

USING AN INTERNAL MARKETING PERSPECTIVE TO UNDERSTAND THE ROLE OF ASSOCIATE DELIGHT IN COMPANY PERFORMANCE

Keywords: *Hospitality Management, Human Resources, Associate Satisfaction, Associate Delight, Internal Marketing*

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Background and Objectives

In the hospitality industry, customers have more opportunities to interact with an associate, who is a product or service provider, during the consumption experience (Bigné, Andreu, and Gnoth, 2003, Mattila and Wirtz, 2000). Most hospitality organizations rely directly on their associates to deliver the quality of service to produce a meaningful point of differentiation from competitors. Such a point of differentiation can result in a significant competitive advantage (Bitner, 1992; McNeilly and Barr, 2006). Therefore, understanding *associate* satisfaction is becoming more important as related to organization performance and customer satisfaction. Many companies have invested considerable resources into strategies to increase associate satisfaction (Heskett, Heskett, Sasser, and Schlesinger, 1997; Jones, Loveman, Sasser, and Schlesinger, 1994).

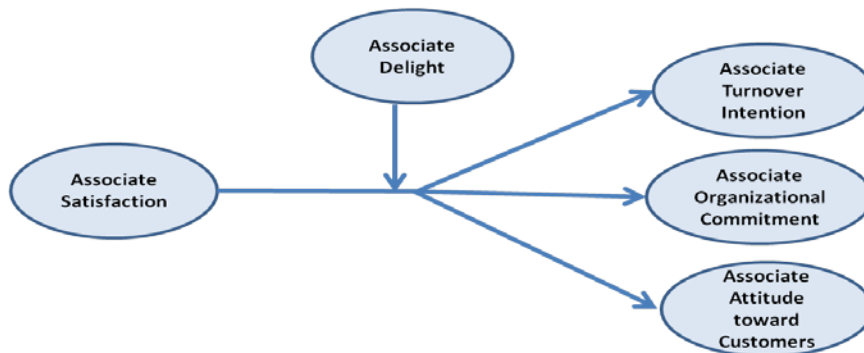
One of the essential strategies for increasing associate satisfaction is internal marketing, which is defined as treating associates as internal customers and viewing jobs as internal products that satisfy the needs of these internal customers while addressing the objectives of the organization (Berry, 1981; Berry and Parasuraman, 1991). The objective of internal marketing is to create an internal environment in which customer consciousness grows among personnel to increase the organizational commitment of employees (Tansuhaj, Wong, and McCullough, 1987), job performance, and lower turnover of associates (Jenkins and Thomlinson, 1992). The satisfaction of internal customers is important to the success of a service organization (Gremler, Bitner, and Evans, 1994). Additionally, Ahmed and Rafiq (2003) suggest that internal marketing activities improve an organization's competitiveness through influence and creation of motivation in employees, enhancing competences.

In order to evaluate internal marketing, several indicators were used such as salary, promotion, working environment, strategic rewards, internal communications, education and development, employment, reward systems, empowerment, creation of motivation, empowerment, and guidance and organizational incentives from the previous studies (Ahmed and Rafiq, 2003; Lings, 2004).

In marketing, the concept of customer delight has gained more attention from practitioners and researchers as a new strategy, which is crucial to the success of business organizations (Blackwell, Miniard, and Engel, 2006; Chandler, 1989; Keiningham and Vavra, 2001; Schlossberg, 1990). In the hospitality industry, in particular, understanding customers' emotional factors, such as delight, becomes more critical related to their loyalty, and loyalty-driven profit and customers are more likely to rely on explicit cues for assessing the provider's products and services (Bitner, 1992; McNeilly and Barr, 2006).

In this study, the concept of customer delight, which is an external marketing concept, is extended into internal marketing as a new approach to understanding associate satisfaction and its impact on company performance. It is designed to investigate the moderating role of associate delight as it relates to associate satisfaction, turnover intention, organizational commitment, and attitude toward customers in the context of the hospitality industry. Specifically, it is designed to empirically test associate delight, as a moderator in the relationships among the four constructs. This study will notably contribute both academic and industry's understanding about the role associate delight play in operational performance. From an academic perspective, this study will provide deeper insight of associate delight in terms of internal marketing. From a managerial perspective, this research can help managers to more effectively apply new internal marketing strategies. Based on the literature review, the model in Figure 1 is proposed.

Proposed Conceptual Model



Method

To study the relationships among the five constructs of associate satisfaction, delight, turnover intention, organizational commitment, and attitude toward customers, a popular and independent resort in a Midwestern destination was selected. A survey of the resort's associated will be conducted in March 2012 via a self-administered online survey using the web-based survey tool, *Qualtrics*. Subjects are all associates who are working at this resort, including full and part timers. Data will be analyzed using SPSS 17.0 software for descriptive statistics and structural equation modeling (SEM) to test the proposed model. Findings and implications for hospitality management will be discussed including suggestions for future research.

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