INVESTIGATING THE EFFECT OF INTERNAL MARKETING ON MARKET ORIENTATION AND ORGANIZATIONAL PERFORMANCE IN AIRLINE AGENCIES OF TEHRAN PROVINCE

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ABSTRACT

In this article the field method of study was used and a standardized questionnaire was used for data collection. In this study sampling was performed using improbable accessible method and population of this study is managers, supervisors and workers of airline agencies in the Tehran city. To do this study the two samples from personnel and managers with 384 questionnaires were used in the form of Likert scale in the three dimensions of customer-orientation, competition-orientation and coordinating between different sections. Stability of questionnaire was achieved using Chronbach's Alpha and result should that it is 0.981, and reliability of the questionnaire was approved by a number of experts from among population and marketing professors. Data processing was performed using SPSS software. Data was analyzed using descriptive and inferential statistics. Result of this research showed that internal marketing has a positive impact on market orientation and organizational performance.

Keywords: *Internal Marketing, Market Orientation, Customer Orientation, Competition Orientation, Intersectional Cooperation*

INTRODUCTION

Today market orientation is the canon of attention to studies and reviewed articles (Kirka *et al.,* 2005) and (Liao *et al.,* 2011). As different studies have been conducted in this respect, still no agreement has been reached on real nature of market orientation (Gainer and Padanyi, 2005) and market orientation has been considered as a cultural, behavioral or combination of both culture and behavior (Olavarrieta & Friedman, 2008). Kuhli and Jaoreski (1990) suggested that market orientation is the value in which an organization applies the concept of market orientation. Until the middle of 1950 the traditional view of marketing was this issue that literacy is the result of more size of sale, therefore, marketing responsibility was more sale of productive productions (Webster, 1988). Marketing methods generally refer to short time period, strategic process of personal sale, advertisement and progress of sale. In the mid-1950s and after World War II an intensive competition for selling productions and progressive support of mass consumption resulted in formation of "marketing concept" (ibid). In this concept the short time period to long term period, strategic marketing approaches of selling were converted to marketing approaches of sale strategy (ibid) and intention of business institutions from massive production was leaded to precise analysis of customer needs (McGee and Spiro, 1988). The concept of marketing became dominant philosophy on business institutions and the term market orientation was used for application of the concept of marketing (McGarthy, 1984). Different executing concepts are posed for market orientation that in this study one of these cases is discussed. The concept of market orientation in the view of Narore and Slater was offered in 1990. These two writers saw structure of market orientation in three dimensions: A. customer orientation, B. competition orientation, C. intersectional coordination. Today internal marketing is known as a strategy for market orientation. Some believe that market orientation is considered as a concept of foreign marketing that means introducing and satisfying customer needs affectively in comparison to rivals (Jawreski and Kohli, 1993; Narore and Sloter, 1990; Day, 1994; Bouranta *et al.,* 2005), that internal marketing has a more positive effect on market orientation, also components of internal marketing has a positive impact on customer-orientation and other components of market orientation and internal marketing is considered as a prerequisite for market orientation.

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Review of Related Literature

Dishpande and Farlay (1998) believed that market orientation and attention to environment is the main element of marketing and a main factor for empowering companies to perceive the market and providing responsive strategies and appropriate services for achievement of needs and wishes of customers.

Leyland (1996) considered market orientation through coordinating inter duty attempts for reaching in long term purpose of organization. The basic principle of most studies in the domain of market orientation is articles of Kuhli and Jaroski who defined the concept of market orientation in the view of behaviorism. Kuhli and Jaroski instead of emphasizing on market information or intellectual aspect of market. In their view market orientation as producer of information in the organization, distribution of information among different sections of organization and responding them can be defined in the organizational domain. Responsiveness represents the level of adjustment and coordination of marketing policies of company with market information. Adjustment of goods and productive services with needs and willing of customers can be considered a limited interpretation of marketing. Narore and Slater defined environment orientation and attention to market in the cultural view (market orientation culture). Environment orientation in the cultural view is organizational culture that is the most affective and influential necessary required behavior for superior value to purchasers and consequently better performance of organization.

Kotler (1997) believes that a marketing organization is influential when emphasizes on customers and rivals, as rivals and customers are both situated at the organization environment that it is possible to state that one affective marketing organization is based on environment.

Dishpand and Webster (1995) believed that customer orientation is a specific set of beliefs that considered interests of customers at the top of the entire interests of beneficiaries (such as owners, managers, and workers), these believes in a higher level can be considered as organizational culture.

Harris and Mossholder (1996) in relationship between internal marketing and market orientation sought explaining of organizational culture and its management in the form of activities of human resources and internal marketing to emphasize on needs and willing of customers or market orientation.

Day (1994) established a new study about relationship between internal marketing and the rate of market orientation of organization and showed that activities of human resources especially in the case of managing organizational culture will result in market orientation of organization.

Leyland and Albert (1996), also in the USA country established a study about market orientation and affectivity of organization, that in this study to measure market orientation instead of emphasizing on elements of market, market information is emphasized.

MATERIALS AND METHODS

Methods and Model

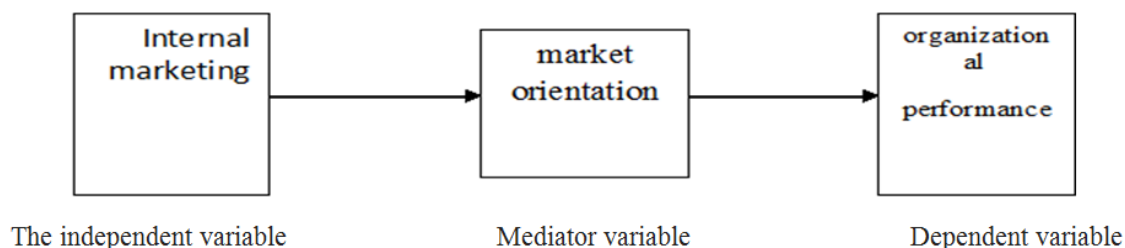The model of research is shown below:

Figure 1: Conceptual model of the impact of internal marketing on market orientation and organizational performance

This study was conducted in the Tehran city and its population involved the entire Airline agencies of Tehran city.

In the present study on the basis of popular formula of Cochran the size of samples for studied people was estimated:

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$$n = \frac{z^2 . p.q}{d^2} = \frac{1.96^2 \times (0/5) \times (0/5)}{(0/05\ )^2} = 384$$

Therefore, in the error level of q=0.5 and by estimating ratio as much as p=0.5 and estimation standard error as much as q=0.5 and by estimating ration to the size of p=0.5 and estimating standard error as much as d=0.05 size of samples is 384 individuals.

To specify stability of the questionnaire Cronbach's Alpha coefficient was used that was calculated by following formula.

$$a = \frac{n}{n+1}\left[-\frac{\sum si^2}{st^2} \right] a = \frac{n}{n+1}\left[\frac{\sum si^2}{\sum st^2} \right]$$

N: number of questions
Si^2: variance of questions
St^2: Variance of the entire questionnaire

The following table represents Cronbach's Alpha coefficient for variables that represents considerable items, result should that this coefficient for the questionnaire is 0.981% that is higher than 70% that represents stability of the research tools. It means that responses are not the result of chance and random, but they are because of the variable value that is tested.

RESULTS AND DISCUSSION

Table 1: Specifies regression analysis of relationship between internal marketing and market orientation

Sig level	df Within groups	Between groups	F	R^2adjusted	R^2	Correlative coefficient(R)	*Statistical index*
							Regression model
0/000	383	1	952/151	0/713	0/714	0/845	1

Table 2: Correlative coefficient between internal marketing and market orientation

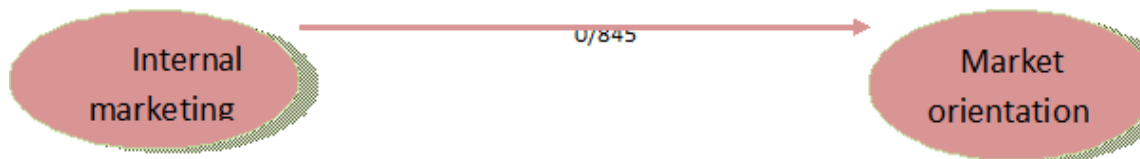| Sig level	t	Standardized beta	Standard error	Regression coefficients	Statistic coefficients Model
0/00	-14/688	-	2/693	-	Stable No
0/00	30/857	0/845	0/024	0/731	Internal marketing

Figure 2: Regression effect of relationship between internal marketing and market orientation

The above table represents regression coefficient of relationship between internal marketing and market orientation. Correlative coefficient between these two variables is 0.845. According to the determination

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coefficient R^2=0/714 we can say that about 7% of market orientation changes can be specified by internal marketing.

The regression equation is as follow:

Market orientation= 39.556+0.731(X1)

According to the sig level 0.000 that is less than 0.01 the stated regression findings showed that there is a significant relationship between internal marketing and market orientation. Also according to the standardized regression coefficient we can say that for one unit of changing in internal marketing, 0.845 units changing in market orientation occur (this hypothesis represents positive relationship between internal marketing and market orientation).

Table 3: Regression analysis for relationship between internal marketing and organizational performance

Statistical indexes Regression model	Correlative coefficient (R)	R^2	R^2 justified	F	df between groups	Within groups	Sig level
1	0/915	0/837	0/836	1959/076	1	383	0/000

The above table represents regression coefficient of relationship between domestic marketing and organizational performance. Correlative coefficient between these two variables is 0.915. According to the value of determination coefficient R2=0.837 we can say that about 8% of changes in organizational performance can be specified by internal marketing.

Table 4: Correlative coefficient between domestic marketing and organizational performance

Statistical index Model	Regression coefficients	Standard errors	Standardized Beta	t	Sig level
Stable number	-63/475	1/792	-	-35/424	0/00
Internal marketing	0/697	0/016	0/915	44/261	0/00

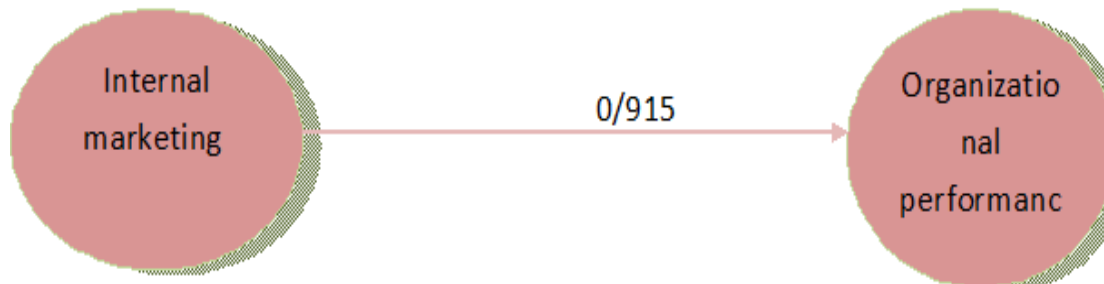**Figure 3: The regression effect of relationship between internal**

Marketing and organizational performance of regression equation is as follow:

Organizational performance= 63.475+0.697 (X1)

According to the sig level 0.000 that is less than 0.01, the regression findings showed that there is a significant relationship between internal marketing and organizational performance. Also according to standardized regression coefficient we can say that for one unit of changing in internal marketing to 0.915 unit change can be seen in market intelligence (this research hypothesis represents positive relationship between internal marketing and organizational performance.

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Conclusion

As in the present competitive world knowing priority of specifying factors can lead managers, in this research according to analysis it is tried to analyze the effect of internal marketing on market orientation. For creating a structure for evaluation in the view of customers a questionnaire was used for data collection. As the research shows there is a positive relationship between internal marketing and market orientation and organization performance; therefore we conclude that there is a positive relationship between variables and result of this study is in line with result of studies by Bouranta *et al.,* (2005) and Kayeryazopolus *et al.,* (2007).

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