

THE EFFECTS OF BANKS' INTERNAL MARKETING AND MARKET ORIENTATION APPROACHES ON PERFORMANCE*

BANKALARIN İÇSEL PAZARLAMA VE PAZAR ODAKLI YAKLAŞIMLARININ PERFORMANS ÜZERİNE ETKİSİ

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ABSTRACT

Information technologies are developing rapidly nowadays and globalization concept which shows up in parallel to IT has started to threaten the existence of firms by making competitive environment more intensive. Counter to this threat, businesses are trying to provide an advantage against their competitors by developing various of strategies. Internal marketing and market oriented approach are among the significant strategies which are developed within this scope. In the study, it is aimed to determine the effects of internal marketing practices and market oriented approach on performance in banks. Besides, it is examined whether internal marketing practices have an effect on market oriented approach or not. As a result of the study, it is determined that internal marketing practices and market oriented approach of banks affect their performance positively. Moreover, it is found that internal marketing practices affect market oriented approach substantially.

Key Words: Banking, Market Orientation, Internal Marketing, Performance.

JEL Classification Codes: M21, M31, G61, L25.

ÖZ

Günümüzde hızla gelişen bilişim teknolojileri ve bunun paralelinde ortaya çıkan küreselleşme olgusu pazardaki rekabet ortamını daha şiddetli hale getirerek işletmelerin varlığını tehdit etmeye başlamıştır. Bu tehdide karşı firmalar da çeşitli stratejiler geliştirerek rakiplerine karşı avantaj sağlamaya çalışmaktadırlar. İçsel pazarlama ve pazar odaklı yaklaşımlar da bu kapsamda geliştirilen önemli stratejiler arasındadır. Bu çalışmada, bankaların içsel pazarlama uygulamaları ve pazar yönlü yaklaşımlarının işletme performansları üzerindeki etkisini tespit etmek amaçlanmaktadır. Ayrıca içsel pazarlama uygulamalarının pazar odaklı yaklaşımlar üzerinde etki edip etmediği de ayrıca incelenmiştir. Araştırma sonucunda bankaların içsel pazarlama uygulamalarının ve pazar odaklı yaklaşımlarının işletme performansını pozitif yönde etkilediği tespit edilmiştir. Ayrıca içsel pazarlamanın uygulamalarının, bankaların pazar odaklı yaklaşımlarını da önemli oranda etkilediği görülmüştür.

Anahtar Kelimeler: Banka, Pazar Odaklılık, İçsel Pazarlama, Performans.

JEL Sınıflandırma Kodları: M21, M31, G61, L25.

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GENİŞLETİLMİŞ ÖZET

Amaç ve Kapsam:

Çalışmanın amacı, bankaların içsel pazarlama uygulamaları ve pazar odaklı yaklaşımlarının işletme performansı üzerindeki etkisini incelemektir. Aynı zamanda içsel pazarlama uygulamalarının pazar odaklı yaklaşımlar üzerinde etki edip etmediği de bu çalışmada incelenecektir. Literatürde içsel pazarlama ve işletme performansı ile pazar yönlülük ve işletme performansı arasındaki etkileşimi incelemeye yönelik çeşitli çalışmalara ulaşılabilmektedir. Ancak içsel pazarlama, pazar yönlülük ve işletme performansının birlikte ele alındığı çalışmalara ulaşılamamıştır. Bu nedenle, banka çalışanlarının bu kapsamdaki görüşlerini belirlemek önem arz etmektedir. Araştırmanın kapsamını ise, Erzurum Merkez ve Oltu İlçesinde faaliyet gösteren banka şubelerinin çalışanları oluşturmaktadır.

Yöntem:

Çalışmada veri toplama aracı olarak anket tekniğinden faydalanılmıştır. Anketler dört bölümden oluşmaktadır. Birinci bölümde demografik özellikler ve banka özelliklerine yönelik sorular bulunmaktadır. İkinci bölümde 15 ifadeden oluşan içsel pazarlama ölçeği; üçüncü bölümde 16 ifadeden oluşan pazar odaklılık ölçeği; dördüncü bölümde ise 12 ifadeden oluşan işletme performansı ölçeği bulunmaktadır. Belirtilen ölçekler ve bunları oluşturan tüm sorular 5'li likert tipi ölçek ile (1: Kesinlikle Katılmıyorum, ... 5: Kesinlikle Katılıyorum) şeklinde sorulmuştur. Çalışma kapsamında kolayda örnekleme yardımı ile yaklaşık 300 banka personeline anketler dağıtılmıştır. Bu anketler içerisinde kullanılabilir özelliklere sahip 125 anket toplanmıştır. Ölçeklerin güvenilirlik ve geçerliliğini tespit etmek için faktör analizi gerçekleştirilmiş ve Cronbach Alpha katsayıları dikkate alınmıştır. Katılımcıların demografik özelliklerine ilişkin frekans ve yüzde bilgileri verilmiştir. Araştırma modeli kapsamında oluşturulan hipotezleri test etmek amacıyla doğrusal ve çoklu regresyon analizinden faydalanılmıştır. Analizler SPSS 21 programında gerçekleştirilmiştir.

Bulgular:

Çalışmada katılımcıların demografik özelliklerine yönelik elde edilen bulgular değerlendirildiğinde cinsiyet değişkeni açısından erkeklerin; yaş aralığı açısından 31-40 yaş grubunun, eğitim seviyesi açısından lisans eğitimine sahip olanların; çalışılan süre açısından 6-10 yıl arası deneyime sahip kişilerin, çalışılan banka açısından Vakıfbank çalışanlarının, departman açısından operasyon departmanında çalışanların önemli katılımı göze çarpmaktadır. Çalışmada kullanılan ölçeklere yönelik geçerlik ve güvenilirlik çalışmasını yapmak için açıklayıcı faktör analizi yapılmıştır. Faktör analizi sonucunda, iki boyutlu bir yapı ortaya çıkmıştır. Değerlendirme sonucunda "Bu banka, vizyonunu çalışanlarına uygun bir şekilde iletir" ve "Bu banka, çalışanlarının farklı ihtiyaçlarını karşılayabilmek için gerekli esnekliğe sahiptir" ifadeleri binişiklik nedeni ile ölçekten çıkarılmıştır. Elde edilen boyutlar "ödül ve vizyon" ve "personel geliştirme" olarak isimlendirilmiştir. Güvenirlik özellikleri açısından yüksek derecede güvenilirliğe sahip olan boyutlar, toplam varyansın 72,511'ini açıklamaktadır. Ayrıca örneklemin yeterli olup olmadığını gösteren Kaiser-Meyer-Olkin (KMO) değeri (0,903) ile verilerin normal dağılıma uyup uymadığını gösteren Barlett Testi değerinin (1378.651) oldukça iyi düzeyde olduğu görülmektedir. Pazar odaklılık ölçeğine yönelik yapılan açıklayıcı faktör analizi sonucunda "müşteri odaklılık", "rakip odaklılık" ve "departmanlar arası koordinasyon" olarak isimlendirilen üç boyut ortaya çıkmıştır. Analiz sürecinde "Müşterilerimizin bizden ne kadar memnun olduklarını sürekli ve sistemli olarak ölçeriz" ifadesi binişiklik nedeni ile analizden çıkarılmıştır. Orijinal ölçek boyutları ile önemli oranda benzerlik gösteren bu boyutların toplam varyansın 71,588'ini açıkladığı ve yüksek derecede güvenilir olduğu tespit edilmiştir. Ayrıca örneklemin yeterli olup olmadığını gösteren Kaiser-Meyer-Olkin (KMO) değeri (0,874) ile verilerin normal dağılıma uyup uymadığını gösteren Barlett Testi değerinin (1376.4) oldukça iyi düzeyde olduğu görülmektedir. Çalışmada belirtilen hipotezlerin desteklenip desteklenmediğini tespit etmek için basit doğrusal ve çoklu regresyon analizi yapılmıştır. Bu çerçevede öncelikle içsel pazarlama uygulamalarının pazar odaklı yaklaşımlar üzerindeki etkisini tespit etmek için çoklu regresyon analizi yapılmıştır. Daha sonra içsel pazarlama ve pazar odaklı yaklaşımların işletme performansı üzerindeki etkisini tespit etmek için basit doğrusal regresyon analizi yapılmıştır. Analizler genel olarak değerlendirildiğinde ise, içsel pazarlama uygulamalarının hem işletme performansı üzerinde hem de pazar odaklılık üzerinde önemli bir etkiye sahip olduğu görülmektedir. Benzer şekilde pazar odaklı yaklaşımların da işletme performansını üzerinde önemli bir etkiye sahip olduğu tespit edilmiştir.

Sonuç ve Tartışma:

Çalışma sonucunda elde edilen bulgulara göre genel olarak bankaların içsel pazarlama ve pazar odaklı yaklaşımlarının işletme performansını pozitif yönde etkilediği tespit edilmiştir. Ayrıca içsel pazarlamanın, bankaların pazar odaklı yaklaşımlarını da önemli oranda etkilediği görülmüştür. Boyutlar itibarıyla değerlendirildiğinde bankaların personeline yönelik ödül ve vizyon yaklaşımlarının, çalışanların rakip odaklı ve diğer departmanlarla koordinasyonlu bir şekilde çalışmasına katkı sağladığı görüldükçe, müşteri odaklı olmaları üzerinde anlamlı bir etki tespit edilememiştir. Bununla beraber bankaların personel geliştirmelerine yönelik uygulamalarının, çalışanların rakip odaklı, müşteri odaklı ve diğer departmanlarla koordineli bir şekilde çalışmasına katkı sağladığı görülmüştür. Ayrıca tüm boyutların (ödül ve vizyon, personel geliştirme, rakip odaklılık, müşteri odaklılık, departmanlar arası koordinasyon) işletme performansı üzerinde olumlu bir etkiye sahip olduğu sonucuna ulaşılmıştır. Sonuçlar değerlendirildiğinde ise, bankaların yoğun rekabet ortamında avantaj sağlayabilmeleri için özellikle içsel pazarlama faaliyetlerine önem vermesi, tatmin edilen çalışanları aracılığı ile pazar odaklı diğer stratejilere yönelmesi gerektiği düşünülmektedir.

1. INTRODUCTION

Information technologies (IT) developing rapidly nowadays and the globalization concept which shows up in parallel to IT has started to threaten the existence of firms by making the competitive environment more intensive. Since IT and globalization concepts make the market as the only world market, they force firms to reexamine the market, competitors, and customers within an international perspective. Firms that want to resolve this difficulty have achieved to develop various strategies and practices.

In this context, customer-oriented approach which is one of the most requirements of modern marketing perspective has been shown among significant strategies by firms. However, it has been seen that some firms perceive customer-oriented approach incompetently and only focus on external customers while ignoring internal customers. This circumstance which is evaluated as an important marketing myopia might originate substantial results especially in terms of service firms. Hence, firms that aim to achieve sustainability within today's intense competition environment ought to adopt market-oriented approach and develop internal customer-oriented policies. It's known that these two phenomena affect each other considerably and have an effect on business performance.

Market orientation concept had been mentioned in the literature by year of 1980 (Karamustafa, Güllü, Acar and Ulama, 2010: 65) was tried to express with concepts such as customer orientation, market-oriented culture, and marketing-orientation (Ayyıldız Ünlü, 2009: 1246). Nonetheless, Shapiro (1988) and many theoreticians indicated that the best label stated the concept was customer orientation (Kohli and Jaworski, 1990: 3). Within this scope, they made three proposals to support the concept. In the first proposal, it was stated that marketing-orientation was a limited concept because it had been perceived as an operation belonging to a specific department (Shapiro, 1988: 122-123). Secondly, it was stated that this label was less political and less emphasized marketing department. Lastly, the significance of market orientation approach was emphasized by stressing that the label tried to focus customers and forces which affecting them on the market further (Kohli and Jaworski, 1990: 3; Park and Zaltman, 1987: 7).

There are several studies related to the definition of the market orientation concept in the literature. Kohli and Jaworski (1990: 3) defines the market orientation as a construct which includes three pillars; 1) one or more departments to understand the current needs of customers, potential needs of them for the future, and factors affecting these needs, 2) share of this approach between departments, 3) several departments which are involved in activities to meet selected customer needs. On the other hand, Narver and Slater (1990: 21) defines the market orientation as more value creation for customers to increase business performance and continue its existence and as a culture based on developing behaviors effectively and efficiently in this direction. Sharipo who defined market orientation as an organizational decision-making process indicated that market-oriented firms ought to include three essential characteristics as the following (Shapiro, 1988: 120-122).

- Gathering information about all significant purchase activities and sharing this information among other units.
- Providing contributions of all units for important strategic decision-making.
- Decisions that are made with the participation of all units should implement coordinately.

When these definitions are examined, market orientation is based on information gathering related to current and potential customers, disseminating this information across departments, and giving the required response as the whole organization by analyzing the obtained information (Çakıcı and Eren, 2005: 160). Market-oriented firms are open systems that have interaction with their environment and this situation provides different benefits to them (Naktiyok, 2003: 98). For instance; providing a competitive advantage, adaptiveness to innovation, increasing service quality and profitability, producing qualified new products, sales development, making market segmentation, easing the selection of target market, providing coordination between employees and managers can be evaluated as some of these benefits (Erdem, Gül and Gül, 2013: 77; Liu, 1995: 57).

There are various studies devoted to determine the effect of market orientation on business performance in the literature. Studies were conducted within this framework is as following: market and quality orientation affects business performance positively (Hamşioğlu, 2011: 91); market orientation provides competitive advantage and affects organizational performance (Nikoomaram and Maatoofi, 2011: 639); market orientation affects business performance positively (Suliyanto and Rahab, 2012: 134); market orientation and innovation orientation have a positive effect on business performance (Erdem et al., 2013: 74). Moreover, Şahin and Aytekin (2019) have

determined that customer orientation as a sub-dimension of market orientation has a positive effect on financial and non-financial performance which are sub-dimensions of business performance. On the other hand, they have indicated that customer orientation has a significant and negative effect on innovation performance. On contrary, some studies show that there is not any significant relationship between market orientation and business performance (Karahan and Özçifçi, 2008: 491). However, the dominant findings support the significant relationship among these two variables in the literature.

Starting from this fact, focusing too much on market orientation and continuous performance increase of firms might cause fatigue of employees (internal customers) and ignore their expectations. These circumstances bring about some problems about several issues particularly such as market and customer orientation in terms of firms. Because employees (internal customers) have a direct effect on following policies, providing customer satisfaction, and enhancing business performance. Therefore, it's tried to encourage both market orientation behaviors and improve business performance with internal marketing practices.

The internal marketing concept was utilized first by Berry, Hensel and Burke (1976), then George (1977) and Murray (1979). Even if Sasser and Arbeit didn't utilize the internal marketing concept directly, their study supports the main idea of internal marketing. Internal marketing became a popular concept after it had been defined by Berry (1981) with regards to organizational goals as a point of view considers employees as "internal customers" and tasks as "internal products" which satisfy the needs of these internal needs and requests (Rafiq and Ahmed: 2000: 450).

Internal marketing states that all employees have customers (internal or external) (Grönroos, 1981) and these internal customers (employees) must be satisfied in the workplace to give effective service to the external or internal customers (Berry, 1980). In other words, internal marketing is considered as a prerequisite for the efficiency of marketing operations between the firm and its customers (Compton, George, Grönroos and Karvinen, 1987, Grönroos, 1990). Hence, it might be said that internal marketing is an approach not only concerned with employees who give service to external customers but also employees who give service to internal customers. This approach evaluates each employee who has direct or indirect interaction with other employees as a customer of each other and this network among employees is considered as a crucial factor that affects organizational efficiency.

Internal marketing has three main stages during its development from past to present (Ahmed and Rafiq, 2002: 14). In the first stage, researchers (Berry, 1981; Sasser and Arbeit, 1976; Berry and Parasuraman, 1991) who focused on "employee motivation and satisfaction" express that internal marketing could contribute to organizational performance through providing employee motivation and satisfaction. In the second stage, it was stated that only motivated employees couldn't be adequate for organizational success, they ought to be "customer-oriented" at the same time. In this context, activities that are done with a marketing-like approach such as developing employees who are sales-minded, customer conscious, and coordinated with their colleagues are evaluated as internal marketing practices (Grönroos, 1981; George, 1977). In the last stage, the idea was generated that internal marketing could be utilized as a tool for "strategy implementation and management of change" in addition to "employee motivation and satisfaction" and "customer orientation" (Winter, 1985). Moreover, it was indicated internal marketing could be implemented not only for service organizations but also for all kinds of organizations (Ahmed and Rafiq, 2002: 7).

After the stages of "employee motivation and satisfaction", "customer-orientation", and "strategy implementation and management of change", Rafiq and Ahmed (2000) remarked five elements of internal marketing as below:

- a) Employee motivation and satisfaction
- b) Customer orientation and customer satisfaction
- c) Coordination and integration among departments
- d) Marketing-like approach from top to bottom in the organizational hierarchy
- e) Implementation of corporate and functional strategies

They identified internal marketing as planned efforts which include five elements above. In this regard, Internal marketing is defined as planned efforts which utilized marketing-like approach aimed at employee motivation to implement and associate organizational strategies on customer-orientation (Ahmed and Rafiq, 2002: 11).

The main objective of this system where employees are considered as internal customers in is to evoke that management is responsive to its employees and care about their needs and requirements. The system moots that attainment of desired goods or services experiment in terms of external customers depends on employees satisfaction which are called as internal customers (Uygun, Güner and Mete, 2013: 131). This dependency is intensive in service organizations particularly. Because interaction between the employee and customer is acknowledged as the main determinant of service experience. Accordingly, service organizations ought to select suitable employees and have good interaction with these internal customers by comprehending their expectations, desires, goals, ideas, and concerns if the organizations would like to get maximum productivity from them (Kaya, 2006: 8-9). At the same time, it's crucial to enable some elements to employees such as maintaining internal marketing process consonant with human resources policies, encouraging intrapreneurship, rewarding innovative ideas, implementing planned promotion system fairly, improving technical and physical facilities (Uygun and Akin, 2017: 837).

There are various studies to determine the effect of internal marketing on business performance in the literature. Ayasi Çelik and Hacıoğlu (2017) have found that internal marketing has a positive effect on job satisfaction and remarks that internal marketing is an antecedent of successful external marketing. In addition to this, Çoban and Eren (2017) have indicated a positive relationship between market orientation and internal marketing. Kaurav Singh, Paul and Chowdhary (2015) have found out a relationship between internal marketing and job performance. Ergün (2013) has stated that a relationship between the elements of internal marketing and hospital performance. Findings of other studies as following: positive and significant relationship between. Zaman, Javaid, Arshad and Bibi (2012) have indicated internal marketing practices affect organizational commitment, market orientation, and job performance positively in the banking sector. Panigyrakis and Theodoridis (2009) have stated an effect of internal marketing on business performance in a positive way. Turkuz and Akyol (2008) have expressed internal marketing has a positive effect on each kind of business performance. Bouranta, Mavridoglou, Kyriazopoulos (2005) have indicated internal marketing has a positive and strong effect on market orientation. Lings (2000) has found internal marketing affects financial performance, holding employees, and being them disposed to obey operational rules and requirements despite of insignificant effect on business performance.

Banks as important service institutions have been improving rapidly in recent years. There are numerous public and private banks in this sector which involves intense competition. These banks develop policies based on success and profit intrinsically. They force their employees to be customer-oriented, have market-oriented mind, and increase business performance. Meanwhile, the banks also develop reward policies and various internal marketing practices to rise employees' motivation. Within this framework, this study has been carried out to evaluate whether internal marketing practices and market-oriented behaviors of banks affect business performance or not.

As understood from explanations, internal marketing aims not only employee satisfaction but also customer satisfaction and an important acquisition towards the market. However, it is seen that there is a minute amount of studies which evaluate both internal marketing and market orientation approaches at the same time. It is intended to fill this gap with this study.

The comparative advantage theory of competition (Hunt and Morgan, 1995) which is based on the resources and competencies of firms proposes the customer orientation as a comparative advantage resource. According to the theory, the customer orientation provides a basis for high-quality marketing practices and plays an important role for the effectiveness of the firms (Yağcı ve Çabuk, 2014: 272). In addition to this theory, resource-based view (Barney, 1991) postulates that human resources can be evaluated as a rare, valuable, non-substitutable, and imperfectly imitable resource which may provide competitive advantage for the firms. Therefore, internal marketing can be assessed as a strategy to use this resource more effectively. These theories constitute the theoretical background of the study. In this context, the hypotheses of the study have been developed.

2. MATERIALS AND METHOD

2.1. The Purpose of the Research

This study aims to examine the effect of internal marketing practices and market-oriented approach of banks on business performance. In addition, it is going to be investigated whether internal marketing practices affect market-oriented approach or not. Literature involves various studies which inquire the relationship between internal marketing and business performance and the relationship between market orientation and business performance.

However, any studies which include internal marketing, market orientation, and business performance at the same time couldn't be found. Therefore, it becomes more of an issue to determine the idea of employees working in banks within this scope.

2.2. Research Model and Hypotheses

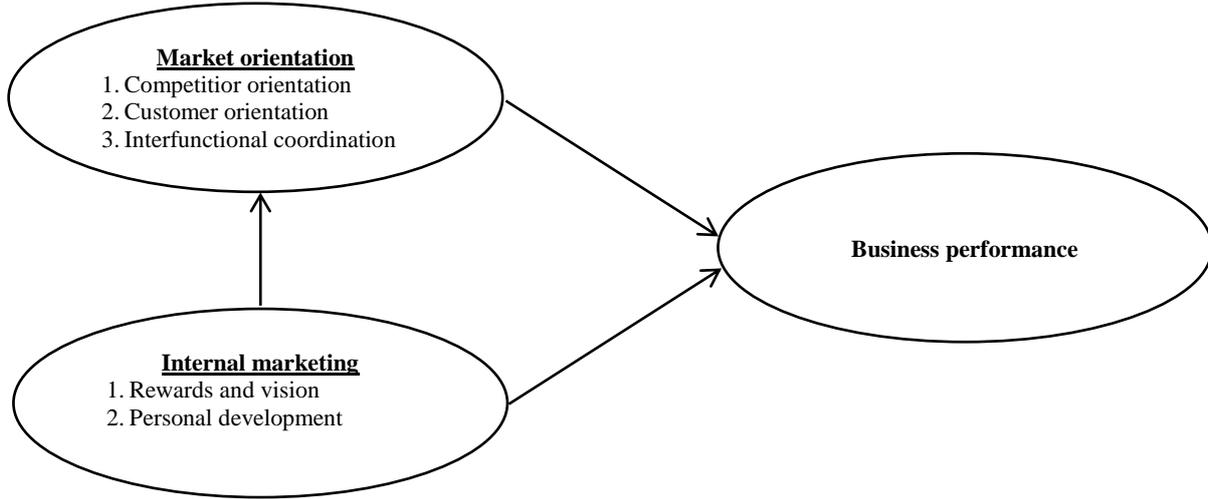


Figure 1. Research Model

As seen in the Figure 1 above, the research includes three variables as internal marketing, market orientation, and business performance. 11 hypotheses have been developed to test in terms of the model and variables. Developed hypotheses as below:

- H₁: Reward and vision have a positive effect on competitor orientation.
- H₂: Reward and vision have a positive effect on customer orientation.
- H₃: Reward and vision have a positive effect on interfunctional coordination.
- H₄: Personal development has a positive effect on competitor orientation.
- H₅: Personal development has a positive effect on customer orientation.
- H₆: Personal development has a positive effect on interfunctional coordination.
- H₇: Reward and vision have a positive effect on business performance.
- H₈: Personal development has a positive effect on business performance.
- H₉: Competitor orientation has a positive effect on business performance.
- H₁₀: Customer orientation has a positive effect on business performance.
- H₁₁: Interfunctional coordination has a positive effect on business performance.

2.3. Variables of the Research

As it can be seen in the research model, the variables of the study are “internal marketing”, “market orientation”, and “business performance”. The scale developed by Money and Foreman (1996) and adapted to Turkish by Kocaman, Durna and İnal (2013) was utilized to measure the internal marketing experience of participants which includes 15 items and two dimensions. The scale developed by Narver and Slater (1990), and adapted to Turkish by Bulut, Yılmaz and Alpkın (2009) was utilized to measure market-oriented approach of participants which includes 16 items and three dimensions. Lastly, the scale developed by Erdem et al. (2013) was utilized to measure business performance which includes 12 items.

2.4. The Scope of the Research, Data Collection Techniques and Procedures

For the study, “Ethics Committee Approval” no 77040475-000-E.2000256263 dated 18.10. 2020 is taken from the Ethics Committee of Atatürk University. Employees working in banks’ branches in central Erzurum and Oltu district constitute the scope of the study. Intensive usage of internal marketing and market-oriented approach in the banking sector is the main reason for the selection of banks in this study. In this context, 300 questionnaires were distributed to 300 bank employees with the convenience sampling method. 125 questionnaires were convenient to use for the analyses among questionnaires returned. The reasons for the low return rate in terms of questionnaires are the unwillingness of some banks to let their employees to participate this survey, pandemic period, and distance working method during the pandemic.

The questionnaire was utilized as the data collection tool in this research. The questionnaire has four parts. In the first part, there are questions about the demographic of participants and features of the banks. In the second part, the internal marketing scale with 15 items takes part. Market orientation scale with 16 items is in the third part while business performance scale with 12 items in fourth. Items of the scales were directed to participants with 5 Likert type questions from 1=Strongly disagree to 5=Strongly agree.

2.5. The Limitations of the Research

Time, cost, and access are evaluated as the most main limitations of the research. In addition, the selection of just one sector (banking) is another limitation. Lastly, an unwilling approach of some banks, pandemic period, and flexible working systems during this process are essential limitations of the research.

3. FINDINGS AND DISCUSSION

3.1 Demographic Findings

Findings about the demographics of participants are shown in Table1. In this study, male participants in terms of gender, 31-40 years old group in terms of age, bachelors in terms of education level, working for 6-10 years in terms of experience, Vakıfbank in terms of banks, operation in terms of department are dominant.

Table 1. Demographic Features of Participants

	F	%		F	%		
Gender	Female	43	34,4	Denizbank	5	4	
	Male	79	63,2	Garanti	3	2,4	
	Missing	3	2,4	Halkbank	24	19,2	
	Total	125	100	ING	4	3,2	
Age	21-30	40	32	Name of the Bank	İş Bankası	20	16
	31-40	67	53,6		Kuveyt Türk	6	4,8
	41-50	13	10,4		TEB	6	4,8
	51 ve üzeri	5	4		Vakıfbank	33	26,4
	Total	125	100		Ziraat Bankası	24	19,2
Education Level	High school	10	8	Total	125	100	
	Bachelor	103	82,4	Department	Branch manager	5	4,0
	Postgraduate	12	9,6		Director or assistant director	46	36,8
	Total	125	100		Operation	63	50,4
			Other		11	8,8	
Experience	Less than 1 year	5	4	Total	125	100	
	1-5 year(s)	35	28				
	6-10 years	45	36				
	11 years and more	40	32				
	Total	125	100				

3.2. Factor Analysis Findings

Exploratory factor analysis was run to measure the validity and reliability of the scales were used. Findings obtained after analysis are presented in the Table 2.

Table 2. Factor Analysis Findings

The Scale of Internal Marketing	Factor Loading
Reward and Vision; Variance Explained = 36,765; Cronbach's Alpha = 0,940	
Our performance measurement and reward systems encourage employees to work together	,886
We measure and reward employee performance that contributes most to our organization's vision	,841
In our organization, those employees who provide excellent service are rewarded for their efforts	,821
We place considerable emphasis in this organization on communicating with our employees	,758
In this organization, the employees are properly trained to perform their service roles	,703
We use the data we gather from employees to improve their jobs, and to develop the strategy of the organization	,646
Our organization offers employees a vision that they can believe in	,631
Personnel Development; Variance Explained = 35,745; Cronbach's Alpha = 0,909	
In our organization, we go beyond training and educate employees as well	,813
Skill and knowledge development of employees happens as an ongoing process in our organization	,791
We teach our employees "why they should do things" and not just "how they should do things"	,784
Our organization communicates to employees the importance of their service roles	,756
We prepare our employees to perform well	,737
Our organization views the development of knowledge and skills in employees as an investment rather than a cost	,643
KMO=0,903; Total variance explained 72,511	
The Scale of Market Orientation	Factor Loading
Interfunctional Coordination; Variance Explained = 28,620; Cronbach's Alpha=0,917	
Share resources with other business units	,828
Information shared among functions	,826
All functions contribute to customer value	,741
Functional integration in strategy	,731
Interfunctional customer calls	,687
Customer Orientation; Variance Explained = 21,616; Cronbach's Alpha=0,896	
Customer satisfaction objectives	,843
Customer commitment	,784
Create customer value	,778
Understand customer needs	,744
Competitor Orientation; Variance Explained = 21,351; Cronbach's Alpha=0,859	
Top managers discuss competitors' strategies	,810
Salespeople share competitor information	,803
Top managers discuss competitors' strengths	,786
Target opportunities for competitive advantage	,626
Respond rapidly to competitors' actions	,609
KMO=0,874; Total variance explained 71,588	

The Scale of Business Performance; Cronbach's Alpha=0,911

My bank is better than competitors in terms of product/service quality.	,847
My bank is better than competitors in terms of effectiveness.	,794
My bank is more successful than competitors in terms of new product development.	,788
My bank is better than competitors in terms of level of goal achievement.	,781
My bank is better than competitors in terms of providing customer satisfaction.	,746
My bank is better than competitors in terms of sales.	,728
My bank is better than competitors in terms of corporate image and reputation.	,727
My bank is better than competitors in terms of occupancy rate.	,711
My bank is better than competitors in terms of market share.	,706
My bank is better than competitors in terms of employees' job satisfaction.	,665
My bank is better than competitors in terms of supplier satisfaction.	,653
KMO=0,899; Total variance explained 55,128	

As a result of the factor analysis, two-dimensional structure of the scale of internal marketing arose. The items “We communicate our organization's vision well to employees” and “This organization has the flexibility to accommodate the differing needs of employees” were removed from the scale because of the overlapping. Dimensions obtained were entitled as “reward and vision” and “personnel”. Dimensions with a high level of reliability explain 72,511 percent of the total variance. Additionally, Kaiser-Meyer–Olkin (KMO) value which indicates whether the sample is adequate or not (0,903) and Bartlett’s Test value which indicates whether the data is appropriate for normal distribution or not (1378.651) are in acceptable level.

As a result of the factor analysis, three-dimensional structure of the scale of market orientation arose entitled as “customer orientation, “competitor orientation”, and “interfunctional coordination”. The item “Measure customer satisfaction” was removed from the scale because of the overlapping. Two dimensions which have similarity with the original scale substantially are reliable and explain 71,588 percent of the total variance. Additionally, Kaiser-Meyer–Olkin (KMO) value which indicates whether the sample is adequate or not (0,874) and Bartlett’s Test value which indicates whether the data is appropriate for normal distribution or not (1376.4) are in acceptable level.

As a result of the factor analysis, one-dimensional structure arose for the scale of business performance. The item “My bank is better than competitors in terms of profitability” was removed from the scale because of the overlapping. The scale is reliable and explains 55,128 percent of the total variance. Additionally, Kaiser-Meyer–Olkin (KMO) value which indicates whether the sample is adequate or not (0,899) and Bartlett’s Test value which indicates whether the data is appropriate for normal distribution or not (776.396) are in acceptable level.

3.3. Regression Analysis Findings

Linear regression and multiple regression analyses were performed to determine whether the hypotheses of the study are supported or not. In this context; firstly, multiple regression analysis was performed to determine the effect of internal marketing practices on the market orientation approach. Afterward, linear regression was performed to determine the effect of the internal marketing and market orientation approach on business performance. The finds obtained after analyses are shown in the Table 3 and Table 4.

Table 3. Regression Table Showing the Effect of Internal Marketing on Market Orientation

Independent Variable	Dependent Variable	Beta	T Value	P Value	R ² and Adj. R ² Values
Reward and Vision	Competitor Orientation	,178	2,135	,035	0,519 – 0,507
Reward and Vision	Customer Orientation	-,098	-1,006	,316	
Reward and Vision	Interfunctional Coordination	,796	7,801	,000	
Personnel Development	Competitor Orientation	,186	2,335	,021	0,563 – 0, 552
Personnel Development	Customer Orientation	,253	2,716	,008	
Personnel Development	Interfunctional Coordination	,420	5,031	,000	

In the multiple regression analysis model was developed to determine the effect of the dimensions of internal marketing on the dimensions of market orientation, significant and positive effect was determined among all dimensions in the %5 level of significance except “reward and vision – customer orientation”. There are high-level of significant effect among “reward and vision – interfunctional coordination” ($\beta=,796$); medium-level of significant effect among “personnel development – customer orientation” ($\beta=,253$), “personnel development – interfunctional coordination” ($\beta=,420$); low-level of significant effect among “reward and vision – competitor orientation” ($\beta=,178$), personnel development – competitor orientation” ($\beta=,186$).

Table 4. Regression Table Showing the Effect of Internal Marketing and Market Orientation on Business Performance

Independent Variable	Dependent Variable	Beta	T Value	P Value	R ² and Adj. R ² Values
Reward and Vision	Business Performamance	,525	6,808	,000	0,275 - 0,269
Personnel Development	Business Performamance	,610	8,493	,000	0,372 – 0,366
Competitor Orientation	Business Performamance	,419	5,095	,000	0,175 – 0,169
Customer Orientation	Business Performamance	,503	6,430	,000	0,253 – 0,247
Interfunctional Coordination	Business Performamance	,536	7,021	,000	0,288 – 0,282

In the linear regression analysis model was developed to determine the effect of internal marketing and market orientation, significant and positive effect was determined among all dimensions in the %5 level of significance. There are medium-level of significant effect among the dimensions of “competitor orientation – business performance” ($\beta=0,419$); low-level of significant effect among the dimensions of “reward and vision – business performance” ($\beta=0,525$), “personnel development - business performance” ($\beta=0,610$), “customer orientation - business performance” ($\beta=0,503$) ve “interfunctional coordination - business performance” ($\beta=0,536$).

When the analyses is evaluated, it is seen that internal marketing practices have significant effects on both market orientation and business performance. In a similar vein, market oriented approach has significant effect on business performance. In this context, hypotheses were developed within the scope of scales and sub-dimensions, all hypotheses were supported except H₂. Finding are presented on the Table 5.

Table 5. Hypotheses Results

	Hypotheses	Result
H ₁	Reward and vision - competitor orientation	Supported
H ₂	Reward and vision - customer orientation	Rejected
H ₃	Reward and vision - interfunctional coordination	Supported
H ₄	Personnel development - competitor orientation	Supported
H ₅	Personnel development - customer orientation	Supported
H ₆	Personnel development - interfunctional coordination	Supported
H ₇	Reward and vision - business performance	Supported
H ₈	Personel development - business performance	Supported
H ₉	Competitor orientation - business performance	Supported
H ₁₀	Customer orientation - business performance.	Supported
H ₁₁	Interfunctional coordination - business performance.	Supported

It can be indicated that the internal marketing and market-oriented approach have a positive effect on business performance due to the supported hypotheses. In addition, a significant and positive effect of internal marketing on market orientation has been found. There are some studies in the literature that supports these findings. In this context, researches of Ergün (2013), Bakan and Büyükbeşe (2014), Hamşioğlu (2018) can be given as an example of this studies. Additionally, it is stated that internal marketing has an effect on several business strategies. Within this framework, some evaluations are carried out such as internal marketing affects profitability positively (Çağlar, 2004: 20), provides competitive advantage, (Güleş and Bülbül, 2004: 76), enhances organizational commitment (Yüce and Kavak, 2017: 79), contributes development of intrapreneurship (Uygun and Akın, 2017: 845-847),

increase job satisfaction, and provides exhibition of customer and market-oriented approach of employees (İşler and Özdemir, 2010: 115; Yeniçeri, Kurt and Akgül, 2020; Uygun et al., 2013: 142).

Another result obtained from the study is that the market-oriented approach has a significant and positive effect on business performance. There are some studies that supported this in the literature as well (Çakıcı and Eren, 2005: 157; Şahin and Aytekin, 2019: 17; Bulut et al., 2009, 513; Slater and Narver, 1994: 46).

Within the scope of the finding obtained, banks as important and labor intensive institutions need to focus on internal marketing practices and develop policies that motivate employees, meet their expectations, and satisfy their requirements. Because effective and efficient use of human resources which is evaluated within the scope of internal marketing can both contribute to business performance and actualize several important business strategies.

4. CONCLUSION AND RECOMMENDATIONS

The banking sector has been rising its importance day by day all over the world. Nowadays, it is known that almost all monetary and commercial transactions are carried out via banks. It is observed that new banks have been popping up in the sector due to the importance of banks and increasing demand. Thus, competition has been growing up and banks implement various marketing strategies to take advantage against competitors in the fierce competition environment. Within this framework, internal marketing practices is one of most important strategy used. Firstly; the needs, expectations, and requirements of employees are met and then market-oriented activities are carried out with internal marketing strategies used more intensive by especially private banks. It is urged upon on this phenomenon in the study.

The main purpose of the study is to examine the effect of internal marketing practices and market-oriented approach of banks on business performance. Meanwhile, it is also investigated whether internal marketing practices affect market-oriented approach or not. There are various studies in the literature investigate the effects of internal marketing practices and customer-oriented approach on business performance separately. However, any studies couldn't find which examines the effect of these two concepts on each other and business performance. This circumstance constitutes the originality of the study.

According to the findings of the study, it has been determined that internal marketing practices and market-oriented approach of banks affects business performance positively. Besides, the effect of internal marketing on market-oriented approach of banks has been found as well. When dimensions are considered; it's seen that the reward and vision approach of banks contribute the employees to work as competitor-oriented and interfunctional coordinated but not customer oriented. In addition, it is found that policies of banks towards personnel development contribute to employees to work as competitor oriented, customer-oriented, and interfunctional coordinated. Moreover, all dimensions (reward and vision, personnel development, competitor orientation, customer orientation, interfunctional coordination) have a positive effect on business performance. According to results, it is thought that banks ought to attach importance to internal marketing activities and turn onto market-oriented strategies to take an advantage in the fierce competition environment. It is thought that these kinds of studies evaluated as subjective assessments make great contributions on indicators of banks such as profitability, sales, and market value financial performance of banks. Therefore, making both subjective and objective assessments at the same time. In this context, the findings of this study can be linked with previous studies (Slater and Narver, 1994; Çağlar, 2004; Güleş and Bülbül, 2004; Çakıcı and Eren, 2005; Bulut et al., 2009; Özdemir, 2010; Ergün ,2013; Uygun et al., 2013; Bakan and Büyükbeşe 2014; Yüce and Kavak, 2017; Uygun and Akın, 2017; Hamşoğlu, 2018; Şahin and Aytekin, 2019; Yeniçeri et al., 2020) which found parallel results with this study. Hence, it can be stated that this study's findings are supported by the literature.

Rejection of banks for questionnaires and adopting part-time or distance working methods limited the sample size. Evaluations made totally in the scope of subjective elements are also another limitation of the study. For this reason, it is proposed to evaluate both public and private banks in the scope of both objective and subjective assessment criteria with a greater sample size for future studies. Nonetheless, the mediator role of market orientation for the effect of internal marketing on business performance can be suggested to future studies to investigate. Moreover, it can be useful to implement these evaluations on universities, hospitals, municipalities, and retail businesses which operate in the service sector.

DECLARATION OF THE AUTHORS

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