solve, the customers were asked, “Is there a problem in collaboration that you are actually solving with this platform” (Consultant B)? The decisive point came when it was identified that there was NOT a problem in collaboration, but instead there was a problem with sharing information with others because of the large employee base. The goal was to “understand what was being done now and make that dramatically easier” (Consultant B).

Customize for relevance

Customizing a service or an overall service offering helps to maintain and enhance the relationship with an existing customer. Vargo and Lusch suggest that an “organization interacts with each customer to define the specific need and then develops a solution to meet that need” (2004, p. 11). In the case of an internal service organization, customization manifests itself as an addition to an existing service offering or a wholly customized service offering.

Figure 4.4



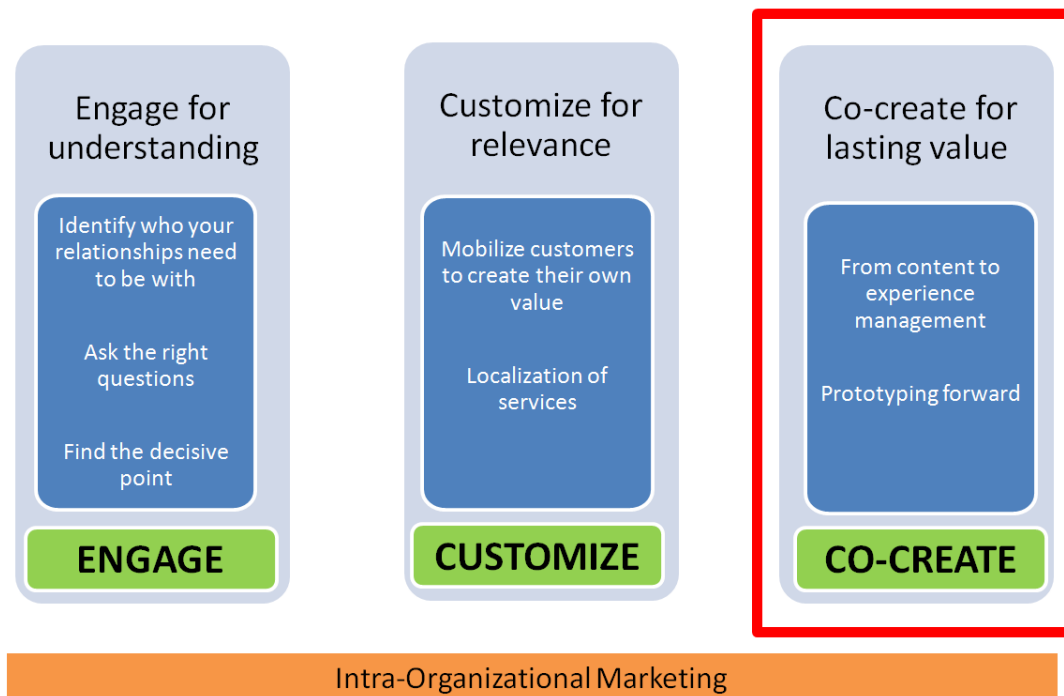
The customizing of services for Practitioner C means the addition of services into an overall service offering. Meaning, a business unit may be utilizing the Accounts Payable services but not the Travel and Expense Reporting services. The customization of the service offering happens when the business unit decides to add Travel and Expense Reporting services to their overall package. The business unit did not customize the service offering (i.e. add on the Travel and Expense Reporting services) until it was 'relevant'. Normann and Ramirez suggest, "The goal is not to create value for customers but to mobilize customers to create their own value from the company's various offerings" (2000, p. 66). The business unit in the example above created value for themselves from the internal service organizations 'various offerings'.

The complete customization of a service is evidenced by Practitioner A's translated/localized version of a service. This means taking a current service offering (such as a virtual event website) and customizing it ways to make it more relevant for the customer. For example, a customer needs their virtual event website localized specifically to Asian culture. The text was localized to the appropriate language and then approved by the local management team to ensure it was a localized version versus a literal translation (Practitioner A).

Co-Create for lasting value

Literature suggests that “the enterprise can only offer value prop, the consumer must determine value and participate in creating it through the process of coproduction” (Vargo and Lusch, 2004, p. 11). Gronroos has a similar perspective, “customers participate as co-producers and hence can be directly influenced the progress of these processes” (2006, p. 2). Co-creation happens when an organization is identifying and establishing a relationship with a new customer or maintaining and enhancing an existing relationship. Two strategies used by internal service organizations are; experience management and *prototyping forward*.

Figure 4.5



From content management to experience management.

A shift from content management to experience management is underway within internal service organizations (Practitioner A). This shift provides an opportunity to engage the customer in a service to allow them to customize the offering via dynamic interactivity. The experience that is being managed is one of a customer's interactions with a website (Practitioner A). If a customer clicks on certain content pages and then types in search terms that relate back to the same topic, a dialog box appears on the customer's computer asking if they would like more information about that topic via online chat with an expert or registration for a webinar. The experience the customer has with this type of virtual relationship with the service (a website) demonstrates engagement and interactivity in custom value creation. The value that is created is further information on the topic without the customer needing to search for it. Put simply, the service (website) was customized for relevance based upon the customers' behavior patterns.

Prototyping forward.

The concept of prototyping forward relates to in-depth engagement with the customer in which a part of a solution is built and you have the customer use it while at the same time you are analyzing patterns and behaviors and what their reactions are to it (Consultant B).

An example of the application of this concept would be the creation of a new internal website that housed information about all of the services an internal service organization

provides. The customer is engaged on the front-end to find out what their needs and wants are. Instead of working months to design and create a multitude of page layouts and navigation menus, you make a few basic assumptions about how the customer is going to navigate the site. The website is then built in stages or phases. The first phase may address some of the core features or requirements. The customer uses the site for a few weeks and provides feedback on the ease or difficulty of navigating or locating relevant information. Changes are made to the website based upon this feedback and then launched again. The customer has been a co-creator of the service (the website).

This concept allows organizations to enhance their relationships with their customers via the active engagement in an exchange process. In this instance, value is created through the customer's sense of ownership in the service developed by the exchange. Both experience management and prototyping forward facilitate the customers of ISOs of co-creating for lasting value.

Services need to be developed 'in concert' with the customer, not developed FOR the customer. (Vargo and Lusch, 2004, p. 11) The success of organizations depends upon enhancing their relationships with their customers by "making it easier for consumers to acquire customized service solutions efficiently through involvement in the value creation process" (Vargo and Lusch, 2004, p. 13).

Chapter 5 – Summary and Recommendations

Researching what relationship marketing approaches that were developed “outside the game” and how they could be applied “inside the game” has led to the identification of three intra-organizational marketing strategies; engagement, customization, co-producer of value.

Limited current research or literature focuses on marketing management principles specifically related to internal service organizations. Even more restricted is research describing marketing management principles when the employee is the customer. Connections exist between services marketing and relationship marketing. I describe the application of relationship marketing within internal service organizations as intra-organizational marketing.

Relationship marketing provides a lens through which to examine the interview data and identify effective marketing practices for internal service organizations. Combining the findings from both secondary and primary sources, the answer to my research question becomes:

How do internal service organizations lead the development of services when the employee is the customer? Engage for understanding, customize for relevance, and co-create for lasting value.

Recommendations

There is little known about the role of intra-organizational marketing within internal service organizations. This research provides context around which relationship marketing principles can be applied, but it was not meant to serve as a comprehensive blueprint for how internal service organizations can implement and/or develop intra-organizational marketing strategies. Additionally, the research does not enter the realm of cost justification for internal services nor does it go into a discussion of the differences between developing a service internally versus using an external vendor to provide internal services.

There are two recommendations I will make; the first is to encourage employees and leaders within internal service organizations of manufacturing firms to adopt intra-organizational marketing strategies through the Kouzes and Posner leadership principle of *Challenge the Process*. The second recommendation is to shore up the research gap relating to internal service organizations so as to further the success of ISOs across the country.

Changing the way internal service organizations develop services for their employees through the use of intra-organizational marketing will be a difficult cultural shift. This shift can take place by thinking in terms of Kouzes and Posners' *Challenge the Process* leadership practice. Employees and leaders of internal service organizations can deploy the practice of challenging the process in order to make the shift to intra-organizational marketing. Kouzes and Posner share a story about seeing a sign on a west-coast beach that says, 'Never turn your back on the ocean' and then relate it back to business leadership by stating, "This warning holds

good advice for travelers and leaders alike. When we take our eyes off the external realities, turning inward to admire the beauty of our own organization, we may be swept away by the swirling waters of change” (2002, p. 193). Internal service organizations need to look outward to see what other organizations are doing specifically in relation to engage for understanding, customize for relevance, and co-create for lasting value, lest they be ‘swept away by the swirling waters of change’.

The deficiency of material related to intra-organizational marketing and the application within internal service organizations of marketing firms begs for further research. The gaps in existing research can be filled by initiating directive research into the following three areas:

1. Changing a traditional manufacturing-based organization into a relationship-based, intra-organizational-based culture.
2. Development of a model for internal service organizations to leverage to help them build meaningful metrics.
3. Research specific to internal service organizations such as: expanding the research that has been conducted by associations such as Shared Services Roundtable and publish the results so all ISOs can benefit, not just ISOs who belong to certain associations.

Kouzes and Posner said, “...success does not breed success. It breeds failure. It is failure which breeds success” (2002, p. 214). The great failure of currently not having research specific to internal services opens the door for success. We just need to take the first step in the right direction. I hope the

research contained in this thesis is the first step in the direction of future success for all internal service organizations.

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Appendices

Appendix A - Interview Questions

Consultant Participants

Research Question: *How do internal service organizations lead the development of services when the employee is the customer?*

- I. Background

Goal: introduction/ice breaker

 - a. What is your current title?
 - b. How many years have you worked in this type of role?
 - c. How many years have you worked for this consulting company?
 - d. What is the size of your current organization?
 - e. Tell me about your educational background: where you went to college and what you studied. Do you have a master's degree? In what discipline and from where?
 - f. What types of companies/industries do you work with?
 - g. When are you typically brought into a project with a company:
 - ___ Beginning
 - ___ Middle
 - ___ End (implementation)
 - ___ After (what went wrong?)

- II. Process Example

Goal: Hear the process of how he/she assisted with a project

 - a. Recall a project you recently worked on that involved identifying a customer need, development and promotion of a service and measurement. Describe the process you followed.

- III. Methodology

Goal: hear the methodologies he/she uses when working with clients

 - a. When assisting clients, how do you:
 - i. Help them keep a focus on their customer? CRM? Determine a customer need
 - ii. Assist in the development process?
 - iii. Help create promotions?
 - iv. Determine what measurement tools to use/suggest?

- IV. Closing

Goal: ask additional and/or clarifying questions that were not answered in previous sections

 - a. What is the one area in which your clients most often focus their resources (both time and money):
 - ___ Development
 - ___ Promotion
 - ___ Measurement
 - ___ Customer Relationship Management (CRM)

 - b. Where do you feel your clients should spend most of their resources (both time and money):
 - ___ Development
 - ___ Promotion
 - ___ Measurement
 - ___ Customer Relationship Management (CRM)

 - c. Finish this sentence: internal service organizations could serve their employees more effectively if they:
 - d. What is your philosophy for the role of marketing management practices within an internal services organization?

Appendix B - Interview Questions

Corporate Participants

Research Question: *How do internal service organizations lead the development of services when the employee is the customer?*

- I. Background

Goal: introduction/ice breaker

 - a. What is your current title?
 - b. How many years have you worked in this department?
How many years have you worked for _____?
 - c. Tell me about your educational background: where you went to college and what you studied.
Do you have a master's degree? In what discipline and from where?
 - d. How many individuals are in your immediate organization?
What are their titles/main job responsibilities?
 - e. Tell me where your group falls within the broader organization?
 - f. How does your department impact the success of the broader organization?
- II. Development of Services

Goal: Hear the process of how services are developed

 - a. What are your department's key objectives for this year?
What are your organization's key objectives for this year?
 - b. Think about a project you recently worked on that involved developing a service. Describe the process you followed – from the identification of a need through the development of the service.
How do you determine who your customer is and what services they want? Interviews, surveys, CRM tools, etc.
- III. Promotion of Services

Goal: hear the process of how services are promoted

 - a. Describe the process you used to develop a promotion campaign for a service.
 - b. Did you use all internal resources, or were consultants or external agencies used?
 - c. What mediums do you typically use – intranet, flyers, social media, etc.
 - d. How often do you develop new promotion campaigns or change your messaging around your services?
- IV. Measurement

Goal: What measurement methods/technologies are used to gauge usage and/or satisfaction

 - a. Describe what methods you use to measure usage and/or satisfaction. KPIs, metrics, tools, surveys, etc.
 - b. How often do you measure usage or satisfaction?
- V. Closing

Goal: ask additional and/or clarifying questions that were not answered in previous sections

 - a. Share a few key learnings from services that were launched but were not as successful as others (ask to define 'successful')
Challenges??
 - b. Where is most of your effort spent over the course of an average year?
Rank from least (1) to greatest (4)
 - ___ Development
 - ___ Promotion
 - ___ Measurement
 - ___ Customer Relationship Management (CRM)
 - c. If you had unlimited resources, where would you like to focus your efforts?
Rank from least (1) to greatest (4)
 - ___ Development
 - ___ Promotion
 - ___ Measurement
 - ___ Customer Relationship Management (CRM)