Using Internal Marketing Communications to Improve HRM in Service-Based Sports Organizations

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Abstract
This essay looks at how internal marketing can contribute to increasing the performances of sports organization. A particular component of the internal marketing paradigm receiving attention is communication. The paper analyses ideas about how learning from the general marketing theory can help sports club managers better communicate within their organization in order to enhance their personnel’s motivation and performances. The ultimate goals of sports clubs are winning success and delivering high value to the fans watching. An outward-inspired but inward-implemented marketing pattern can help managers boost the performances of employees and of their organizations. In an intelligence-based, knowledge-driven economy, benchmarking and best business practices can help improve a lot. Hence, the research aims to expand on a combination of general business allied theories and apply them to a sector that has received less attention in theory: performance sports.

Keywords: sports marketing, internal marketing, communications, human resources management, personnel management, information and knowledge

JEL classification: M12, M31, D83

1. Introduction

It is widely acknowledged that efficient communication is indispensable for the prosperity of an organization (Jora, 2013; Ölçer et al., 2014; Țenescu, 2009; Wood, 1999). This factuality has opened a research field that looks at the links between communication and management. Broadly speaking, much of the literature considers communication to be a key managerial procedure, or skill, able to assist in building competitive advantage (Ahmed et al., 2010; Bușoi, 2015).

In order to thrive and excel at what they are doing, the staff of an organization need to receive information significant to their work (Ozlen, 2013). The person usually charged with communicating such information to the employees is the manager (Năstase, 2010; Năstase et al., 2010). The daily routine of a manager is characterized by a vast amount of communication not only with employees, but with the rest of key stakeholders as well (Dumitru et al., 2015). Effective communication, in this case, becomes a variable of success (Senaratne, Ruwanpura, 2016). Dolphin (2015) finds out that an organization can only call itself fully developed once it

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correctly communicates to its audience, nourishing trust and motivation in employees and stakeholders.

As a managerial function, communication goes beyond the simple sending of a message. Managers communicate not just for making themselves heard, but because they need to share information that their directs can transform into knowledge to be put at work, case in which communication becomes intelligence (Hadad, 2017; Smarandache, Vlăduțescu, 2013; Vlăduțescu et al., 2015a).

Oliver (2000) encourages employee communication to be treated as a strategic discipline because of the implications it has both within the organization and outside of it. A manager has to clearly communicate his vision or ideas in order to properly influence the behaviour of the internal stakeholders so that they understand what action steps need to be taken to satisfy the demands of customers and of other external market groups, not to mention that communication also leads to building credibility amongst these groups (Hadad, Găucă, 2014). Communicational studies have therefore started looking at links with other disciplines, like human resources management, public relations or marketing.

One subset of science that deserves particular attention is internal marketing. This paper aims to look at the relationship between communication and internal marketing. The research starts with a general analysis of the two components, and it then narrows down to the field of sports as a case study example. As the tertiary sector of the economy has gained importance over the past couple of decades, a services-mindset has influenced all types of organizations, including sports ones. Not only that the production of sports entertainment is regarded as a service per se, but sports organizations also have to carefully conduct their relationships with fans and other external groups of interest, as well as within the organization, between employees. Communication becomes a key issue for reaching sporting targets and glory.

2. Managerial Communication

Communication is an act of transmitting messages to an individual, an audience or even to the self (Drămnescu, 2014, Enăchescu et al., 2011; Smarandache et al., 2015). Self-communication, although possible and often met in everyday situations, is usually the privilege of psychological and philosophical studies (Vlăduțescu et al., 2015a), whereas economics tends to look at communication as an instrument to transmit information from one party to another with the aim of reaching concrete, quantifiable goals (Enăchescu, 2011, 2014). The existence of a sender and a receiver of the message is the imperative for carrying out the purpose of a business communication (Diaconu, 2010; Georgescu, 2009; Vlăduțescu, 2013a). The sender, also called discloser (or disclosing party), produces a message and sends it to the receiver (or receiving party), this being the case of a one-way communication (Mircea, Drăgoi, 2008). If the receiver replies with comments on the same topic, one can talk about feedback (response) and a two-way flow.

Through communication it is understood that common symbols or meanings are exchanged between parties (Bușu et al., 2014). Once encrypted,
symbols receive a denotation (a meaning, a message) which avoids chaos generation (Boriga et al., 2014; Dăscălescu et al., 2013). Sharing a message is the object of communication (Smarandache, Vlăduțescu, 2013). This correspondence in shape and structure designs the space for communication, which can be regarded as an imaginary area that is devised by the meaning of the message: a dedicated space for some particular topic. At a grand scale, modern technology has conveyed the occurrence of „chatrooms” split by interests (Vlăduțescu, 2012). People with similar interests join a chat to exchange information about that particular common interest, leading to a huge amount of dissemination (Stavre, Drămnescu, 2015). The same is true at all other levels of communication, for example in traditional communities such as the vicinity or the family (Dima et al., 2014), where the disclosing and the receiving party are brought together inside a social network by the shared interest in a particular purpose (Vlăduțescu, 2013b). One of those spaces where communication is of utmost importance are the professional (business) organizations.

The significance of organizational communication is given by the fact that this latter one is driven by management with the clear aim of directing employees to meet certain defined goals. Due to this, organizational communication is often regarded as a strategic discipline whose masterpiece is the managerial communication (Gîfu et al., 2014b; Voinea et al., 2015). While, for example, neighbourhood communication might flow arbitrarily, managerial communication follows a particular strategy, shaped by the vision of the leader and the targets that the organization seeks to reach. Messages are tailored accordingly in order to be as easy to understand as possible and to motivate employees to strive for accomplishing goals; communication, hence, becomes a persuasive tool (Gîfu et al., 2014a; Vlăduțescu, 2014). With such an optic, Dumitru and Stoica (2012) put communication at the centre of decision making, considering it auxiliary to leadership and trying to classify it by three criteria: a) direction of communication; b) mode of transmission; c) upon official degree.

By direction, communication can be top-down (when management communicates to directs), upward (when subordinates communicate to management), or lateral (occurring between members of the same hierarchical degree). By mode of transmission, communication can occur as written, verbal, or non-verbal, while regarding the official degree, communication can be formal or informal. Although it also includes communication between employees, a particular attention in managerial communication is dedicated to the exchange of information between a superior and his directs (Vlăduțescu, et al. 2015 b).

3. Internal Marketing

Due to the high interaction of service-based organizations with customers, the marketing literature has come up with the notion of internal marketing. Being part of the entire marketing philosophy (Grönroos, 1981), internal marketing is described by Mishra (2009) as a way of treating employees as if they were external

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customers of the firm. This leads to the assumption that employees are nothing but a market within the organization, which has to be provided with value offerings (Papasolomou-Doukakis, 2002).

Internal marketing has to improve services quality (Iliopoulos, Priporas, 2011). According to Berry et al. (1976), the first pieces of scientific work claiming this fact have been done during the 1970’s. In spite of decades of research, Rafiq and Ahmed (2000) have observed that there is no unified concept yet about what literature understands by internal marketing, neither of how service quality can be improved. Due to this, few businesses are thoroughly acquainted with internal marketing, most of them missing out on opportunities to refine their service quality. In his research, Piercy (1995) finds evidence that service suppliers face major implementation barriers due to lack of knowledge. Grönroos (2006) posits that even in the few lucky cases in which they tried at least to adhere to internal marketing principles, businesses were confronted with the rigor of ‘translating’ value for customers into value for employees. According to the author, delivering value to customers is the very cornerstone of marketing. By analogy, delivering value to employees should be the bedrock of internal marketing. Nevertheless, while value for external customers is entrenched in the products bought, value for employees still remains an elusive idea (Vargo, Lusch, 2004). The challenge restraining businesses from advancing their internal marketing paradigm thereupon rests in breeding and delivering value to their own employees.

Many authors believe that there is no generally acceptable definition for internal marketing (Bouranta et. al, 2005), as concepts may vary depending on who does the marketing and on the purposes for which this type of marketing is done (Varey, 1995; Rafiq, Ahmed, 2000). Therefore, definitions of the concept vary in depth. Cahill confines to mentioning that internal marketing focuses on employees and their needs (1996, p. 3), without describing how exactly it impacts upon the persons in an organization. Other authors offer more details, as a result of linking internal marketing to the general marketing strategy of the organization. Bak et al. (1994) consider that internal marketing means managing the organization’s human resources with a clear marketing goal as guidance. Further on, Nieschlag et al. (2002) state that internal marketing is the goal-oriented influencing of employees.

By expanding from other definitions, Joseph (1996, p. 55) describes internal marketing as a mix of HR, Marketing and a set of other theories in order to help employees develop on a life-long basis so that they can better serve and treat external customers. A first important aspect of Joseph’s definition is that it presents internal marketing as a combination of applied theories, amongst which marketing and human resources management can be identified as building blocks. The second important idea is that internal marketing has to be targeted to employees at all levels of the organization. Developed by top management, internal marketing needs to be cascaded down to the directs, who then have to be empowered for decision-making, as modern entrepreneurial strategies highly depend on choosing the right alternative out of many (Hadad, 2015, p. 185).
Last but not least, Joseph stresses the need of a continuous improvement when doing internal marketing. Researching retail banks, Papasolomou-Doukakis (2002) argues that internal marketing has to be constantly revised and improved as it influences customer service. Continuously motivating employees and designing better service procedures or internal flows will help employees provide higher value when serving customers, bringing success in external markets closer (Azzolini and Shillaber, 1993; Bak et al., 1994; Foreman and Money, 1995; Morgan, 1990; Tortosa-Edo et al., 2010). In order to improve customer service, an organization also has to improve internally, mainly by helping employees better understand their customers and how their dynamic needs and demands change over time. DeBussy et al. (2003) even expect an improvement of the organization’s use of internal marketing as a result of the emergence of new media and its contribution to clientele communication. With or without new media, Lings and Brooks (1998) argue that the starting point for any internal marketing improvement is the interaction with customers. First of all, the organization has to make contact with customers, serve them, and then receive feedback from them. Employees have to consider feedback, examine it, and try to identify opportunities for improvement (Brooks et al. 1999). The next step would be to tap on those opportunities, so as to develop better internal marketing and customer service. In this case, Lings and Brooks (1998, p. 328) state that improvement would mean not only adding elements of the marketing mix in the service, but also eliminating “unnecessary process steps”.

4. Internal Marketing Communication

Berry and Parasuraman (1991) consider that internal communication consists of various key aspects without which the necessary quality to empower the organization’s personnel to deliver sound performances wouldn’t exist. The authors believe talent recruitment, knowledge management, vision, management and teamwork to be vital for the quality of internal communications. Internal communication has to provide clear understanding of the organization’s mission and objectives. The understanding of the mission will help employees develop, while understanding the wants of customers will help improve the organization’s relationship with the external market. Strategy must help employees by showing them the way to accomplish the organizational goals set by the management.

Sound internal communication systems can result into better leadership and management, which, according to Awwad and Agti (2011), have a positive and direct effect on the market orientation. Moreover, a well established communications system positively impacts organizational commitment. Organizational commitment can then be enhanced by adding value to the organizational culture. The relationship between leadership and organizational culture is thought to be one of the determinants with the most impact on success (Du Plessis, 2014; Năstase, Vălimăreanu, 2017; Pamfilie et al., 2015; Sarros et al., 2011; Vreja et al., 2014; Woodward, 2005).
Such “co-created” communication brings various advantages, like helping the organization differentiate from competition through one of a kind content, or maintaining a strong relationship with the receivers of the message. As such, managing communication is of crucial importance for obtaining performance in an organization (Anastasiu, 2014, 2015; Makari et al., 2013).

5. Sports Marketing

Internal marketing is a powerful component in service-based organizations, such as sports clubs may be considered. For reaching goals, whether purely sporting or business related, organizations have to perform well internally, sound leadership and management being needed (Compton et al, 1987). The fact that all members of the organization have to adhere to a common development politic stresses the need of a participative management, based on shared vision and knowledge. Analyzing gainsharing in several firms, Ross (1990) came to the conclusion that the poorer the employee participation, the higher the risk of failure. Shared management and employee empowerment are punchlines of successful teams: management, coaches, players, staff and employees have to work together to improve the everyday performance in training, the sporting performance delivered by the team in matchdays and the global sporting product that the club offers to its fans. The resources of a sports club have to be managed in such a way to satisfy fans, players, employees and other stakeholders. It is usually thought that the outmost satisfaction is offered when the club wins trophies and adds silverware to its records. In this aspect, internal marketing can be seen as a workflow process for closing the gap to success. Nevertheless, in order to provide results, such an internal marketing paradigm has to have a coordinator, a person who to work with the allied departments of the organization and make them function towards achieving the common goal (Ahmed, Rafiq, 2002, p. 15). In sports, it is widely acknowledged that that person would be the general manager, who usually plays a key role in obtaining sporting success (Roşca, 2010a; Roşca 2010b).

The team manager would be the person whose role is to easily understand the mission of the club and the needs and wants of both internal and external customers. The ascent to sporting success starts with empathy towards players, staff, members of the organization, and fans. Ahmed and Rafiq (2002, p. xiv) consider employee satisfaction and customer orientation pivotal for internal marketing. Once this accomplished, success can be transformed into a strategic issue through a pursuit of excellence.

Internal marketing plays its role in this equation, as sports clubs who fail to perform well internally will remain distant to success. Many researchers doubted the applicability of an internal marketing concept in various activities, among them sports (Hirschmann, 1983; Crawford, 1983). However, as real cases have shown, sports clubs can be customer-, player-, employee-, profit- and success-oriented all at the same time, so both the commercial marketing as well as the internal marketing concepts can be implemented in parallell. Having a mission which to
call for success and which to drive internal stakeholders to adopt a pursuit of excellence unifies the wants of fans, players, staff and members of the club alike. In this equation, the central role is given to the manager, as he is the person with the highest exposure to both the sporting, as well as the financial, accounting and administrative needs of the club. It is the manager who bares the responsibility of improving the club, so he is also the person who will need to find ways to attract resources. This can only happen properly if the manager instills and communicates a genuine focus on quality.

Quality has to start from the inside and expand to the club’s supporters. While the latter ones feel a close bound to the club, their passion has to be matched by performance and success. For this, the members of the club need to offer value for the money paid by the fans to follow the team. It is the fans’ and the external stakeholders’ (e.g. sponsors, media) monetary contributions that play an important part in the wellbeing of a club. Most of a club’s revenues come from ticket sales, broadcasting rights sales, merchandising, sponsoring etc. In such a case, if the mission is to help the club develop and achieve success, then external marketing, amongst others, will have its share of responsibility in generating revenue, for example from luring fans to the stadium, merchandising memorabilia products, catering during games, seeking sponsorships, negotiating broadcasting rights and collecting broadcasting revenue etc. Nevertheless, the aid will only follow if the club can offer value in exchange. For producing a valuable sporting display, the club needs good communication inside; internal marketing can help in setting out a culture of success. As can be seen in Figure 1, the central mission of a club is sporting success. This is actually the raison d’etre of a sports team, the main motivation that drives athletes and managers to do their jobs. Sporting success is a combination of internal and external marketing inputs. While it represents the motivation of the people within the organization to do their jobs, it is also what brings joy and instills pride and self-esteem in the fans and the local community. The two driving forces have to be channelled towards the mission of winning.
6. Internal Marketing Communication in Sports

For reaching sporting glory, the manager needs to communicate a culture of winning to all members of the organization. Achieving sporting success needs not only to remain the mission of the organization, but also to become the leader’s vision, based on which decisions are to be made for closing down that gap to success for which internal marketing is accountable for. If a leader has a vision around the team’s development, then he needs to communicate it further down, by which he will provide the athletes and the rest of the staff and employees with the intelligence needed to make better decisions. In such a case, internal marketing is important as it regulates what happens within the club. In sports, value offering is set to be inside-out, meaning that value has to first of all come from the inside so it can then appeal to the fans. Providing better performances has to be a goal of the athletes, carefully nurtured by the manager. The achievement of the goal would then follow through the information communicated by the manager.

More often than never, athletes need their managers to guide them. It is common practice in sports that athletes and managers enter a close relationship of collaboration in which they both have to invest for being able to harvest the fruits of labor. Managers become coaches, mentors and leaders at the same time, having high impact on the performances of athletes. Under such highly sensitive relationships, how good communication is also influences how the athletes perform. The performance of athletes is what is then offered to the fans, who pay a price to watch entertainment. This is justifiable reason enough for taking into account internal marketing and implementing its philosophy within the communication flow of the organisation. According to the internal marketing paradigm, increasing service value has to be a target not only when it comes to
fans, but also to own athletes and employees. Satisfied athletes for satisfied fans is a truth in sports maybe more than in other services, since the pressure of constantly performing at top level is always present. After all, the fans are the ones who want to see their favourite sports team succeed and gain cups and medals. Eventually, this transforms into pressure onto the shoulders of the team’s internal employees, who know that their moves and performances are scrutinized by the views of thousands and maybe millions of fans. The manager’s internal marketing communication should come as a tool for not letting staff and athletes crack under pressure, and also for motivating them to chase success.

7. Conclusions

Being able to clearly present what it takes to achieve success and what are the milestones towards it becomes the attribute of managerial communication. Efficacious communication upgrades leadership style and brings out the best of sports people, motivating them to work on what it takes for winning. If communication is clear and focused the mission, it can boost participation and increase commitment, which translates under more facets at the same time: adhesion to a highly esteemed work (practice) ethic, faith towards manager and peers, devotion to the team’s colours and crest, or brand loyalty. All these are values that fans want to see in their beloved sportsmen. Hilary et al. (2016) talk about confidence and over-optimism to describe these values and present the favorable impact they can have on an organisation’s results. The ripes of internal communication are thereupon automatically transferred to the external market through the attitude of pride and passion instilled inside the team by a good communicator.

Communication in sports, as in business, is but a tool to drive people to reach monetary or non-monetary goals. One of these non-material goals, considered of utmost importance, is sporting success. Its particularity is that it can only be achieved if sports performance improves, because sport is, by nature, competitive, meaning there will be rivals in a competition of reaching the same. Better performances are an output of improved service quality within the organization. Internal marketing teaches how to become a better organization, and it uses the help of applied theories in doing this: two of the most important are management and communication. When combined, the result will be a managerial communication addressed to employees, staff, and aiming at sporting success.
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