Internal Marketing—The Missing Half of the Marketing Programme

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This article examines the use of internal marketing in implementing strategy. The concepts of 'internal marketing' and the 'internal customer' may be applied operationally in two ways. The internal marketing programme may be seen as a direct parallel to the conventional external marketing programme, using the same concepts and elements, and the same process of customer and segment targetting. Also, the internal marketing concept provides a language for analysing organizational issues such as the impact of organizational power, political behaviour and corporate culture. The article offers a set of practical tools for tackling implementation problems. The practical application of the internal marketing is illustrated in two company case examples. Also empirical evidence is presented, which suggests that little attention is currently given to such issues by U.K. executives, providing a number of opportunities for management education and development, consultancy, and research.

In a recent lecture, Tom Farmer, founder and chief executive of the U.K. car exhaust and tyre company Kwik-Fit plc, said: 'in any business there are two types of customers—internal customers and external customers'. This article is based on this idea and examines the concept of an internal marketing programme built around external marketing strategies, and aimed at the internal market-place made up of those internal customers. The origins of our work are in addressing the problems experienced by managers in achieving the implementation of their marketing plans and strategies. These problems stem from the largely unavoidable fact that marketing strategies imply organizational change. The management of this change process ensures success in implementing marketing plans and strategies.

The conceptual sources for our paper are several, and we will discuss these, together with two company case examples and some empirical survey data relating to the practice of internal marketing in

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U.K. firms. First, we will clarify our central propositions about internal marketing, based largely on our experience in working with executives on implementation problems, and our consequent views of the importance of incorporating this paradigm into strategic marketing. It should be made clear at the outset, however, that the real imperative for what follows comes from the executives with whom we have been working, rather than academic research of the conventional type.

The Internal Marketing Gap
Our focus in analysing this issue is primarily on the themes of the *implementation* of marketing plans and strategies, and the *organizational change* which is implied by the implementation of marketing strategies. Our case is expressed in the context of the marketing function and the implementation of marketing strategies. However, given the practical difficulties of distinguishing marketing planning and corporate/strategic planning in many company situations, as opposed to the clear distinction in the textbook, and the apparent similarity of implementation problems facing business planners generally, we would claim a broader scope for our paper than the marketing function alone.

We are clearly not alone in perceiving some urgency in addressing the themes introduced above. A point emerging increasingly from various areas of the literature, and certainly from practical work with executives, is a dissatisfaction with the links between the reality faced by the marketing executive in an organization and the received theory of marketing. In particular, there is a tendency for the technical marketing literature to portray marketing decision making as something isolated from, and independent of, the organizational context in which actual marketing decisions are made. In short, it appears that our technical literature in marketing is lacking a practical response to the executive's question: 'we know what marketing *is*, but how do we *do* it?' One

recent academic analyst has summarized this problem in the following way:

> marketing for a number of years has been long on advice about *what to do* in a given competitive or market situation and short on useful recommendations for *how to do it* within company, competitor and customer constraints . . . experiences with both managers and students argue strongly that these parties are often strategy-sophisticated and implementation-bound (Bonoma, 1985).

In fact, our view is that the problem is not simply one of recognizing the implementation issue as a legitimate area of enquiry, but more fundamentally that we do not have the relevant language and conceptual models in the marketing literature to cope with this issue.

It is quite apparent that it is no longer simply the case that the implementation issue is ignored by the marketing literature. A number of recent works have emerged specifically around this question (e.g. Ohmae, 1983; Bonoma, 1984, 1985), and even mainstream textbooks have recognized the need for 'implementation skills' (Kotler, 1984) and 'strategies of change' (O'Shaughnessy, 1984). Indeed, the recent attention given by marketing analysts to the burgeoning 'excellence' literature amounts to an attack on just this problem (e.g. Saunders and Wong, 1985; Birley *et al.*, 1987).

The core difficulty is that even when we have recognized and accepted the problem expressed above in the quotation from Bonoma, let alone its extensions, the marketing literature still lacks the conceptual framework or analytical tools with which to attack the issues raised—particularly if we aspire to a *strategy* of marketing implementation, rather than simply *ad hoc*, tactical responses.

Our proposal in this paper is that some progress can be made in two respects relating to the problem identified above. First, we describe a framework for planning implementation strategies, which is both readily accessible and which has proved conceptually acceptable to executives. Second, by discussing this framework and its implications, we may contribute to a perhaps more important goal of developing a language which legitimizes attention and resource-use in attacking some of the most fundamental, though frequently covert, implementation problems confronting executives. We have observed executives struggling to face up to the real barriers within their organizations, which block the implementation of strategies. In particular, we suggest, they lack ways of describing the answers to these implementation problems which do not raise guilt about talking about such issues as culture, power and organizational politics in companies. We conclude that one concrete contribution to empowering the 'change masters' (Kanter, 1983) or 'champions' of strategic change in companies is to provide a neutral, legitimate language to describe the actions needed.

Internal Marketing Strategy

The whole ethos of the conventional training and development of planning executives and market analysts is one of focus on the *external* environment of customers, competitors, and markets, and the matching of corporate resources to market-place targets. The argument we now present to executives is that while analysing markets and developing strategies to exploit the external market-place remains quite appropriately our central focus, it is frequently not enough on its own to achieve the implementation of marketing strategies.

Our argument is that in addition to developing conventionally-conceived marketing programmes aimed at the external market-place, in order to achieve the organizational change that is needed to make those strategies work, there is a need to carry out essentially the same process for the *internal marketplace* within our companies.

The reality in many organizations is that the implicit assumption made by executives is that marketing plans and strategies will 'sell' themselves to those whose support is needed. We suggest this is just as naive as making similar assumptions that, if they are good enough, products will sell themselves to external customers. In using this view of the internal and external aspects of marketing, and developing it with managers, we have frequently been surprised that executives who have been trained and developed to cope with such behavioural problems— such as, 'irrational' behaviour by buyers; the problems of managing power and conflict in the channel of distribution; the need to negotiate with, and persuade, buyers through a mix of communications vehicles and media; and trying to outguess competitors—have taken so long to arrive at the conclusion that these same issues have to be coped with *inside* the company. We propose that it is not acceptable to adopt a 'don't blame me' attitude as a response to organizational barriers to strategic change, and the 'unreasonable' behaviour of those who hold different views about the desirability of that change—we suggest that real commitment to strategic planning involves a managerial duty of creating the conditions necessary to permit strategic change to happen.

In working with managers confronting these issues we have adopted the concept of 'internal marketing'. This concept was developed originally in the area of services marketing, where its application has been primarily in identifying training needs and culture problems at the point-of-sale of services like banking, public transport, and the like (e.g. see Berry, 1981; Gronroos, 1985; Flipo, 1986; Gummesson, 1987; Mudie, 1987). We have expanded the scope of the internal marketing concept in the following way.

The underlying purpose of what we are calling

'internal marketing' here, is the development of a marketing programme aimed at the internal marketplace in the company, that parallels and matches the marketing programme for the external marketplace of customers and competitors as shown in Figure 1.

This proposition is based on the simple observation that the implementation of external marketing strategies implies change within organizations—in the allocation of resources, in the culture of 'how we do things here', and even in the organizational structure needed to deliver marketing strategies to customer segments.

In practical terms, it is suggested that those same techniques of analysis and communication which we use for the external market-place, should be adapted and used to market our plans and strategies to important targets within the company.

The goals of the internal marketing plan are taken directly from the implementation requirements for the external marketing plan, and the sorts of goals to be pursued, depending on the particular circumstances, might include: gaining the support of key decision makers for our plans—and all that the plans may imply in terms of the need to acquire personnel and financial resources, possibly in conflict with established company 'policies', and to get what we need from other functions like operations and finance departments; changing the attitudes and behaviour of employees and managers who are working at the key interfaces with customers and distributors, to those required to make marketing plans work profitably; gaining commitment to making the marketing plan work and ownership of the key problem-solving tasks from those units and individuals in the firm, whose working support is needed; and ultimately managing incremental changes in the culture from 'the way we always do things' to 'the way we need to do things to be successful' and to make the marketing plan work.

Internal Marketing Programmes
Our view is that the easiest way to make practical progress with internal marketing, and to establish what it may achieve, is simply to use the same basic structures that we use for planning external marketing. This suggests that we should think in terms of integrating the elements needed for an Internal Marketing Mix or Programme, based on our analysis of the opportunities and threats in the Internal Marketplace, represented by the company we are working with.

We can model this in the way suggested by Figure 1, as a formal and legitimate part of the marketing planning process. It should be noted that in this model we take the Internal Marketing Programme both as output of the marketing planning process and the External Marketing Programme, but also as an input, i.e. constraints and barriers in the internal market-place should be considered as a part of the marketing planning process at both strategic and tactical levels.

For this reason we suggest the iterative relationship shown below:

Planning Process

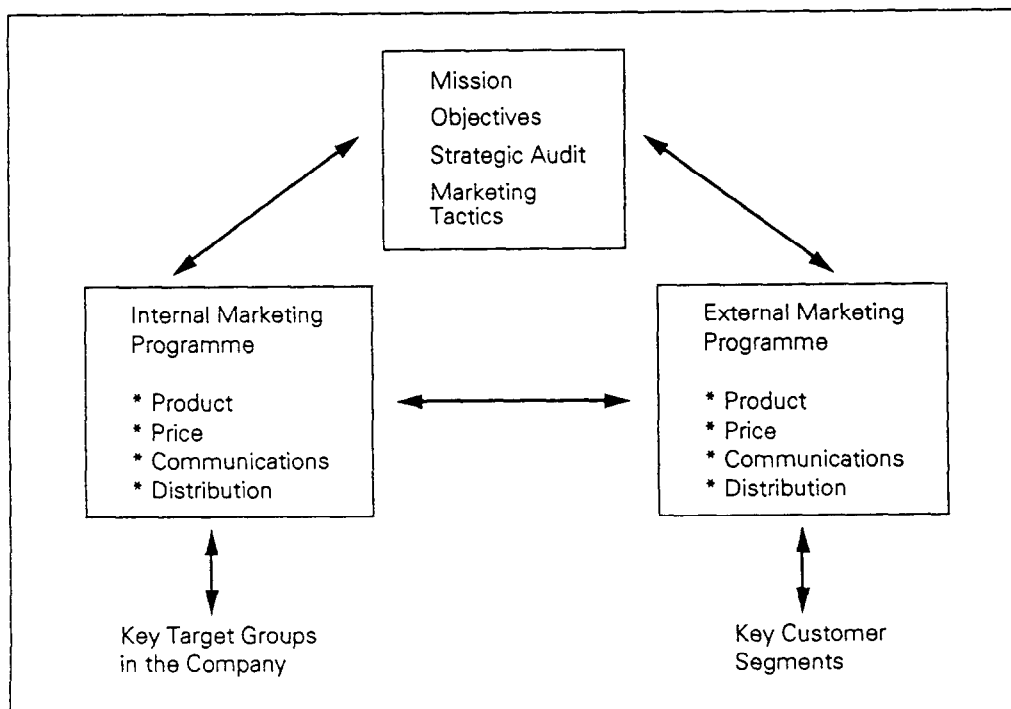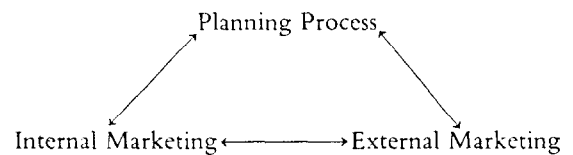Internal Marketing ←————→ External Marketing

Figure 1. Marketing planning

The planning process may define an external marketing programme in the conventional way, and less conventionally an internal marketing programme needed to make it happen. However, at the same time it may be that internal barriers suggest that some external strategies are not capable of being implemented, and we have to feed back into the planning process the message that some adjustments are needed (Piercy and Peattie, 1988). On the other hand, our analysis of the internal market may suggest new opportunities and neglected resources to exploit, which impact on our external marketing plan and thus on the planning process. What we are trying to make explicit for executives is the need to balance the impact of both internal and external market attributes on the assumptions made in planning.

The structure of such an Internal Marketing Programme can be presented in the following terms:

(a) *The Product*. At the simplest level the 'product' is the marketing strategies and the marketing plan in which they are contained. However, what is implied is that the product to be 'sold' is those values, attitudes, and behaviours which are needed to make the marketing plan work. These hidden dimensions of the product may range from increased marketing budgets, to changed control systems and criteria used to evaluate marketing performance, to changed ways of handling customers at the point of sale.

(b) *The Price*. The price element of the internal marketing mix is concerned with what we are asking our internal customers to 'pay', when they buy into the product and the marketing plan. This may include the sacrifice of other projects which compete with our marketing plan, but more fundamentally the psychological cost of adopting different key values, and changing the way jobs are done. The price to be paid by different parts of the internal marketplace, if the marketing plan is to be implemented successfully, should not be ignored as a major source of barriers and obstacles.

(c) *Communications*. The most tangible aspect of the internal marketing programme is the communications media used to inform and to persuade, and to work on the attitudes of the key personnel in the internal market-place. This includes written communications—such as plan summaries and reports—but also face-to-face presentations to individuals and groups who are important to success of the plan. Broadly we should remember that to assume that simply 'telling' people will get them on our side is likely to be as naive inside the company as it is outside. We suggest it is important to consider the full range of communications states and associated goals, as we would with external customers, and we should not forget to budget the time, and financial costs which may be associated with these activities.

(d) *Distribution*. The distribution channels element of the mix is concerned with the physical and socio-technical venues at which we have to deliver our product and its communications: meetings, committees, training sessions for managers and staff, seminars, written reports, informal communications, and so on. Ultimately, perhaps the real distribution channel lies in human resource management, and the lining-up of training, evaluating and reward systems, and recruitment behind marketing strategies, so that the culture of the company becomes the distribution channel for internal marketing strategies.

Finally, as with the external marketing programme, we should not neglect the importance of measuring payoffs wherever possible. This may be in terms of such criteria as people's attitudes towards the marketing plan and their commitment to putting it into practice, or customer perceptions of our success in delivering our promise to them.

In fact, this internal marketing structure also provides a practical route to operationalize what we have referred to as the 'power and politics of marketing' (Piercy, 1985). It has to be admitted to executives that planning an Internal Marketing Programme may achieve no more than making explicit the barriers they face and the reasons why implementing marketing plans is problematic. We suggest this alone is a step forward, but the model is capable of achieving greater operational leverage in the following way.

We were seeking a way to unpack the practical implications for executives of the Cardiff Business School 'Market-Led Strategic Change' research programme (Piercy, 1991). Various projects in this programme have examined: the *organization* of marketing departments in a variety of industries and the implications for the power of marketing executives to 'make things happen' (e.g. Piercy, 1986; Piercy, 1989; Piercy and Morgan, 1989b; Morgan, 1989); the intervention of power and political behaviour in operation of decision making *process* in marketing resource allocation and planning (e.g. Piercy, 1987a–c; Piercy and Morgan, 1989a); and, the role of *information* control in shaping the company's view of its world and the hidden significance to executives of information 'ownership' (e.g. Piercy and Evans, 1983; Morgan, 1989; Piercy, 1989b,c). The findings of this work are directly relevant to implementing marketing, but tend to raise barriers of 'rationality' and 'respectability' when presented to executives.

One crude device we have developed to encourage managers to go beyond the superficial aspects of how their organizations work in planning Internal Marketing is to distinguish between a level of rational analysis, which is primarily about techniques and systems, and the level of power and political analysis, in the way suggested by Figure 2
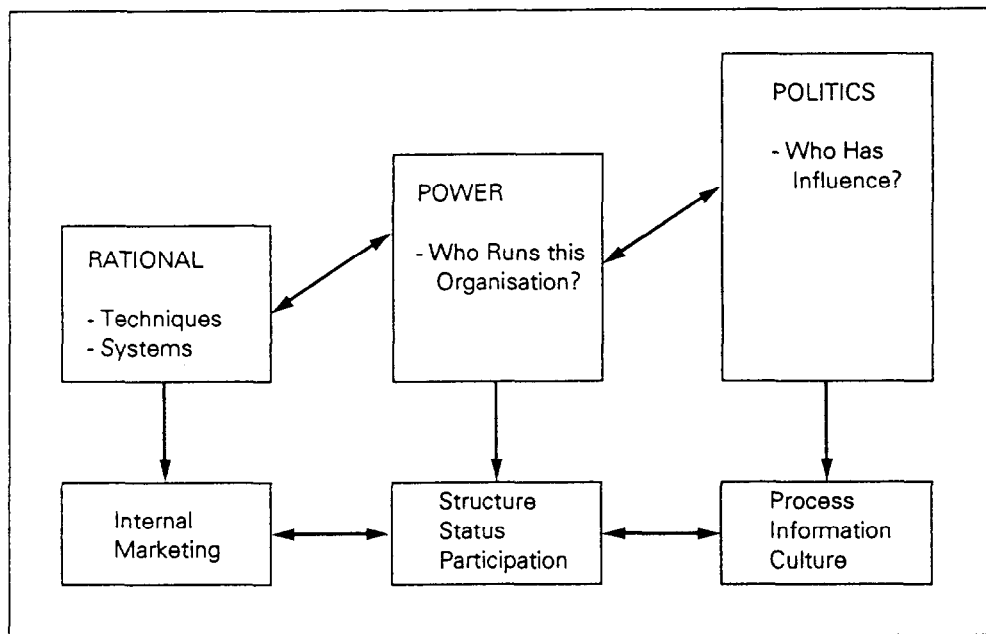
Figure 2. Internal marketing strategy

(Piercy, 1987c). This can have the effect of widening the debate from simply the presentation of the plan to the company to the more difficult and covert issues of power and culture in companies in the way shown.

The most important point is that this structure can then be mapped onto the Internal Marketing model as suggested by Figure 3. At the rational level, for example, the 'product' is the marketing plan or strategy, but the additional dimensions suggested are the implied changes in culture and environmental perceptions and the status of others in the company, while at the most covert level the 'product' implies changes in the individual's role or job design which are needed to implement the marketing strategy. Similarly, the 'price' people are asked to 'pay' starts simply as the alternative opportunities given up, but at deeper levels involves the status and loss of control they may feel, and the psychological adjustment to strategic change required of others in the company.
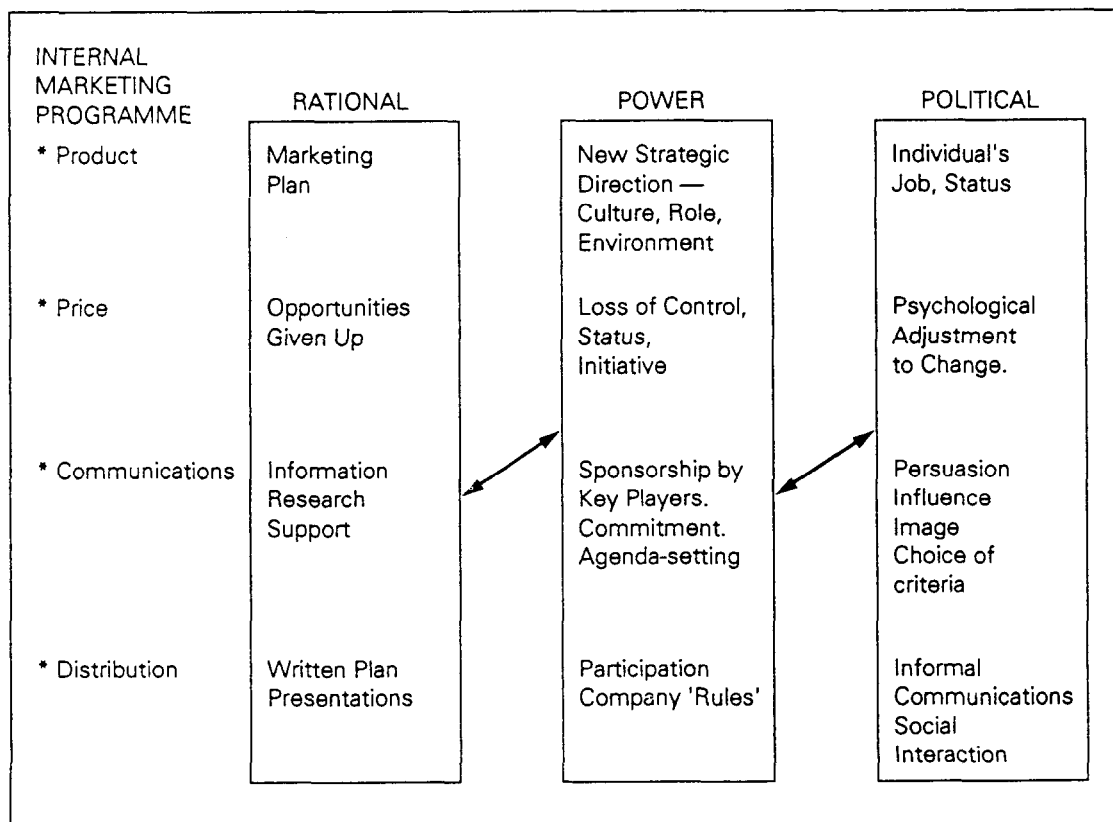

Figure 3. Levels of internal marketing

We have found that in a workshop setting these models are valuable in helping managers to isolate the real nature of the practical obstacles they face, and to develop specific targets for the Internal Marketing Programme. We would not claim that the models are exhaustive conceptualizations, but merely aids to practical analysis. Our experiences in working with executives using these conceptual tools is that some managers have intuitively adopted an internal marketing approach. The advantages of making this covert behaviour explicit lies in sensitizing a wider range of managers to the needs for internal marketing, legitimizing a concern for internal targets, claiming resources for such activities, and feeding back to planners what cannot be implemented.

Internal Marketing Targets
Again, in exact parallel with the conventional external marketing plan, our internal marketing programme should be directed at chosen targets or segments within the market.

The choice of key targets for the internal marketing programme should be derived directly from the goals of the external marketing programme, and the types of organizational and human change needed to implement marketing strategies. The internal market-place may be segmented at the simplest level by the job roles and functions played by groups of people, e.g. top management, other departments, and marketing and sales staff. Alternatively, we might look beyond job characteristics and look at the key sources of support and resistance to the external marketing plan which are anticipated, to identify targets for reinforcement, or for persuasion and negotiation. Perhaps at the deepest level we might choose our targets on the basis of the individual's attitudes towards the external market and customers, and the key values that are communicated to customers, together with peoples' career goals.

We see the links made above as synergistic for two main reasons. First, the internal marketing paradigm provides an easily accessible and 'user-friendly' mechanism for executives to analyse the organizational issues which need to be addressed in implementing marketing strategies. Quite simply concepts of marketing programmes and targets are familiar to marketing executives. The second point is that the internal marketing paradigm provides a language which actually legitimizes focusing attention on issues like power, culture and political behaviour which appear quite often to be avoided by executives as somehow 'improper'.

Case Examples of Internal Marketing Strategy

We have adopted the internal marketing model described above in working with managers in various practical workshop settings, using the 'rational-power-politics' model to structure the problems and barriers faced in implementing marketing plans, and the 'internal marketing programme', as a structure for planning what to do about those problems. We have not yet undertaken any systematic evaluation of the effectiveness of the approach, but certainly have found marketing executives to welcome the models as planning techniques.

Some concrete examples from our own work should make clearer how these approaches can be used in different situations. Table 1 summarizes a 'top-down' case where we were working through the chief executive and his central management team in a medium-sized financial services organization in the U.K., and Table 2 summarizes a 'bottom-up' application, where we were dealing with a group of middle managers in a large, high-technology manufacturing organization.

In the first case the strategic goal was the integration around key customers of selling efforts by the retail banking units and the finance company offices in different divisions of the same financial services organization. The desirability of this strategy was well-known in the company and had frequently been included in the group marketing plan. Little, however, had ever happened as a result of this.

The analysis shown in Table 1 shows that while there were practical barriers to implementing the strategy at a 'tactical' level—threats to commission earnings, the need for better market information, and so on—there are far more substantial but covert blockages implicit in the culture of the organization. The new strategy would have a substantial impact on the power of decentralized managers compared to the centre, and would substantially change the evaluation and earnings prospects of managers. In this area the main weapon was overt and energetic sponsorship by the chief executive—aimed at both divisional and branch management.

More intractable still were the political barriers represented by the costs to managers of collaborating closely with divisional counterparts historically perceived, at best, as competitors—a cultural barrier made worse by differences in ethnic and educational background and professional training between the divisions. The approach taken here hinged on the formation of joint planning and problem-solving teams, and the redesign of the management information system to allow clear measurement of the implementation and success of the new strategy. Progress with implementing the strategy continues in this company—with some remaining conflicts and break-downs. Success is difficult to evaluate but recent discussions with branch managers suggest awareness of what they themselves describe as a change in the 'culture' of their company, and quite

Table 1. Internal marketing in a bank

Internal marketing / Level	Rational	Power	Politics
Product	Integration of selling efforts around key customers, as a key marketing strategy	Head-office group-based planning and resource allocation with greater central control	Change in the individual manager's role from independent branch 'entrepreneur' to group-based collaborator
Price	Branch profit/commission from independent selling to smaller customers, to be sacrificed to build long-term relationships with key accounts	Loss of freedom/independence of action in the market-place. Potential loss of commission earning power	Time, effort, and psychological 'pain' of collaborating with former 'competitors' with different ethnic/educational/professional backgrounds—the 'banker vs the hire-purchase salesman'. Fear that the other side would damage existing customer relationships
Distribution	Written strategic marketing plans. Sales conferences	Written communications. Informal discussion of chief executive's 'attitude'. Redesign of commission and incentives systems in both companies	Joint planning/problem-solving teams for each region—built around central definition of target market segments. Combining/integrating management information systems, and changing its structure to reflect new segments
Communications	Formal presentation by chief executive at conferences. Written support from chief executive. Redesign market information system to be more up-to-date	Sponsorship by chief executive—'the train is now leaving the station, you are either on it or . . .' (written memo sent to all branches)	Social events. Joint training courses. Redefinition of markets and target segments
Internal market targets		(1) Branch managers of retail banks and finance company offices (2) Divisional chief executives for the banks and the finance company	

Table 2. Internal marketing in a high tech business

Internal marketing / Level	Rational	Power	Politics
Product	Marketing plan to attack a small industry as a special vertical market, rather than grouping it with many other industries as at present, with specialized products and advertising	Separation of resources and control of this market from the existing Business Unit	Change from technology-oriented management to recognition of differences in buyer needs in different industries—the clash between technology and customer-orientation
Price	Costs of developing specialized 'badged' or branded products for this industry	Loss of control for existing Business Units	Fear of 'fragmentation' of markets leading to internal structural and status changes
Communications	Written plan. Presentations to key groups	Support for plan by key Board members gained by pre-presentation 'softening-up' by planners	Action planning team formed, including original planners, but also key players from Business Unit and Product Group—rediscovering the wheel to gain 'ownership'. Advertising the new strategy in trade press read by company technologists and managers
Distribution	Business Unit Board meeting. Product Group Board meeting. Main board meeting. Sales force conference	Informal meetings	Joint seminars in applying IT to this industry, involving Business Unit managers and key customers. Joint charity-events for the industry's benevolent fund
Internal market targets		(1) Business Unit management (2) Product Group management (3) Sales force	

tangible operational changes in how the two operating divisions work together.

The second case, summarized in Table 2, involves the efforts by a group of middle managers to introduce and implement a market-focused strategic plan for a particular customer industry. The background was that the company was a large, divisionalized computer company, and was dominated by its technology. The way it did business was to sell 'boxes'—and the more it could sell of a particular box the better. The IT-user is, however, becoming slowly more sophisticated and demands customized products, both hardware and software, and a high service level from suppliers, both before and after purchase. The company had at one time dominated the industry-market in question, but had almost wholly lost this position in recent years.

An experienced middle manager had been asked by his Divisional Director to produce a strategy to regain this market for the company, and had been given 12 months off his line post to achieve this. He had gathered as a planning team a group of middle level managers from various divisions, who shared to a greater or lesser extent his enthusiasm for the industry in question. Their strategy consisted of the development and launch of a range of industry-specific products, offering customers an IT-solution to their problems, backed by industry specialists in selling and service, and an industry-based advertising campaign to overcome customer perceptions that the company had 'abandoned' this market.

At the 'rational' level it was clear that this vertical marketing strategy ran counter to the company's normal product-based marketing, and to the goals of the production units. However, at a deeper level the Business Unit structure of the company also ran counter to adopting the strategy. The new strategy was seen by Product Group management as fragmenting their production schedules, and by Business Unit management as diluting their control and 'stealing' their resources. This implied the need for the planning group to 'soften-up' their sponsors in senior management prior to going 'public' with the plan, and to indulge in some lobbying—both directly and using significant third parties. At a deeper level than this, the problem seemed to be that the entrenched interests in the company were technology-oriented, while the whole thrust of the new strategy was customer-oriented. Attempts were made to enlarge the planning group into an Action Planning Team—co-opting Business Unit and Product Group managers into the team—to build some commitment for change and joint-ownership of the problems faced, although this was dogged by problems of vested interest and defence of the existing culture. There were also efforts to introduce more customer-orientation, by actually having company managers meet customers in seminars and social events, to try to open communications about the industry's IT-problems.

It is still relatively early days with this strategy, and success has been only partial. The industry-specific vertical market is certainly firmly on the management agenda, and a large advertising campaign has been aimed directly at the industry, backed by industry specialists in selling and service. However, less has been forthcoming in the provision of industry-based products. Broadly, however, significant progress has been made.

Neither of these cases offers 'model answers' or instant success in creating strategic change, but they do illustrate the types of problems faced, the insights which can be generated, and the need to make planning executives account for these factors in developing strategic plans that are likely to demand change in their organizations.

It is always dangerous to generalize too much from specific cases, so we turn attention next to some broader survey research we have undertaken concerned with the application of the internal marketing concept.

Discussion of Exploratory Research Evidence

We report here some of the preliminary findings from a recent project,* which was part of the Cardiff Business School programme of research into 'Market-Led Strategic Change' (Piercy, 1991). These data are taken from a postal survey carried out in the Autumn of 1988, among medium-sized and large firms in the U.K. We would not wish to claim that these data are representative of all U.K. firms, but simply present certain pieces of data about the position of internal marketing in a sample of 200 companies, where we are studying marketing planning and effectiveness.

In this sample of U.K. companies very few actually use the term 'internal marketing' at all, let alone accept it as part of the marketing planning process —of the order of 15 per cent actually used the term. By contrast the survey evidence does suggest that the majority of the respondents do implicitly place some emphasis in their jobs as marketing executives on internal marketing activities, even though they are not normally recognized as such. Significant levels of effort are made by executives to 'inform others about the content of the marketing plan', to 'sell' the plan to others in the company, including 'persuading people to accept the plan', 'gaining commitment', and building the 'image' of the marketing area to facilitate acceptance of the plan. These activities were aimed primarily at top-management and at marketing/sales personnel, but are also recognized by most respondents in the context of communicating with other departments in their companies.

Our interpretation of these data verges on the schizophrenic. On the one hand, it appears that internal marketing is implicit in what marketing executives do—they 'market' their plans to a greater or lesser extent to various constituencies, or target 'markets', in their organizations. It is on this basis that we find some confirmation of our claim that there is a need to develop an appropriate language and appropriate models to allow internal marketing to be properly planned, structured, resourced and implemented.

On the other hand, it is perhaps equally striking that there is high variance in the measures shown in these figures. Consider that in our sample of 200 medium/large companies between 18 per cent and 23 per cent reported little or no effort made in 'marketing' plans to top management, approx. 30 per cent reported little or no effort aimed at other departments, and approx. 20 per cent made no such effort aimed at marketing/sales personnel. On none of the measures shown is there a higher score than 40 per cent on the 'A major part of the job' end of the scale. What we note is that while half the respondents saw implicit internal marketing as a major part of their jobs, by implication, the other half did *not*.

This suggests that while internal marketing is an implicit or hidden aspect of marketing in some companies, it may well lack even this status in many others. This offers some broad support for our earlier suggestion that it is in dealing with the internal market-place that there exists a significant lacuna in strategic marketing theory and practice.

Clearly there may be many other reasons why internal marketing is not emphasized in a company —the powerful do not need to persuade others because they get what they want anyway, or the cultural barriers to marketing may require more covert and subtle approaches to creating change than those direct promotional activities suggested by our measures. Nonetheless, we find here support for our proposals above for the incorporation of the internal marketing paradigm into marketing education and development, and for the need to develop further research around these issues.

We also studied the forms of communication used by marketing executives to gain support for their marketing plans and strategies. Perhaps the most striking finding here was not that the majority of respondents did communicate their plans totally to top management, but that this was no more than a slender majority and by contrast the majority do *not* communicate fully with other departments or with marketing/sales personnel.

Perhaps even more telling we found that only very few executives in the survey perceived their companies' training and recruitment being adapted to any significant extent to support marketing plans and strategies. The vast majority of the respondents do *not* see their marketing plans and strategies being reflected directly or unambiguously into training and recruitment policies.

Accepting the limitations of these exploratory data, they suggest broadly that the term 'internal marketing' is not generally recognized in any operational sense in these companies. While basic communication activities to support marketing are undertaken by many—almost as many other companies place very little emphasis on the promotion of marketing within the company, and the use of the various communication methods is patchy. Finally, marketing plans and strategies are broadly seen not to be reflected in the human resource management areas of training and recruitment.

Our interpretation is that we find evidence of some effort in 'internal selling', but relatively little explicit targeting for this, and little attention to the other aspects of the internal marketing programme as we have discussed it above—marketing executives 'sell' their plans to top management, but seem not to go beyond this into planning and implementing the product, price and distribution elements of an internal marketing strategy.

Concluding Remarks

We have attempted in this paper to highlight what we have called the 'internal marketing gap' in strategic marketing planning, where executives fail to promote and position their plans and strategies in the internal market-place made up by top management, other functional units, and operational staff. We have suggested that one contribution to improving marketing performance lies in the development of internal marketing strategies which parallel, reinforce and support external marketing strategies.

We recognize the sources of the internal marketing concept in the literature of services, but propose that the internal marketing model has far greater power than simply identifying customer service training needs in service businesses. Conceptually, we have argued, the internal marketing paradigm offers us a model for making explicit the problems faced in implementing marketing strategies, in a form which is readily accessible to marketing executives and fits logically with the conventional marketing planning process. Further, the internal marketing model provides a language for describing the organizational barriers to change which face executives. Quite simply we suggest that by providing executives with a language to describe their implementation problems, it is easier to approach issues like organizational power and politics, culture, process and environmental enactment, in the specific context of a given marketing plan.

Indeed, we have gone so far as to argue elsewhere

that there is a misleading logic in the conventional model of strategic planning, which starts with missions and goals, develops strategies and translates these into tactics and action plans. We have suggested that in practice line executives are more comfortable with an iterative model that starts with tactics and implementational issues—i.e. the things that executives *know* they can do—and assembles these into strategies and missions, leading to a bottom-up test of what line-managers know they can do , against what planners think they *should* do (Piercy and Giles, 1989). In this present context our 'illogical model of strategic planning' suggests that the internal market-place and its interaction with external marketing may actually be the starting-point in planning, which focuses on practicalities of known capabilities in known environments before considering new strategic imperatives in unknown environments. We would emphasize, though, that this is only likely to work with sufficient interaction to achieve balance between internal issues, external factors, and strategic directions. We do not seek to offer executives ready-made excuses for rejecting all new strategies as impossible to implement!

This said, our exploratory empirical evidence suggests that in our sample of companies while many executives recognize the need to 'sell' their marketing plans within the company, almost as many do not, and the recognition of the internal marketing concept is minimal. Here we might consider the classic distinction between selling and marketing—selling focuses on the seller's needs, while marketing focuses on the buyer's needs (Levitt, 1960). Our belief is that successful managers have understood the tactical requirements for internal marketing, while we are advocating an explicit, planned *strategy* for internal marketing. Our proposal it that the strategic market planner should recognize the real costs to be paid by the internal constituency and the impact of marketing strategies on the satisfaction and motivation of members of the internal market-place.

This suggests two different goals in development work with companies. The first is simply the promotion and explanation of the concept of internal marketing as a counterpart to the conventional external marketing programme. The second goal is to use the model to structure existing methods of gaining support for marketing strategies from simply internal 'selling' to internal marketing—from the tactics of persuasion to a long-term strategy of market-oriented change in an organization. Certainly, on the basis of our experience of using this model we would suggest to the reader that there is a ready audience for work of this kind among executives.

Our final remarks concern the research agenda to be addressed. The primary goals we are continuing to pursue here are: to evaluate the relationship between internal marketing efforts and marketing effective-ness; to analyse the impact of internal marketing efforts on the problems perceived in marketing planning processes; and to measure the long-term relationship between internal marketing and cultural variables in organizations.

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