

Short Communication on The Role of Internal Marketing in Korea's Public Medical Sector

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Abstract

This paper discusses how the concept of internal marketing (IM) can be applied to achieve a competitive advantage within the public medical sector in Korea. We suggested that internal marketing is a fundamental key factor in obtaining an organization's competitive advantage. We specifically examine relationships between IM, self-efficacy, internal customer satisfaction, service innovation, internal service quality, and competitive advantage. Based on the results, we suggest some academic and practical implications.

Keywords: Competitive advantage • Internal customer satisfaction • Internal service quality • Internal marketing • Self-efficacy

Introduction

In the rapidly changing uncertain environment such as the pandemic of COVID-19, fiercely competitive environment, an organization has experienced more and more difficulties and makes every effort to find the breakthrough for survival. This paper focus on not external customers, but internal customers of an organization as a source of competitive advantage. In other words, the first thing to do for achieving a competitive advantage is to meet the needs and satisfaction of internal customers and create genuine happiness through IM (internal marketing) [1,2]. This approach emphasizes the importance of human beings. Therefore, managements have to treat as customers and consider how to satisfy the needs of internal customers through an open communication system, provision of educational opportunity, empowerment, etc., which are the core elements of IM.

The Source of Competitive Advantage: Internal Marketing

IM has first defined as "employee as internal customer and job the concept of the opposite meaning of external customers as product" [3-5]. IM management philosophy consists of promoting the organization and its policies to employees as if they were the internal customers of the organization [6]. This leads to internal customer

satisfaction and organizational success [7,8]. Therefore, especially service industry understands the philosophy of IM and concentrates on how to implement effective IM for self-efficacy or internal customer's satisfaction.

The service industry, such as hospitals or hotels, has front-line employees, which are the heart and soul of any service organization and contribute to achieving the organization's goals [7-9]. In providing services, they contribute to customer satisfaction or dissatisfaction, which happens when the customer comes in contact with a front-line employee of the firm [9]. Namely, external customer satisfaction depends on internal customer satisfaction with an authentic mind for service in matured and maturing market [8]. Moreover, service innovation and new technology development eventually begin with an idea that awakens the potential capabilities of internal customers. That's way; IM is the key factor as a source of competitive advantage.

This study suggested the IM framework based on the model developed by which is based on improving the service quality. This paper adopted six sub-dimensions (internal communication, training and education, reward system, empowerment, and organizational atmosphere of IM, and investigated the relationships between IM, self-efficacy, internal customer satisfaction, service innovation, internal service quality, and competitive advantage for healthcare service employees in public healthcare centers, South Korea.

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Effect relationships between IM and self-efficacy, internal customer satisfaction, service innovation, and internal service quality and competitive advantage. These results showed some significant implications.

Research Methods

The measurement model was evaluated for overall fit with the data and we then conducted a confirmatory factor analysis and correlation analysis. And path relationships within the research model were analyzed by structural equation modeling using AMOS 18.0.

Conclusion

This study's framework has several distinguishing features

First, treating employees as customers is meant to create a change in the attitudes of employees, making them more service-oriented and customer-oriented. This is supposed to lead to better service quality and competitive advantage in the marketplace. Second, managements must treat employees as customers, but also provide jobs as service to attract and retain service-oriented employees. One of the most important things of managers must do continue to show deep interest for internal customer needs. Satisfied internal customers have a good relationship with co-workers and tend to offer better service quality to customers. Namely, internal satisfied customers spread their energy not only co-works for better organizational atmosphere and but also to their external customers. This means that the implementation of service quality can explain the improvement of competitive advantage.

Consequently, this paper highlights the IM components that are most closely related to performance as the source of competitive advantage. This study suggests the direction of IM to practitioners and scholars as corporate philosophy.

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