

MARKETING NEEDS TO GO INTERNAL

Marketing is defined in most textbooks and in most organisations as an external activity.

Marketing focuses on target customer groups and segments and on target markets and strategies to deliver products and services to match the needs of these groups and to deliver them in such a way that they receive exceptional value and unique customer benefits.

As such marketing therefore becomes associated with the external environment and the focus for marketing and marketing executives is often outward bound; looking out supply chains (customer's customers) and final customers and as such, it is always focusing on how to improve the greatest asset in the organisation – the customer.

In the 1980s, I argued with the ANZ bank and other institutions that the greatest asset in the organisation was a customer. This was against the backdrop of early "HR push and programming" that led most seminars to be started with the fact that the greatest asset in the organisation was an employee.

There is no debate about the extent and the value of employees and how they deliver unique customer value and services and help organisations exceed expectations.

At this time however these organisations were often heavily focused on the employee contribution to the customer rather than on the customer's value to the organisation. These programs were often connected with cash and transactional/sales achievements rather than wealth creation. Wealth from the loyalty and repeat/advocacy business created by loyal customers, who as a consequence, decrease the cost of marketing and sales and increase the Return on Investment to the organisation long term.

The approach taken by organisations, with whom we had the dialogue of "Customer versus Employee" as the greatest asset in the organisation, was usually one revolving around how employee's service customers. These organisations maintain that without good employees, customers cannot achieve the unique customer satisfaction and meet their needs as determined and articulated by them. The reverse argument, of course, was equally true that without customers, employees could be extremely skilled and never be in a position to deliver the positioned products and services that exactly met the needs of the customer market or met the needs of sales volume and critical mass created a profitable bottom line and long term employment possibilities.

In the 1990s all of a sudden, the HR world was reinvented and human relations became known as Human Remorse and Human Remains. Many organisations were forced to downsize and many organisations went for economies of scale, amalgamated and often got rid of divisions and even large groups of people through restructuring. The result was that the sales minded approach of skilled employees helping customers made sales become a marketing dominated approach, which has persisted until now. This has even been accentuated by the growth of database marketing enhanced by online and web based systems.

Throughout this trend, there has been a greater concentration on marketing. A greater concentration on segmenting market, selecting target markets, not being everything to everybody in the market place and actually positioning brands/organisation to achieve customer loyalty, advocacy and long term profitable business from selected customer groups that have been defined and serviced by tailor made systems and products.

Today (2008) however, we suddenly find ourselves in overfull employment and in a position where after a decade of unusual high growth we now have shortage of personnel.

We do have the skills and resources to guarantee consistent delivery of the unique value proposition or promised need fulfillment to targeted customers whether they be long term or they be short term. Today we have a system where despite economies of online, training and development, customer relations and online updating of employee skills, we do not have necessarily the capacity or the quality of personnel to deliver to our benchmarked or “kpi levels”. What can we do?

It is quite obvious that we have forgotten in this “Management transition” the fact that marketing is a tool that is not only designed for external utilisation and for generating customer wealth and cash flow. Marketing is an internal tool that can be used effectively by organisations to attract, retain and gain the skill sets and capabilities needed by employees to satisfy customers. To create long term market share through the correct positioning of products against service quality and delivery standards, delivering by skilled employees.

Marketing has an excellent opportunity in today’s marketplace, where demand is well satisfied and supply is difficult to achieve at the right standards, to reposition itself. It is a major strategic tool for improving the internal organisation. Marketing can really contribute to the employee culture and the attractiveness of the organisation for those who want a unique environment that meets specific needs in a demand driven employee economy.

Marketing has the unique advantage to actually be turned internal and to focus on the engagement of employees. Their roles and responsibilities that they are engaged in to develop their career and to achieve their own satisfaction as internal customers of the organisation. In addition, it can create an environment in which employees would want to spend a large amount of their working time and energy- employee satisfaction.

Is this being done? In many industries, there is a strong culture of internal marketing. We could look at the airline industry where there had been a refocus on customer service combined with an attractive environment and a rewarding environment for employees. This came after the collapse of Ansett and many of the initial lower cost operators who worked on cost efficiencies without growing customer and employee satisfaction and without rewarding and enhancing the employment environment.

However, there are a large number of organisations, especially SMEs in which there are companies who have never ever had time to focus on internal marketing and rewarding and enriching their internal environment. This includes the dot coms that survived the

dot com revolution, software houses, service organisations and the myriads of SMEs that have grown up since the mid 1990s in response to outsourcing and online businesses are in great need at this stage. They have never had the opportunity to plan or to manage marketing internally. They need to discover the right combination of stick and carrot marketing strategies through internal research to try and maintain a balance of profitable business done in a rewarding and benefiting culture, where employees are given the benefits of loyal and high priority customers and rewards for productivity that contributes to greater bottom line results.

If you want to know more about how you can capture the loyalty & support of your Team through cutting edge online surveys and research for employee engagement studies, customer satisfaction studies, employee satisfaction studies etc. please contact us.

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