

**THE INFLUENCE OF INTERNAL MARKETING ON CUSTOMER  
BUYING DECISION  
A CASE OF NYANZA BOTTLING COMPANY LIMITED**

**THE INFLUENCE OF INTERNAL MARKETING ON CUSTOMER  
BUYING DECISION  
THE CASE OF NYANZA BOTTLING COMPANY LIMITED**

**By  
Tulinagwe Mwakalukwa**

**A Dissertation Submitted In Partial Fulfillment of the  
Requirement for The Master Of Business Administration in Corporate  
Management Of  
Mzumbe University  
2015**

## **CERTIFICATION**

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University ,a dissertation entitled **The influence of internal marketing on customer buying decision: A case of NBCL Company in Mwanza city**” in partial fulfilment of the requirement for award of the degree of Master of Business Administration of Mzumbe University.

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(Major Supervisor)

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Internal Examiner

Accepted for the Board of MUDCC

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**CHAIRPERSON, FACULTY/DIRECTORATE BOARD.**

## DECLARATION

I, **TulinagweMwakalukwa** declare that this research titled “**The influence of internal marketing on customer buying decision of NBCL product**” is a record of independent research work carried out by me and has not been previously submitted for the award of diploma, degree or any other study in any institution.

Signature .....

Date .....

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## **ACKNOWLEDGEMENT**

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My sincere appreciations to MrNicholausTutuba of Mzumbe University of Tanzania for his close supervision and directions in the whole process of completing my study. I thank him for his advice, suggestions, guidance, comments, feedback, challenges and contribution in this research project.

I also thank and honor faculty members of Mzumbe University of Tanzania and Lecturers for their willingness to give knowledge, ideas, and comments about this study. I also wish to register my appreciation to MBA students and employees and customers of NBCL for their support.

## **DEDICATION**

I dedicate this research project to my parents Mr.& Mrs. Mwakalukwa, my young brother IpyanaMwakalukwa and my two younger sisters Lulu Mwakalukwa and HefsibaMwakalukwa, my best friends Janet Giligita, Joanitha Joseph and JacklineAugustino for their continued support, encouragement, motivation, advise, suggestions and understanding throughout the period of my study without them I would not have made it.

## **ABSTRACT**

Internal marketing is a bidirectional process, training functions as a confidence building exercise and mechanism of employee reassurance, empowerment and an employee motivational construct. Is a concept which emphasizes that employees are a first market (segment) and a priority before external marketing in any company to prevail in the over changing environment. The purpose of this research was to examine the influence of internal marketing on customer buying decisions in Mwanza-city. The study was guided by the following objectives, to evaluate internal marketing as a marketing tool to influence customer purchase decisions for NBCL products, to determine the level of employees' internal marketing awareness and its importance towards customers buying decisions of NBCL Products and to identify steps involved by customers for purchase decision of NBCL Products.

This research adopted a descriptive research design incorporating both quantitative and qualitative approaches. The research involved 40 key account customer and 40 selected NBCL employees in Mwanza-city. The methods of data collection were; questionnaires and in-depth interview. Moreover, data were analyzed by using Statistical Package for Social Sciences (SPSS).

The findings revealed that internal marketing have an influence on customer buying decisions of NBCL Company such as enhance communication among workers, Motivate workers to provide good services to the external customers, Creates superior value and customer conscious about services, vision awareness to employees and insure less employee turnover. The findings suggested that employees were not aware of the internal marketing of NBCL Company. Also the study revealed that customers have several steps which they involves before making final buying decisions of NBCL products which includes need recognition, information search, evaluation of alternatives, buying decision and post purchase evaluation. The study gave out recommendations and areas for further research.

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Introduction**

Chapter one provided information about the background to the study, statement of research problem, significance and justification for research. It further presented the research objectives, research questions, scope of the study as well as delimitations of the study and definitions of key terms as discussed next;-

#### **1.2 Background of the study**

A rapidly changing economic environment, characterized by such phenomena as the globalization and deregulation of markets, changing customer and investor demands, and ever-increasing product-market competition, has become the norm for most organizations. To compete, they must continually improve their performance by reducing costs, and be innovating (Brian and Barry 1996)

Today, the conditions under which a company is working are constantly changing. Customers demand more than simply the core product. They want a wide range of values, attitudes and experiences. To what extent a company is able to deliver such an expanded product will essentially depend on whether the company employs staff with the right competencies, motivation and commitment. To develop and create a holistic and more profound customer experience requires well-functioning teamwork between employees, as well as successful interplay between employees and management. (Anne and Lars 2006)

The findings indicated that in Internal Marketing, internal communication is a bidirectional process, training functions as a confidence building exercise and mechanism of employee reassurance, whilst empowerment emerged as a motivational construct that enhances employee self-efficacy belief to orchestrate self-directed actions on behalf of the organization, thus internal marketing programs had a significant impact on employees' commitment on the influence customer purchase decision and overall profitability of the firm.(Khansa et al, 2012)

It has been determined that internal marketing has a great influence on organizational commitment directly and indirectly through market orientation. It means that factors of internal marketing influence market orientation directly and then market orientation affects organizational commitment. Effects of these factors are significant on organizational commitment directly (Mehdi 2011). The phenomenological analysis shows that internal communication, employee training, employee reward, employee empowerment, employee motivation, interdepartmental co-ordination, understanding the organization, employee commitment, and top management support constituted Internal Marketing invariant features. (Tom and Moriarty 1998)

In developing countries internal marketing is viewed as a marketing tool to influence customer purchase decision with the aim of prevailing in the competitive area where marketers involve added techniques to win the market at large. The challenge for marketers in building a strong internal marketing is how to build capacity and motivate their employees who have direct contact with customers and they can influence their customer purchase decisions because they know the products that their customers want. (Hoeffler and Keller, 2002).

The influence of internal marketing on customer purchase decisions is an area of growing research interest and it is more critical in soft drink companies, where customers choose products or services beyond mere acquisition of products or service (Joseph and Joseph 2000). There are several influencing factors that customers consider before making final purchase decision these include internal marketing, branding, price, quality, delivery, packages, promotion and color factor. These factors vary from one country to another, thus there was a need to assess internal marketing as an influence of customer purchase decision in developing countries such as Tanzania.

### **1.3 Statement of the Problem**

The competition in manufacturing business is becoming more competitive than ever. To win the competition, the manufacturing firms need to influence and satisfy the

customer by using different marketing mix such as promotion, internal marketing and so on, both internal customers and external customers. Satisfied customers (external) can be achieved if the employees (internal customers) are satisfied (Schultz 2002; Kotler, 2000).

Internal marketing is a concept which emphasizes that employees are a first market (segment) (Gronroos 2001. According to Kotler (2000), internal marketing should be as a priority before external marketing. As stated in the beginning, excellent product and services to customers are resulted from satisfied employees. Therefore, in relating with winning competitions, successful marketing can be achieved if firms are involved both in external and internal marketing.

Manufacturing industries in Tanzania has experienced a growing competition among investors due to the deployment of marketing strategies and techniques to influence customer purchase decisions among competing companies both locally and internationally (Sharma and Pathan,2011). Due to competitive pressure, marketers are trying the level best to offer differentiated products and establishment of internal marketing in order to compete for customers in their respective markets; however, internal marketing is not yet regarded as the first marketing tool to influence customer purchase decisions.

Despite the importance of Internal Marketing on influence of customer purchase decisions, there are indicators that manufacturing industries in Tanzania have not yet successful embraced the marketing philosophy or treating employees as the organization's most valuable asset and treating them as internal customers that may help organization gain a competitive advantage and achieve its objectives.

In Tanzania, customer purchase decisions could be influenced by geographical location, level of economy and technological level. Therefore, the influence of internal marketing in customer purchase decisions in one country may differ from other countries. Moreover, no study has been conducted in Tanzania about the influence of internal marketing on customer purchase decisions. Therefore this study

bridged the knowledge gap by examining the influence of internal marketing in customer purchase decisions- a case of Nyanza bottling company in Mwanza city.

#### **1.4 Research objectives**

##### **1.4.1 General Objective**

The general objective was to examine the influence of internal marketing on customer purchase decisions in soft drink industries in Tanzania.

##### **1.4.2 Specific Objectives**

The researcher achieved the general objective by using the following specific research objectives;

- (i) To evaluate internal marketing as a marketing tool to influence customer purchase decisions for NBCL products.
- (ii) To determine the level of employees' internal marketing awareness and its importance towards customer buying decisions of NBCL products
- (iii) To identify steps involved in customer purchase behaviors for NBCL products.

#### **1.5 Research questions**

The study was guided by the following research questions;

- (i) How can internal marketing be used as a marketing tool to influence customer purchase decisions for NBCL products?
- (ii) To what level do employees of NBCL Company are aware of the internal marketing and its importance on the influence of customer buying decisions of NBCL products?
- (iii) Which steps are they involved in consumer buying behaviors for branded products?

### **1.6 Significance and Justification of the study**

Internal marketing is recognized as a tool and techniques to influence customer purchase decisions in any country .In Tanzania internal marketing is an area of growing research interest because marketers in this country do not recognize as a first focus in achieving customers and it is more critical in soft drink manufacturing industries where there is no studies have conducted to show the influence of internal marketing on customerpurchase decisions.

This study provided useful information about the influence of internal marketing on customerpurchase decisions which will be beneficial tomarketers with a better view of the important of internal marketing on the influence of customer purchase decisions; hence marketers gained a better understanding about influence of internal marketing on customer purchase decisions.

In addition, the study provided useful information to both Students (research scholars). The study added literature to the existing body of knowledge which will help other researchers to use it in their research projects as part of their literature review and also the study suggested other areas for further researches to allow scholars in concentrating on areas to be studied.

Consequently, Marketers of companies would be able to improve their marketing strategies on the influence of customer purchase decisions of NBCL Company.

### **1.7 Scope of the study**

The study examined the influence of internal marketing on customer purchase decisions specifically for NBCL products in Mwanza-city Tanzania. The study was confined to NBCL employees and key account customers who have two years of experience (2013/2014 & 2014/2015). NBCL employees with one year of experience were not included because they were not stable to provide useful information about the influence of internal marketing on customer purchase decisions. Therefore all findings of the study was limited within this period.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This part covered the review of the literature and other research related to influence of branding on consumer buying decision in soft drink industry in Tanzania. This chapter first discussed internal marketing as a marketing tool; second part focuses on the influence of internal marketing on customer buying decisions of NBCL products. This chapter also discussed the steps involved in consumer buying behaviors for NBCL products. It further provided review of empirical studies in relation to the influence of internal marketing on consumer buying decisions in soft drink industries.

#### **2.2 Definition of the key terms**

##### **2.2.1 Internal marketing**

Refer the management philosophy of promoting the firm and its policies to employees as if they are the (internal) customers of the firm. The process of attracting, developing, motivating and retaining qualified employees through job-products that satisfy their needs (Berry & Parasuraman, 1991)

Joseph, (1996) defined internal marketing as the application of marketing, human resources management and allied theories, techniques and principles to motivate, mobilize, co-opt and manage employees at all levels of the organization to continuously improve the way they serve external customers and each other. In addition, Kohli, 1993) support that Internal Marketing is the process of promoting the company and its products to the employees. In other words, companies in the product industries have to develop programs that will be addressed to the internal market (their employees) as well as the external market (customers)

##### **2.2.2 Customers**

Defined as a party that receives or consume products (goods or services) and has ability to choose between different products and supplies. Entity within a firm who establishes the requirements of a process (accounting, for example) and receives the

output of that process (a financial statement, for example) from one or more internal or external suppliers (Panagiotiset *al*, 2007).

Moreover, customer is an individual or business that purchases the goods or services produced by a business, the customers is an end goal of businesses, since it is the customer who pays for supply and creates demand (Lewis, 2000)

### **2.2.3 Customer Purchase Behavior**

Arnould et al, (2004) defined that customer purchase behavior is the series of stages at which a customer makes the final decisions to select and buy a service or product. It is the actual purchase which is the common results of search and evaluation. If the expectation is met basing on the alternative evaluation, then the customer select and pay for the service or product.

### **2.3 Internal marketing as a tool to influence customer purchase decision**

Internal marketing views the employee as an internal customer, jobs as internal products and holds the view that all employees in an organization serve both a customer and a supplier even in the event where one or both of these are internal colleagues (Zeithaml and Bitner, 2003:319). The goal of internal marketing is to establish, implement and manage a customer-focused product culture, strategy and relationships, which should result in higher levels of service and product quality (Varey and Lewis, 2000:200).

In order to achieve the goal of internal marketing, organizations need to recognize that marketing strategies should not only be aimed at external customers, but should also be implemented internally and achieve better internal communication. Therefore the internal marketing mix have to be of central importance in services and product organizations as each element represents cues that customers rely on in judging quality and overall image (Mudie and Pirrie, 2006:6).

Internal marketing emerged in 1960s as a way to deliver high quality products and services (Rafiq and Ahmed, 2000; Bennett and Barkensjo, 2005). The rationale behind internal marketing is the belief that by satisfying internal customers (employees) the organizations will strengthen its human capital and will be better

positioned to satisfy the requirements of its external customers (Berry, 1981). This is based on the assumption that fulfilling employees' needs will increase their motivation and commitment, and enhance their performance. A key assumption underlying this view of IM is based on the notion that "to have satisfied customers, the firm must have satisfied employees".

Gronroos (1981), suggested that internal marketing objective should not only focus on satisfying employees to motivate them to do better job, but it must promote them to provide customer conscious behavior in order to have a positive impact on the influence of customer purchase decision due to the quality being delivered and the firm as a whole and take advantage of the marketing opportunities that may occur during the interaction between the customers and contact employees. Also, he suggests that to provide superior value to the external customer, it is important that superior value is provided at each point of the value chain. Hence, internal suppliers need to focus on satisfying the requirements of their internal customers, which makes every employee is both a supplier and a customer to other employees within the organization.

Piercy and Morgan (1991) considered internal marketing as a strategic tool that can be used to facilitate the implementation of the external marketing strategies, where the goals of the internal marketing plan are taken directly from the implementation requirements for the external marketing plan. Rafiq and Ahmed (1993) extended the role of IM by arguing that it can be used as a mechanism to facilitate the implementation of any functional or corporate strategy, through using marketing like activities to overcome the employees' resistance to change. This has led to a widening of IM applications to any type of organization, not merely to services.

Successful internal marketing programs lead to important payoffs for an organization. Arnett et al., (2002) believe that the benefits of internal marketing stem from four main sources. First, the reduction in employee turnover rates which in turn will decrease both recruiting and training costs. When fewer new employees are needed, resources that would have been directed to filling empty positions and training new employees can be used for other purposes (e.g., improving the skills of existing

employees). In addition, low turnover rates translate into less stress for existing employees. Second, the increase in service quality, this is because internal marketing is designed to improve the way a company serves its customers and encourage employees to continually improve the way they influence customers to purchase products and each other. Third, the increase in employee satisfaction motivates workers to be more engaged and, as a result, they are more likely to take actions that result in increased customer purchase decisions and profitability. Fourth, one of the most difficult things to manage in organizations is change. For organizations in transition, internal marketing is crucial. Internal marketing helps to reinforce and develop a culture where the need for change is understood and accepted. As a result, the organization is more successful at implementing new strategies, which improves the chances that the strategies will be successful to influence customer purchase decisions.

#### **2.4 Features of the Internal Marketing Oriented Business**

Jeff Pervaiz (2005) added by describing the features of the internal marketing oriented Business as follows: Creating enabling culture which is done when employees are empowered by management through allowing creativity, innovation, allowing initiative and accountability and responsibility of their decisions, and Practicing participative hiring which involves current employees in the process of hiring new employees, also Ensures equitable recognition and reward to the employees working in an organization. Demonstrating fairness during hard times to the employees when they are faced with hard times and difficult moments like death of the near family member which can be achieved by setting aside emergency funds marks another feature. Good organization structure that allows learning, total quality management and the re-engineering.

#### **2.5 Strengths of Internal Marketing**

In the 1990s two academics in the UK, Rafiq and Ahmed (1990) developed what was essentially a hybrid approach to internal marketing. They took the best of Berry and Gronroos, added some conceptual thinking and developed another form of internal marketing. In their approach, they proposed that internal marketing was inherently

difficult to implement because of inter-functional conflicts between departments, management and employees and the firm's inherent resistance to change. Thus, their methodology focused on overcoming organizational inertia by identifying the specific behavioral changes employees needed to make. They then related those behavioral changes to the various departments and groups within the firm. That provided the base for the development of cross-functional integration within the firm.

In view of the above discussion, Ahmed and Rafiq (2004) have asserted by listing those strengths namely: Internal marketing encourages the internal market (Employees) to perform better, and Internal marketing empowers employees and gives them accountability and responsibility, and Internal marketing creates common understanding of the business organization. Internal marketing initiates employees to offer excellent service to the clients by appreciating the valuable contribution of the employees to the success of the business. Internal marketing helps non-marketing staffs to learn and be able to perform their task in marketing like manner. Internal marketing improves customer's retention and individual employee development. Internal marketing integrates business culture, structure, human resources management, vision and strategy with the employee's professional and social needs. Internal marketing creates good coordination and cooperation among the departments of the business.

## **2.6 Challenges for implementing of Internal Marketing**

Despite the strengths of internal marketing there are some other aspects that Internal Marketing has not met with more management implementation success; other authors advocate the weaknesses as highlighted by Rafiq and Ahmed (2004): Managerial incompetence in inter-personal, technical and conceptual skills in some of the stumbling blocks against successful internal Marketing. Lack of understanding of internal marketing concept, Individual conflict between departments makes the implementation of internal marketing difficult. Rigid organizational structure coupled by bureaucratic leadership hinders success of internal marketing. Ignoring and not listening to sub-ordinate staffs. The tendency of ignoring employee's importance and treating them like any other tools of the business, Unnecessary protection of

information against employees and resistance to change the environment of the organization.

## **2.7. Customer buying decision Making Process**

The influence of internal marketing on customer purchase decision is related to five logical steps of customer decision making process and these includes; Need recognition, Information search, Evaluation of alternatives, Purchase decision and Post purchase evaluation.

### **(i) Need recognition**

The recognition of a need or want is likely to occur when a consumer is faced with a problem (Peter and Olson, 2005). The different way to characterize need and mostly known is that of Maslow's hierarchy of needs arranged from lower -level to higher-level needs( Maslow, 1954).

For customers, Problem recognition may occur through the realization that one product is not sufficient and that changing the product in the market can results into other taste and preferences. Berman and Evans (2001) noted that customers may be aware of the need, but may not be able to do anything about it due to inability to fulfill his/her need. Problem recognition requires the customers to have both ability and willingness to fulfill the need.

### **(ii) Customer Information search**

Once a customer has recognized the need, they search for information on available products that can satisfy the need. Information search can originate from internal and external search. (Hawkins, 2004) found that sources of information include personal sources (friend and family), Public sources, employees' through word of mouth, marketing-dominated sources (advertising), Websites or Brochures of the organizations and experiential sources such as campus visits.

Companies must understand the information gathered activities of prospective customers and help them to find such brands characteristics ns in order to be considered as possible alternative to customers.

### **(iii) Evaluation of alternatives**

Based on the information customers have gathered, they screen and reduce the awareness set of options using different choice criteria for example packages, taste, quality, price, beliefs, demographics, differentiations and perceived risk (Harrison, 2000). If the consumer does not have prior experience or have limited or negative experiences, then the screening options will largely dependent on the effectiveness of the internal information.

In NBCL Company, customers do find it difficult to evaluate the products utility they need to purchase in advance but do form certain expectations before consuming the products. However, information from employees (internal marketing) help to influence customer purchase of a particular brands

### **(iv) Consumer buying decision**

Arnould et al, (2004) indicated that this is the stage at which a customer makes the final decisions to select and buy a product. It is the actual purchase which is the common results of search and evaluation. If the expectation is met basing on the alternative evaluation, then the consumer select and pay for the product.

Marketers can influence customer purchase decision by means marketing strategy such as internal marketing (Rousseau, 2005).

### **(v) Post Purchase evaluation**

In the post- purchase evaluation, consumers build experience and knowledge about the purchased products. Lovelock and Wirtz, (2006) concluded that after purchase of the products consumers have unsettled mind because of thinking too much about product performance (cognitive dissonance). Peter and Donnelly, (2007) indicated that if customer finds that a Particular product selected fulfills the need for which it was purchased, the probability to re-purchase next time when need arises becomes high, likewise, if a response does not satisfy the need adequately, the probability that the same response will be repeated is reduced.

For this study, customers can evaluates the outcome of the product brands selected from a particular soft drink company according to their expectations.

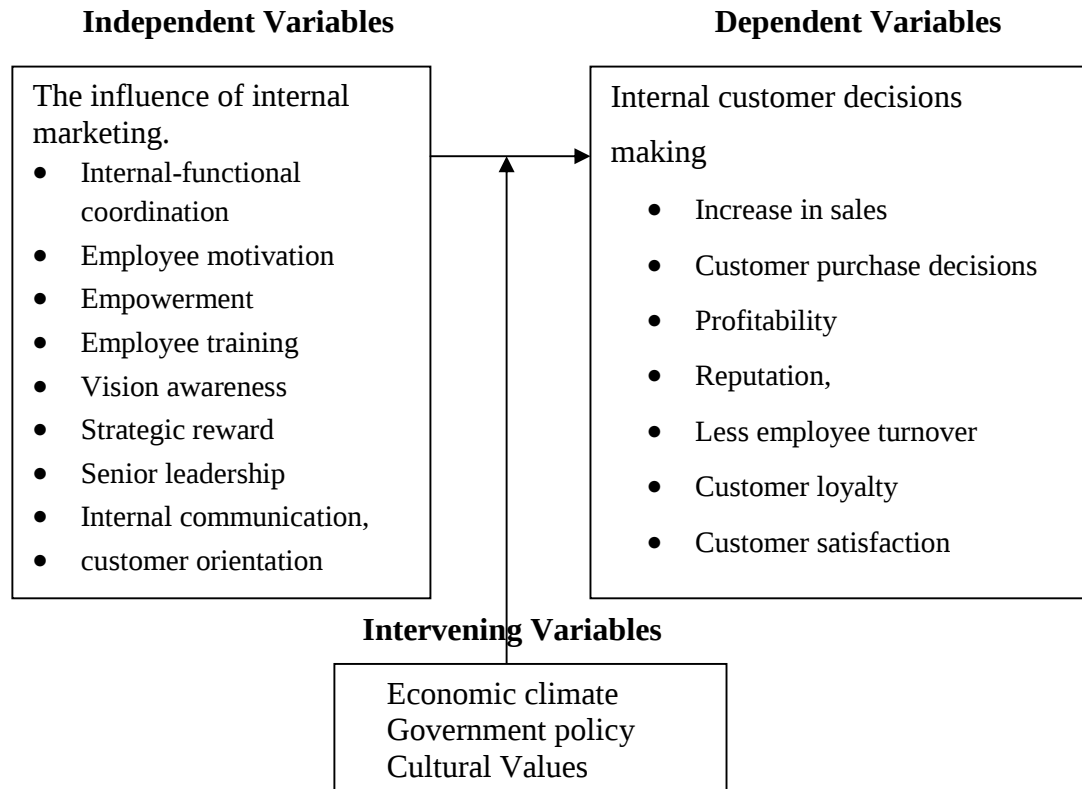
In brief, the five phases of customer purchase behavior does not necessarily follow the sequence but consumer decision making process is adjusted depending to the complexity of the products purchased.

Therefore, this research was guided by the **consumer buying behavior theory**. Consumer decision making has long been of interest to researchers. Beginning about 300 years ago early economists, led by Nicholas Bernoulli, John von Neumann and Oskar Morgenstern, started to examine the basis of consumer decision making (Richarme 2007). This early work approached the topic from an economic perspective, and focused solely on the act of purchase (Loudon AND Della Bitta 1993). The most prevalent model from this perspective is 'Utility Theory' which proposes that consumers make choices based on the expected outcomes of their decisions. Consumers are viewed as rational decision makers who are only concerned with self interest (Schiffman AND Kanuk 2007, Zinkhan 1992).

## **2.8 Conceptual Frame work**

This section developed a conceptual framework that guided the researcher in the whole processes of conducting the study. The conceptual framework gives the issues under the study in either graphically or in a narrative form (Miles and Herberman, 1994). This study explained the main issues graphically by showing the relationship between variables (independent, dependent and intervening variables).

**Figure 1.1 Conceptual frameworks for this study.**



**Source:** Developed by the researcher (2015)

The conceptual framework in the figure 2.1 above show the relationship between independent and dependent variables as well as intervening variables. The independent variables are the influence of internal marketing which were conceptualized as internal-functional coordination, employee motivation, empowerment, employee training, vision awareness, strategic reward, senior leadership, internal communication and customer orientation.

In contrast, the dependent variables were outcomes of independent variables which are conceptualized increase in sales, customer purchase decisions, profitability, and reputation, less employee turnover,

.

Moreover, the intervening variables which include economic climate, Government policy, and cultural values are taken into consideration for their moderating effect on the independent variables. This research focused to find whether mentioned variables

interact to influence customer purchase decisions for NBCL product in Mwanza city with the aim of addressing the study problem

## **2.9 Empirical Literature Review**

Doukakis (2002) conducted a study titled internal marketing as a means for influencing consumer purchase decision in UK. The main purpose of the study was to evaluate the impact of internal marketing on customer purchase decisions. The study involves 120 retail banks by using mailed questionnaires. The study revealed that internal marketing motivate workers, reduce labour turnover, and enhance communication to external customers which can results into purchase decisions among customers.

Ahmad and Al-Borie (2012), conducted a study on Impact of Internal Marketing on Job Satisfaction and Organization Commitment in Saudi Arabia. The purpose of the study was to examine the impact of internal marketing on employee job satisfaction and commitment to external customers in telecommunication industries. The methodology used in the study was multiple regression analysis. The research's findings showed that internal marketing act as training ground (capacity building to employees), incentives, and retention policy, promoting company product and employee commitment towards customer services

Seliman, (2000) carried out an intensive study about the roles of internal marketing in supporting the competitive position of an organization. The study involved 200 respondents from four private

Financial institutions by using a set of questionnaires and interview guide as the tool for collecting data. The study revealed that internal marketing creates superior value and customer conscious about the services the company it offers, mobiles and promote the products or services of the company as well as internal marketing strengthen human capital.

Cohen *et al*, (2007) performed an investigation on the impact of internal marketing in raising company sales in Newzealand. The main purpose of the study was to examine

the relationship between internal marketing and company sales. The study involved 350 respondents who were surveyed within the period of four months. The study findings indicated that internal marketing manage a customer- focused product culture and ensure effective coordination in the whole supply chain of the company.

### **2.10 Research Gap**

Despite the fact that the findings in the previous section showed that internal marketing have an influence on customer purchase decisions but all of the studies in previous section were done outside Tanzania environment which could be quite different to that of Tanzania. The level of internal marketing on influence of customer purchase decisions may differ from one country to another due to different in technological level, culture, economy, reputation, government policy and nature of customers. Therefore, there is a need to carry out a research relating to Tanzania context which focuses on the influence of internal marketing on customer purchase decisions especially in NBCL company where no study have been conducted about the issue in hand. The current study bridges the gap by conducting a study on the influence of internal marketing on customer purchase decisions - a case of NBCL Company in Mwanza city Tanzania.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter described the methods which were used in carrying out this study. The chapter was therefore mapping, research design, area of the study, population of the study, sample size and sampling procedures, unit of inquiry, data collection techniques, data analysis procedure and data quality control as well as ethical issues were also be discussed

#### **3.2 Research Design**

Research design is defined as “the arrangement of conditions for the collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure” (Kothari (2008). That is, it is the conceptual structure/plan within which research was conducted and constitutes the blueprint for collection, measurement and analysis of data

It is concerned with description of market characteristics (defining who, where, when, how and what) through survey of target population, recording their responses for analysis. The importance of the research design is to ensure that all aspects of the study are well addressed and implemented to enable right use of time and resources as well as enable accurate assessment of validity and reliability (Easwaran , 2010).

The current study adopted a descriptive research design incorporating both quantitative and qualitative approaches as they complement each other. Descriptive research design helped the current researcher to understand the phenomenon and to get the broad picture of the phenomenon as it provides a tool for describing a phenomenon (population characteristics) which helped to give ideas for further probing and make simple decisions (Sekeran, 2003)

#### **3.3Area of the Study**

The study carried out at Nyanza Bottling Company (NBCL) in Mwanza city. The choice of the study is based on the fact that NBCL is one of the marketing industries to implement internal marketing to the organization and the employees who are practitioners of the day to day activities.

The researcher used Mwanza region as a study area due to familiarity with the region and for convenient purpose since the region was easy accessible and it was cost effective in collection of data and organizing the report because the researcher live in Mwanza region.

The key economic activities in Mwanza region included fishing, tourism, trade, transportation, agriculture and mining.

### 3.4 Target Population

Krishnashwami, (2003) defined population as a group of individuals who have the same characteristics in common that is of interest to the researcher. The target population of this study includes employees from various departments of NBCL Company. This study involved selected key account customers of NBCL products located in Nyamagana district. The total target population was 200 of which 100 employees from NBCL Company and 100 key account customers of NBCL products. Details of each category of target population is indicated in table 3.1

**Table 3.1 The target population of this study**

| S/N          | Target population of NBCL company              | Target Population |
|--------------|------------------------------------------------|-------------------|
| 01           | Sales section                                  | 55                |
| 02           | Marketing Departments                          | 20                |
| 03           | Research and development department            | 25                |
|              | Selected key account customers of NBCL company | 100               |
| <b>TOTAL</b> |                                                | <b>200</b>        |

**Source:** NBCL Annual Report, (2015)

### 3.5 Sample size and Sampling procedure

Sample size is a subset of the target population and it is used to represent the population of the study (Kothari, 2008). This means that if the sample is carefully selected and if the sample is optimum to fulfill the requirements of efficiency, representative, reliability and flexibility then the information gathered from the sample can be used to generalize the general population.

A large sample might vary depending on the degree of representation of the population concerned and the constraints. There are different approaches that can be used to calculate sample size. Godfrey (1977) proposed a general rule of 25% of the population if the target population contains 400 to 1000 research participants and when they are highly dispersed.

In addition, Roscoe (1975) proposed a general rule of thumb to determine the sample size. He proposed that for a population of greater than 5,000, a sample size greater than 30 and less than 500 respondents is adequate provided the sample are to be broken into sub-samples (males/females, juniors/seniors etc.) and a minimum of 30 for each category is necessary.

Huysamen, (1991) proposed a general rule of 40% of the general population as the reasonable sample size if the target population is not homogenous and so diverse to collect valid and reliable data. Since the target population for this study is so diverse to enable meaningful data collection, the current researcher will adopt a general rule of 40% as proposed by Huysamen, (1991)

Therefore, the sample size of 80 ( $40\% \times 200$ ) including carefully selected key account consumers and employees of NBCL company. Table 3.2 summarized the target population and its sample size of this study

**Table 3.2 The target population and its sample size**

| S/N          | Target population from NBCL company            | Target Population | Sample size | %  |
|--------------|------------------------------------------------|-------------------|-------------|----|
| 01           | Sales section department                       | 55                | 22          | 40 |
| 02           | Marketing Departments                          | 20                | 08          | 40 |
| 03           | Research and development                       | 25                | 10          | 40 |
|              | Selected key account customers of NBCL company | 100               | 40          | 40 |
| <b>TOTAL</b> |                                                | <b>200</b>        | <b>80</b>   |    |

**Source:** Developed for this study, (2015)

### **3.6 Sampling Techniques**

According to Kothari, (2008) “Sampling is that part of statistical practice concerned with the selection of individual observations intended to yield some knowledge about the population of concern, especially for the purpose of statistical inferences” . For the purpose of this study purposive and simple random sampling will be used to select target audience of the study.

Purposive sampling will be employed to select respondents from different categories of employee positions from NBCL Company. This procedure is more useful in understanding the audience and their behaviour; it involves using common sense and the best judgment in choosing the right officials (Kombo, 2006). This procedure was used to select employees of NBCL Company whom the researcher will consider them to provide detail and accuracy information about the influence of internal branding on customer purchase decisions.

Another approach that will be used to select respondents of this study is simple random sampling. This approach will be used to select key account customers of NBCL company products .This technique provided every element in the population an equal chance of being selected as a subject. This method used to select key account customers who are homogenous and thus simple random sampling was most appropriate.

### **3.7 Sources and Data Collection methods**

#### **3.7.1 Sources of data**

This study was determined by primary and secondary data sources. The researcher used both data sources due to the following reason; both helped in the collection of information from different sources.

##### **(i) Primary Sources of Data**

Easwaran and Singh (2010) defined primary data as those data collected afresh and specifically for the purpose of providing information on decision under question. In this study questionnaires and interview was used as a tool for collecting primary data.

### **(ii) Secondary data**

Secondary data are the data that already exists in published reports, books and internet and that which is not collected specifically for providing information on the decision under the question (Saunders et al 2003). In this study, the secondary data was collected by reviewing existing annual marketing report on internal marketing and its influence on customer purchase decisions.

### **3.8 Data Collection Methods or Technique**

The study employed various data collection methods including documentary searches for secondary data collection. For the primary data collection, questionnaires and interview guide was used to get information as explained next;

#### **(i) Questionnaire**

Lewis and Thornhill, (2003) indicated that questionnaire is a data collection technique in which each person is asked to respond to the same set of questions in a predetermined order. The researcher developed structured questionnaires that were distributed to key account customers. This method employed by the researcher because the information was collected from large sample which was more diverse; therefore, questionnaire was less expensive. The researcher pre-tested the questionnaire to 05 respondents who were accessible, willing and thereafter the suggestions from respondents were considered to form the final version of questionnaire that was uniform to all respondents.

#### **(ii) Interview**

Interview is the presentation of oral- verbal stimuli and reply in terms of oral- verbal responses. It can be used through personal interview and, if possible through telephone interview (Kothari, 2008). The researcher employed a combination of structured questions and unstructured face-to-face questions for the interview to obtain data from respondents. This tool were used by the current researcher in order to give chance to the respondents to give additional information and opinions about the study which added value for this study and also with this method the researcher was able to control the accuracy and dependability of information according to the

research needs from respondents. This method was used for employees of NBCL Company to get detailed information about this study as previously stated.

### **3.9 Data Analysis**

Krishnaswami (2003), indicated that data analysis as a critical examination of the assembled and grouped data for studying the characteristics of the object under study and for determining patterns and relationships among the variables relating to the study topic. For the purpose of this study, both quantitative and qualitative data analysis technique were used.

#### ***Quantitative data analysis***

Data that were collected by using questionnaires was first be edited, summarized, and then computed, analyzed by using Statistical Package for Social Sciences (SPSS) software to generate frequency distribution percentage, tabulations and descriptive output such as mode, mean and standard deviations. Then after, the information were linked with the research objectives to address the research problem.

#### ***Qualitative data analysis***

Data that were collected by using interview method which were essentially text messages was systematically coded, and classified into broad descriptive categories regarding themes and meanings. Then after was linked to the research objectives/questions to generate meaning about the study topic as well as supplement data from questionnaires.

Since the main purpose of the this study was to get a broad picture and understanding of the phenomenon relating to the problem under study, therefore, simple descriptive statistics of frequency tables was used to analyze and present quantitative data from questionnaire. Furthermore, text data from interview were presented as quotations

### **3.10 Reliability and Validity of Research design**

The quality of research depends on the design of research instruments as well as application of these instruments in data collection in the field. There were several criteria or tests for judging the quality of any empirical research. These included validity and reliability (Easwaran and Singh 2010) and how each was achieved is discussed next:

### **(i) Validity**

Validity is the extent to which the instruments used during the studies to measure the issues they are intended to measure (Amin, 2005). To ensure validity of instruments, the questionnaires and interview protocols were developed under close guidance of the supervisor. These questionnaires were pre-tested with 05 participants from target population and their suggestions were considered to make final draft of questionnaire which helped to identify ambiguous questions in the instruments and also by using operational measures for all concepts under study. Moreover, validity was achieved by developing the conceptual framework as described in section 2.8 of this study.

### **(ii) Reliability**

Reliability is the extent to which results are consistent over time and an accurate representation of the total population under the study, and if the results of the study can be reproduced under similar methodology, the research instrument is considered to be reliable (Joppe, 2000).

Reliability refers to whether “the measurement obtained from variables of interest is constant”. In this study, reliability was achieved by analyzing quantitative using statistical package for social sciences (SPSS) software to ensure consistency of the research results.

## **3.11 Ethical considerations**

Consideration of ethical issues is an integral part to the research process, therefore, a researcher need to consider the potential damage their study can cause to themselves, the community and to respondents when conducting their research (Miles and Herberman, 1994). In this study, the following ethical issues were taken into account;

### **(i) Informed consent**

In this study, the respondents were informed with all aspects of the research that might influence their decisions to seek their willingness to take part in the study.

### **(ii) Confidentiality and anonymity**

Respondents' name and their responses were not disclosed to the third party without the informed consent of the respondent. The researcher informed the respondents to the questionnaire that this study was for academic purpose and not otherwise.

### **(iii) Plagiarism and fraud**

To avoid Plagiarism and Fraud, the researcher did not “Cut and Paste” but instead source of and authors were acknowledged. Furthermore, the researcher requested permission letter from the university authorities to show the respondents before conducting the research.

By applying the proposed ethical strategies as explained above, the researcher was able to obtain superior and sound data that enabled the research findings to be of high value in addressing the real picture of the phenomenon under the study.

## **CHAPTER FOUR**

### **DATA ANALYSIS AND DISCUSSION ON FINDINGS**

#### **4.1 Introduction**

The purpose of this study was to examine the impact of internal marketing as a marketing tool on customer buying decisions, a case of Nyanza bottling Company Limited (NBCL) in Mwanza city. This chapter included the findings from questionnaires and interview which were conducted from customers and management of NBCL Company in Mwanza city. The results of this study were divided into three major categories of research objectives. These were

- (i) To evaluate internal marketing as a marketing tool to influence customer purchase decisions for NBCL products.
- (ii) To determine the level of employees' internal marketing awareness and its importance towards customers buying decisions of NBCL Products
- (iv) To identify steps involved by customers for purchase decision of NBCL Products.

#### **4.2 Background of respondents**

This study involved two categories of respondents' namely key account customers and employees NBCL Company in Mwanza city. The total numbers of respondents were 80 of which 40 were key account customers of NBCL Company and 40 were management of NBCL Company. Therefore a total of 100 questioners were sent to respondents and only 80 were returned complete and usable. These represent 80% of response rate. Mugenda and Mugenda, (2003) indicated that the industry level of respondent should be within the range of 40% - 60% which be above the industry level. Therefore, 80% of the response rates obtained by the researcher of this study from the target sample size were satisfactory. Categories of respondents and their response rate were shown in the table 4.1 below;

##### **(i) Categories of respondents and response rate**

**Table 4.3 categories of respondents**

| S/N | Categories of respondents | Sample size | Questionnaires returned complete and useable | Response rate (%) |
|-----|---------------------------|-------------|----------------------------------------------|-------------------|
| 1   | Management of NBCL        | 52          | 40                                           | 76.9              |
| 2   | Key Customers of NBCL     | 48          | 40                                           | 83.3              |

Source: Field data, 2015

## **(ii) Characteristics of respondents**

### **(a) Respondents' gender**

**Table 4.4 Gender of respondents**

| Gender | Frequency | Percent |
|--------|-----------|---------|
| Male   | 53        | 66.2    |
| Female | 27        | 33.8    |
| Total  | 80        | 100.0   |

Source: Field data, 2015

As indicated in table 4.4, 66.2% of respondents were male and 33.8% of respondents were female. This means that males were the majority of respondents from NBCL Company in Mwanza-City.

### **(b) Respondents' age**

**Table 4.5 Age of respondents**

| Age            | Frequency | Percent |
|----------------|-----------|---------|
| 18-25 years    | 15        | 18.7    |
| 26-35 years    | 32        | 40.0    |
| 36-45 years    | 12        | 15.0    |
| 46-55 years    | 11        | 13.8    |
| 56 above years | 10        | 12.5    |
| Total          | 80        | 100.0   |

Source: Field data, 2015.

As shown in the table 4.5, most of the respondents (58.7%) have range between 18 to 35 years followed by age of 36-45 years (15%), 46-55 years (13%) and 12,5% have an age of 56 and above years . Therefore, the target respondents of this study were youth who are very sensitive in buying decisions and always involve several stages to reach the final buying decisions.

#### **4.6 Research Objectives**

This study had three research objectives and the results for each research objective were discussed next;-

**4.7 Research objective 01: To evaluate internal marketing as a marketing tool to influence customer purchase decisions for NBCL products.**

**(i) Enhance communication and coordination among workers**

**Table 4.8 Enhance communication and coordination among workers**

| Response          | Frequency | Percent |
|-------------------|-----------|---------|
| Strongly disagree | 09        | 11.2    |
| Disagree          | 10        | 12.5    |
| Neutral           | -         | -       |
| Agree             | 29        | 36.3    |
| Strongly agree    | 32        | 40.0    |
| Total             | 80        | 100.0   |

Source: Field data, 2015

Table 4.8 showed that 76.3% of respondents agreed/strongly agreed that internal marketing as a marketing tool enhance communication and coordination among workers in the organization which in turn can results into good treatment of external customers while 23.7% of the respondents disagreed with that statement because they are not even aware with the internal marketing in the organization on the influence of customer buying decision. These results suggest that internal marketing enhance communication among workers and hence employees can help to build confidence to external customers about NBCL Products which influence customers' buying decisions.

**(ii) Motivate workers to provide services**

**Table 4.9 Motivate workers to provide services**

| Response          | Frequency | Percent |
|-------------------|-----------|---------|
| Strongly disagree | 12        | 15.0    |
| Disagree          | 13        | 16.3    |
| Neutral           | 05        | 6.2     |
| Agree             | 30        | 37.5    |
| Strongly agree    | 20        | 25.0    |
| Total             | 80        | 100.0   |

Source: Field data, 2015

Table 4.9 indicated that 62.5% of respondents agreed/strongly agreed internal marketing as a marketing tool has an influence on customer buying decision while 31.3% of respondents disagreed/strongly disagreed with that statement and small percent (6.2%) of respondents remain undecided. These results indicate that internal marketing motivate workers to provide good services to the external customers because workers in the position to know the real products the company is offering with confidence and also workers feel with the sense of belonging because of capacity building provided to them and hence they can influence customer buying decisions with maximum efforts.

**(iii) Act as a training ground to both employees and customers**

**Table 4.10 Act as a training ground to both employees and customers**

| Response          | Frequency | Percent |
|-------------------|-----------|---------|
| Strongly disagree | 23        | 28.7    |
| Disagree          | 27        | 33.8    |
| Neutral           | 10        | 12.5    |
| Agree             | 13        | 16.2    |
| Strongly agree    | 07        | 8.8     |
| Total             | 80        | 100.0   |

Source: Field data, 2015

As noted in table 4.9, 62.5% of the respondents disagreed/strongly disagreed that internal marketing did not act as a training ground of both employees and customers and 25% of the respondents agreed that internal marketing as a marketing tool act as a training ground to both customers and employees while few respondents (12.5%) remained silence. Therefore, the finding of these study suggest that internal marketing were not a training ground to both customers and employees because internal marketing as a marketing tool deal with internal customers and not external customers, instead, internal marketing help employees to understand how, what, and why about the product and explain clearly the features and marketing techniques to external customers about the NBCL Company Products to influence customer buying decisions.

**(iv) Creates superior value and customer conscious about the services**

**Table 4.10 Creates superior value and customer conscious about the services**

| Response          | Frequency | Percent |
|-------------------|-----------|---------|
| Strongly disagree | 10        | 12.5    |
| Disagree          | 11        | 13.8    |
| Neutral           | 15        | 18.7    |
| Agree             | 20        | 25.0    |
| Strongly agree    | 24        | 30.0    |
| Total             |           | 100.0   |

Source: Field data, 2015

Table 4.10 indicates that 55% of respondents agreed/strongly agreed that internal marketing creates superior values and customer conscious about the services while 26.3% of the respondents disagreed/strongly disagreed to that statement and few respondents (18.7%) were neutral. These results indicate that most of respondents agreed that internal marketing as a marketing tool creates superior value and customer conscious about services because when internal customers(employees) clearly understand the product features, they normally gain confidence to offer added and superior value services to the external customers which in turn influence customer buying decisions of NBCL products.

**(v) Vision awareness to employees and customers**

**Table 4.11 Vision awareness to employees and customers**

| Response          | Frequency | Percent |
|-------------------|-----------|---------|
| Strongly disagree | 07        | 8.8     |
| Disagree          | 13        | 16.3    |
| Neutral           | 10        | 12.5    |
| Agree             | 21        | 26.2    |
| Strongly agree    | 29        | 36.2    |
| Total             | 80        | 100.0   |

Source: Field data, 2015

The results from table 4.11 show that 62.4% agreed/strongly agreed that internal marketing influence customer buying decisions of NBCL Company by creating vision awareness while 25.1% disagreed with that statement and 12.5% of the respondents remained neutral. This result indicates that internal marketing as a marketing tool results into vision awareness to employees and customers at large since employees are kept informed about the general trend of the current product features and marketing techniques and hence they channel this information to external customers to influence customer buying decisions.

**(vi) Insure less employee turnover**

**Table 4.12 Insure less employee turnover**

| Response          | Frequency | Percent |
|-------------------|-----------|---------|
| Strongly disagree | 14        | 17.5    |
| Disagree          | 10        | 12.5    |
| Neutral           | 06        | 7.5     |
| Agree             | 20        | 25.0    |
| Strongly agree    | 30        | 37.5    |
| Total             | 80        | 100.0   |

Source: Field data, 2015

Table 4.12 showed that 62.5% of the respondents agreed/ strongly agreed that internal marketing in the organization ensure less employee turnover. However, 30.0% of respondents disagreed/ strongly disagreed with that statement and few respondents (7.5%) were neutral. The results suggested that internal marketing insure less employee turnover because internal marketing enable employees have sense of belonging and they are encouraged to work with the strategic plan which in turn results into less employee turnover. If the employees are retained for the long time, they build strong relationship with their customers and the strategic relationship help to influence customer buying decisions.

#### **4.3.2 Research objective 02: To determine the level of employees' internal marketing awareness and its importance towards customers buying decisions of NBCL Products**

**a) Level of employees' internal marketing awareness to NBCL products**

**Table 4.13 level of employees' internal marketing awareness to NBCL products**

| Response          | Frequency | Percent |
|-------------------|-----------|---------|
| Strongly disagree | 28        | 35.0    |
| Disagree          | 30        | 37.5    |
| Neutral           | 10        | 12.5    |
| Agree             | 07        | 8.8     |
| Strongly agree    | 05        | 6.2     |
| Total             | 80        | 100.0   |

Source: Field data, 2015

From the table 4.13, 72.5% of the respondents disagreed/strongly disagreed that they were aware of internal marketing while 39.4% agreed/strongly agreed to be aware with internal marketing and small percent (12.5%) of respondents remained silent. The results of this study indicated that employees were not aware of the internal marketing of NBCL Company because there are no formal arrangements for internal marketing techniques to the employees (internal customers) in order

to influence external customer buying decisions toward NBCL products. The NBCL Company management involve only marketing team in the process of ensuring customers purchase the company products, instead of involving the whole management in internal marketing with the aim of joining management efforts towards customer buying decisions. The finding of this study also indicated that the NBCL Company do not offer incentives to internal customers (employees) such as quantity discount, bonus, rewards, get together that can help to encourage employees to market the products through word of mouth.

**(b) Importance of internal marketing towards customers buying decisions of NBCL Products.**

**(i) Achieving of specific age group needs**

**Table 4.14 Achieving of specific age group needs**

| Response          | Frequency | Percent |
|-------------------|-----------|---------|
| Strongly disagree | 12        | 15.0    |
| Disagree          | 13        | 16.2    |
| Neutral           | 03        | 3.8     |
| Agree             | 28        | 35.0    |
| Strongly agree    | 24        | 30.0    |
| Total             | 80        | 100.0   |

Source: Field data, 2015

As indicated the table 4.14, 65.0% of the respondents agreed/strongly agreed that internal marketing have an importance of achieving of specific age group while 31.2% of the respondents disagreed/strongly disagreed with that statement and small percent (3.8%) of the respondents remained neutral. The findings of this study indicate that internal marketing achieve specific age group needs because employees (internal customers) gain marketing techniques of approaching different age group needs in the process of internal marketing which can help to tackle different age groups with customized services to their external customers.

**(ii) Delight customer services**

**Table 4.15 Delight customer services**

| Response          | Frequency | Percent |
|-------------------|-----------|---------|
| Strongly disagree | 20        | 25.0    |
| Disagree          | 14        | 17.5    |
| Neutral           | 23        | 28.8    |
| Agree             | 10        | 12.5    |
| Strongly agree    | 13        | 16.2    |
| Total             | 80        |         |

Source: Field data, 2015

As shown in table 4.15, 43.5% of respondents agreed that internal marketing have an importance of providing delight customer services while 28.7% of the respondents disagreed/ strongly disagreed with that statement. However, some of the respondents (28.8%) were neutral. These results suggest that respondents answered this statement either without understanding the real meaning of delight services, or they were not sure if internal marketing resulted into delight customer service or the statement was ambiguous in their mind because there was no justification for their answers.

**(iii) Customer satisfaction**

**Table 4.16 Customer satisfaction**

| Response          | Frequency | Percent |
|-------------------|-----------|---------|
| Strongly disagree | 11        | 13.8    |
| Disagree          | 13        | 16.2    |
| Neutral           | 04        | 5.0     |
| Agree             | 27        | 33.8    |
| Strongly agree    | 25        | 31.2    |
| Total             | 80        | 100.0   |

Source: Field data, 2015

Table 4.16, shows that 65.0% of the respondents agreed/strongly agreed that internal marketing results into customer, however, 30.0% of respondents disagreed/ strongly disagreed with that statement and few respondents (5.0%) remained neutral. The findings suggest that internal marketing have advantage of satisfying customers because if employees gain knowledge about the products features, they communicate those features to the external customers which in turn external customers will be able to obtain product features the Company intending to offer to their external customers and also internal customers as a results of internal marketing (employees) will feel free to give true information about the products feature to the external customers by being treated as the first customers.

#### **(v) Customer loyalty**

**Table 4.17 Customer loyalty**

| Response          | Frequency | Percent |
|-------------------|-----------|---------|
| Strongly disagree | 16        | 20.0    |
| Disagree          | 14        | 17.5    |
| Neutral           | 04        | 5.0     |
| Agree             | 26        | 32.5    |
| Strongly agree    | 20        | 25.0    |
| Total             | 80        | 100.0   |

Source: Field data, 2015

Findings from table 4.17 indicate that 57.5% of the respondents agreed that internal marketing maintain customer loyalty and 37.5% of respondents disagreed/strongly disagreed with that statement while few respondents (5.0%) of respondents remain undecided. The findings suggest that the internal marketing have an importance of maintaining customer loyalty because internal marketing ensure employees are well informed about what happens to the company products and their features, which in turn external customers will be communicated with the same information. Therefore, customers become loyalty since they are aware with every aspect of the company products and they can tune their mind according to what will happens without complaints.

**(v) Reduced cognitive dissonance to customers**

**Table 4.18 Reduced cognitive dissonance to customers**

| Response          | Frequency | Percent |
|-------------------|-----------|---------|
| Strongly disagree | 07        | 8.7     |
| Disagree          | 03        | 3.7     |
| Neutral           | 05        | 6.3     |
| Agree             | 30        | 37.5    |
| Strongly agree    | 35        | 43.8    |
| Total             | 80        | 100.0   |

Source: Field data, 2015

As noted in table 4.18, majority of respondents (81.3) agreed/strongly agreed that internal marketing reduce cognitive dissonance to customers while 12.4% of the respondents disagreed/strongly agreed with that statement. Fewer respondents (6.3%) were neutral. These results of the finding indicated that internal marketing reduce cognitive dissonance to customers because both customers (internal and external) knows the performance of their products and they are sure about product life span, products features and their contents. So there are no unanswered questions on whether NBCL products could perform below their expectation.

**4.3.3 Research objective 03: To identify steps involved by customers for buying decision of NBCL Products.**

- (i) Need recognition, information search, evaluation of alternatives, buying decision and post purchase evaluation

**Table 4.19 Need recognition, information search, evaluation of alternatives, buying decision and post purchase evaluation.**

| Response          | Frequency | Percent |
|-------------------|-----------|---------|
| Strongly disagree | 06        | 7.5     |
| Disagree          | 09        | 11.2    |
| Neutral           | 02        | 2.5     |
| Agree             | 34        | 42.5    |
| Strongly agree    | 29        | 36.3    |
| Total             | 80        | 100.0   |

Source: Field data, 2015

Table 4.19 indicates that 78.8% of the respondents agreed/ strongly agreed to involve the following steps before reaching final buying decisions; Need recognition, information search, evaluation of alternatives, buying decision and post purchase evaluation. However, 18.7% of the respondents disagreed/strongly disagreed with that statement and few respondents remained silent. The findings reveal that when a consumer is faced with a problem (need recognition), they search for information on available services or products that can satisfy the need and then they screen and reduce the awareness set of options using different choice criteria for example, quality, price, time, beliefs, demographics, differentiations and perceived risk. After evaluation of available alternatives consumers make the final buying decisions for selected service or product and lastly customers evaluate the outcome of the purchased products or services according to their expectations.

**(ii) Need recognition, evaluation of alternatives and buying decisions**

**Table 4.20 Need recognition, evaluation of alternatives and buying decisions**

| Response          | Frequency | Percent |
|-------------------|-----------|---------|
| Strongly disagree | 21        | 26.2    |
| Disagree          | 27        | 33.7    |
| Neutral           | 07        | 8.8     |
| Agree             | 15        | 18.8    |
| Strongly agree    | 10        | 12.5    |
| Total             | 80        | 100.0   |

Source: field data, 2015

From table 4.20, majority of respondents (59.9%) indicated that they do not involve only three for buying decisions of NBCL products which are; Need recognition, evaluation of alternatives and buying decisions. However, 31.3% of respondents agreed with the statement and few respondents (8.8%) were neutral. Since the majority of respondents disagreed/ strongly disagreed (59.9%), therefore, the findings suggest that information search after need recognition and post purchase evaluation after final buying decisions were important stages which customers includes in their final purchase decisions of NBCL products.

**(iii) Need recognition, evaluation of alternatives, buying decisions and post purchase evaluation**

**Table 4.21 Need recognition, evaluation of alternatives, buying decisions and post purchase evaluation**

| Response          | Frequency | Percent |
|-------------------|-----------|---------|
| Strongly disagree | 15        | 18.8    |
| Disagree          | 13        | 16.2    |
| Neutral           | 06        | 7.5     |
| Agree             | 25        | 31.2    |
| Strongly agree    | 21        | 26.3    |
| Total             | 80        | 100.0   |

Source: field data, 2015

From table 4.21, majority of respondents (57.5%) indicated that in some circumstances they involve four stapes in buying decisions of NBCL products which are; Need recognition, evaluation of alternatives, buying decisions and post purchase evaluation. However, 35% of respondents disagreed with the statement and few respondents (7.5%) were neutral. Therefore, the findings suggest that in situations of emergence customers do not search information about NBCL products, instead they involve already existing products hence they involve four stages as indicated next; Need recognition, evaluation of alternatives, buying decisions and post purchase evaluation.

(iv) **Need recognition, information search and buying decision**

**Table 4.22 Need recognition, information search and buying decision**

| Response          | Frequency | Percent |
|-------------------|-----------|---------|
| Strongly disagree | 29        | 36.2    |
| Disagree          | 19        | 23.8    |
| Neutral           | 10        | 12.5    |
| Agree             | 08        | 10.0    |
| Strongly agree    | 14        | 17.5    |
| Total             | 80        | 100.0   |

Source: Field data, 2015

As noted in table 4.22, majority of respondents (60.0%) shows that customers do not involve three stages in the process of making decisions to purchase namely; Need recognition, information search and buying decision while 27.5% of respondents agreed to involve those stages and small number of respondents (12.5%) of respondents were neutral. Since the majority of respondents disagreed/strongly disagreed (60.0%), therefore, the findings suggest that evaluation of alternatives after information search and post purchase evaluation after final buying decisions were important stages which customers includes in their final purchase decisions of NBCL products.

**(v) Need recognition, buying decision and post purchase evaluation**

**Table 4.23 Need recognition, buying decision and post purchase evaluation**

| Response          | Frequency | Percent |
|-------------------|-----------|---------|
| Strongly disagree | 23        | 28.8    |
| Disagree          | 17        | 21.3    |
| Neutral           | 14        | 17.5    |
| Agree             | 13        | 16.2    |
| Strongly agree    | 13        | 16.2    |
| Total             | 80        | 100.0   |

Source: Field data, 2015

From table 4.23, majority of respondents (51.1%) indicated that they do not involve only three for product purchase decisions of NBCL products which are; Need recognition, buying decision and post purchase evaluation. However, 32.4% of respondents agreed with the statement and few respondents (17.5%) were neutral. Since the majority of respondents disagreed/strongly disagreed with the statement (51.1%), therefore, the findings suggest that information search and evaluation of alternatives in buying decision of NBCL Company are importance stages which are not ignored by most of respondents because information search results into getting of valuable information about NBCL product features and their performance while evaluation of alternatives make customers to choose products of his/her best interest.

**4.4 Issues from interview**

This study also conducted face to face interview and telephone interview with selected NBCL employees in the study population. Respondents made the following comments as discussed next:-

Respondents commented that customers do involves several steps before making final purchase decisions these includes; includes need recognition, information search, evaluation of alternatives, buying decision and post purchase evaluation. However, in some circumstances such as in emergence situations customers do not search information and few respondents also indicated that in this situation customers do not involve post purchase evaluation due to lack of enough time to way benefits gained.

Respondents emphasized that internal marketing have an influence on customer purchase decisions due to the reason that it creates common understanding of the business organization, initiates employees to offer differentiated and customized services to the clients by appreciating the valuable contribution of the employees to the success of the business. The respondents commented that internal marketing helps non-marketing staffs to learn and be able to perform their task in marketing like manner, improves customer's retention and individual employee development. In addition, the respondents revealed that internal marketing integrates business culture, structure, human resources management, vision and strategy with the employee's professional and social needs and also the respondents agreed that internal marketing creates good coordination and cooperation among the departments of the business.

Furthermore, the respondents, indicated that they are aware about the internal marketing from other companies they worked before but NBCL Company management do not consider as the first marketing priority that enable employees to gain confidence, knowledge, techniques, and tactics to deal with customers effectively and in organized manner. Respondents also added that Lack of internal marketing brings conflicts between departments and hence hinders success of internal marketing. The marketing managers only consider promotion team as the first priority of increasing sales of NBCL. The respondents indicated that tendency of NBCL management to ignore employee's importance and treating them like any other tools of the business, unnecessary protection of information against employees and resistance to change the environment of the organization had made the NBCL Company to remain stagnant.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the summary of the research findings and conclusions from each research objective. Furthermore this chapter gives recommendations to the management of NBCL Company as in Tanzania. The chapter also ends by giving suggestions for future research about the influence of internal marketing as a marketing tool on customer buying decisions of NBCL Company which are based on the uncovered areas identified in this study

#### **5.2 Summary and Conclusions of the study**

This research was about the influence of internal marketing on customer buying decisions of NBCL product in Mwanza for the year 2014-2015.

#### **Research Objective 01: To evaluate internal marketing as a marketing tool to influence customer purchase decisions for NBCL products.**

The research results indicated that internal marketing have an influence on customer buying decisions of NBCL Company because internal marketing enhance communication among workers (76.8%), Motivate workers to provide good services to the external customers (62.5%) because workers are in the position to know the real products the company is offering with confidence, Creates superior value and customer conscious about services (55%) because when internal customers(employees) clearly understand the product features which enable employees to gain confidence to offer added and superior value services to the external customers, Vision awareness to employees and customers at large (62.4%) since employees are kept informed about the general trend of the current product features and marketing techniques and hence they channel this information to external customers to influence customer buying decisions, Internal marketing insure less employee turnover (62.5%) because internal marketing enable employees to have sense of belonging and they are encouraged to work with the strategic plan which in turn results into less employee turnover.

**Research Objective 02: to determine the level of employees' internal marketing awareness and its importance towards customers buying decisions of NBCL Products**

**(a) The level of employees' internal marketing awareness**

The results of this study indicated that employees were not aware of the internal marketing of NBCL Company (72.5%) because since the Company management has no formal arrangements for internal marketing techniques to the employees (internal customers) in order to influence external customer buying decisions toward NBCL products. The NBCL Company management involve only marketing team in the process of ensuring customers purchase the company products, instead of involving the whole management in internal marketing with the aim of joining management efforts towards customer buying decisions.

**(b) Importance of internal marketing towards customers buying decisions of NBCL Products.**

The research findings revealed that internal marketing have several importance towards customer buying decisions, these includes; achieving of specific age group needs (65.0%) because employees (internal customers) gain marketing techniques in the internal marketing processes of approaching different age group needs which can help to tackle different age groups with customized services to their external customers, advantage of satisfying customers (65.0%) because if employees gain knowledge about the products features hence they communicate those features to the external customers which in turn external customers will be able to obtain product features the Company promised to offer to their external customers.

Respondents also indicated that internal marketing reduce cognitive dissonance to customers (81.3%) because both customers (internal and external) knows the performance of the NBCL products and they are sure about product life span, products features and their contents. So there are no unanswered questions on whether NBCL products could perform below their expectation.

Moreover, respondents suggested that Internal marketing have an importance of maintaining customer loyalty (57.5%), since internal marketing ensure employees are

well informed about what happens to the company products and their features, which in turn external customers will be communicated with the same information.

**Research Objective 03: To identify steps involved by customers for buying decision of NBCL Products.**

This study revealed that customers have several steps which they involve before making final buying decisions of NBCL products (78.8%) which includes need recognition, information search, evaluation of alternatives, buying decision and post purchase evaluation. However, in the situation of emergence customers do not search information about the NBCL products instead they purchase the existing products which they know already. In this situation, they only involve four stages which are need recognition, evaluation of alternatives, buying decision and post purchase evaluation (57.5%), this was because they lack enough time to search information about the new products of NBCL products.

### **5.3 Conclusion**

During the process of making final buying decisions of NBCL products customers do not rely on one stage or two stages of purchase decision behaviors, instead they consider several stages such as need recognition, information search, evaluation of alternatives, buying decision and post purchase evaluation. However, in emergence situations, NBCL customers do not involve information search due to lack of adequate time. These findings concur with the logical steps of decision making process by Harrison (2000) which stated that consumer consider five logical steps of final buying decisions processes, these are need recognition, Information search, Evaluation of alternatives, Purchase decision and Post purchase evaluation.

Internal marketing have several influences on customer buying decisions in soft drink industries, which includes enhanced communication among workers, Motivate workers to provide good services to the external customers, vision awareness to employees and customers, insure less employee turnover and creates superior value and customer conscious about services. These findings agreed with the previous study by Ahmed and Rafiq (2004), which revealed that internal marketing creates common understanding of the business organization, initiates employees to offer excellent service to the clients, improves customer's retention and individual employee

development and also creates vision and strategy awareness among employees and customers.

The study reveals that employees of NBCL were not aware about internal marketing, instead respondents have experiences on the influence of internal marketing in customer buying decisions of products/services from other companies they worked before joining NBCL. Marketing director of NBCL do not recognize employees as the first market (internal customer), instead they consider as a costly marketing activity without considering its impact on customer buying behavior in long run especially if the company want to prosper in the over changing environment. However, respondents suggested that internal marketing have an importance on customer buying decisions such as achieving of specific age group needs, advantage of satisfying customers, reduce cognitive dissonance to customers and have an importance of maintaining customer loyalty.

#### **5.4 Recommendations**

The results of this study highlighted several issues which require special attention and strategies if the soft drink companies need to become marketable, competitiveness and for their growth in Tanzania. The followings are the recommendations for addressing the issue at hand:

The research revealed that internal marketing have an influence towards customer purchase decisions such as enhancing communication among workers, Motivate workers to provide good services to the external customers, create vision awareness to employees and customers, insure less employee turnover ,creates superior value and customer conscious about products/ services offered. Marketers in conjunction with finance committee should prepare periodical professional training to all employees about the company product features and techniques of approaching different customers. The training should involve general objective of internal marketing, tactical area of marketing, building competencies, embrace the philosophy that internal marketing sustains people, combination of measures that build employ commitment such as performance reward and also develop questionnaires to employees to collect ideas of achieving customers.

In addition to that, since the research results revealed that Finance committee do not have budget allocated for internal marketing program which has a great influence to customer buying decisions. Marketing Department in conjunction with Finance Department should allocate a budget for internal marketing activities and should consider it as the first priority marketing techniques in order to archive the target market in a competitive environment.

Since the research revealed that customers do not rely on one stage or two stages of purchase decision behaviors, instead they consider several stages such as need recognition, information search, evaluation of alternatives, buying decision and post purchase evaluation. Therefore, Marketers of NBCL in coordination with the finance director should prepare interval training to employees about the necessary stapes which are involved by customers in purchase decision making process. In connection to that, the top management in conjunction with marketing director and Finance director should establish an intranet network that will enable employees to share information about the current products features of NBCL Company. This will help employees to talk the same language internally and thereafter pass the information directly to the external customers.

### **5.5 Suggestions for further research**

The study identified other areas for further research as discussed next.

This study examined only the influence of internal marketing as a marketing tool on customer buying decisions of NBCL Company. Another further research on the influence of internal marketing on customer buying decisions should be conducted to

other soft drink industry like PEPSI. The study could reveal other new findings or the same information of different dimensions.

Another further research could be done on the impact of internal marketing on the influence of customer buying decisions. The study could reveal clearly the outcomes of internal marketing on customer buying decision in two sides (positive and negative impact). These will help marketers to set a satisfactory level of internal marketing efforts to use and set out the cost limit to incur in internal marketing.

The research focused on the influence of internal marketing on customer buying decisions of NBCL products in Mwanza-city only. An extensive research on the same topic should be conducted in different regions where the company operates with the same offerings.

In addition, this study was cross-sectional research on the influence of internal marketing on customer buying decisions at one point in time. There is a need to conduct longitudinal research to gauge any changes on the influence of internal marketing on customer buying decisions over time.

## **5.5 Limitations in the research**

This study has certain limitations that need to be considered as shown next;

This study encountered certain limitations that need to be acknowledged as indicated next.

Initially questionnaires were designed in English language but some of respondents were not comfortable to use English language. To overcome this problem Swahili version type of questionnaires were designed and distributed to respondents who are not comfortable with English. However, data were analyzed in English version.

The study involved questionnaires as the major data collection techniques. Some of questionnaires which were distributed to the respondents were not returned on time. In order to address this problem, the researcher made an intensive follow ups to ensure the satisfactory questionnaires were returned.

There was inadequate time for collecting and analyzing data was not enough for a researcher. To overcome this problem, the researcher worked more than eight hours and engaging research assistance to ensure enough questionnaires are returned.

Another approach for data collection techniques was the use of in-depth interview. In the process of conducting face to face interviews, the researcher met some respondents who were not willing to participate in the process. To overcome this problem, the researcher tried to explain to the interviewees that the research was for academic purposes and also the researcher respondents' confidentiality to be observed and that they should be free to give their views and suggestions. The use of the above strategies enabled the researcher to collect sufficient questionnaires for data analysis.

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## **APPENDICES**

### **APPENDIX I**

#### **INTRODUCTION LETTER**

Dear potential participant, my name is TulinagweMwakalukwaa student in the Faculty of Business Administration at Mzumbe University of Tanzania undertaking Masters of Business Administration (MBA). As part of my studies, I am conducting a research project titled: The influence of internal marketing on customer buying decision: A case of NBCL Company in Mwanza city.

I kindly ask for your support to participate in the questionnaires provided and interview. A space is provided where you can fill your answer. These questions would take approximately 10 to 20 minutes. Please attempt to answer all questions and tick one approximate box that best suits your answer. You are also given open ended questions to write your opinions and suggestions.

I would really appreciate if you take part in these questionnaires. I hope and believe that your experiences on internal marketing on the influence of buying decisions would provide valuable inputs for completion of my research report.

If you face any difficulty, please do not hesitate to contact me either by phone (+255766 099000) or by email ([tullydelight@gmail.com](mailto:tullydelight@gmail.com)). Please, respondents' name and their responses would not be disclosed to the third party without the informed consent of the respondent. I would analyse the data on an aggregated level without reference to individual respondents.

**Thank you in advance**

**TulinagweMwakalukwa**

## APPENDIX II

### QUESTIONNAIRE

(KEY ACCOUNT CUSTOMER OF NBCL COMPANY)

#### SECTION A: PERSONAL INFORMATION OF RESPONDENTS

1. Age (Years)

- ☐ 18- 25  
☐ 26- 35  
☐ 36- 45  
☐ 46- 55  
☐ 56 and Above

2. Gender

- ☐ Male  
☐ Female

3. What is your daily work?

- ☐ Business Men  
☐ Farmer  
☐ Livestock keepers  
☐ Full time students  
☐ Employee of NBCL Company  
☐ Other work

(Please specify).....

4. For how long you are using NBCL Company products?

- ☐ 1-2 years  
☐ 3- 4 years  
☐ 5- 7 years  
☐ 8-10 years  
☐ More than 10 years

## SECTION B: RESEARCH OBJECTIVES

5. What were the influences of internal marketing as a marketing tool for customer buying decisions?

| Statement                                                        | Strongly disagree | Disagree | Neutral | Agree | Strongly agree |
|------------------------------------------------------------------|-------------------|----------|---------|-------|----------------|
|                                                                  | 1                 | 2        | 3       | 4     | 5              |
| Enhance communication and coordination among workers             |                   |          |         |       |                |
| Motivate workers to provide services                             |                   |          |         |       |                |
| Act as a training ground to both employees and customers         |                   |          |         |       |                |
| Creates superior value and customer conscious about the services |                   |          |         |       |                |
| Vision awareness                                                 |                   |          |         |       |                |
| Insure less employee turnover                                    |                   |          |         |       |                |
| Other influence (Please specify) .....                           |                   |          |         |       |                |

09. To what extent does NBCL Company' employees are aware about the internal marketing as a marketing tool to influence customer buying decision?

| Strongly disagree | Disagree | Undecided | Agree | Strongly agree |
|-------------------|----------|-----------|-------|----------------|
| 01                | 02       | 03        | 04    | 05             |
|                   |          |           |       |                |

08. What are the importance of internal marketing towards customer buying decisions of NBCL Company?

| Statement                             | Strongly disagree | Disagree | Neutral | Agree | Strongly agree |
|---------------------------------------|-------------------|----------|---------|-------|----------------|
|                                       | 1                 | 2        | 3       | 4     | 5              |
| Achieving of specific age group needs |                   |          |         |       |                |
| Delight services                      |                   |          |         |       |                |
| Customer satisfaction                 |                   |          |         |       |                |
| Customer loyalty                      |                   |          |         |       |                |
| Reduced cognitive dissonance          |                   |          |         |       |                |
| Other impact (Please specify)         |                   |          |         |       |                |

10. Which stages do customers involve in buying decision of products at NBCL Company?

| Statement                                                                                                      | Strongly disagree | Disagree | Neutral | Agree | Strongly agree |
|----------------------------------------------------------------------------------------------------------------|-------------------|----------|---------|-------|----------------|
|                                                                                                                | 1                 | 2        | 3       | 4     | 5              |
| Need recognition, information search, evaluation of alternatives, buying decision and post purchase evaluation |                   |          |         |       |                |
| Need recognition, evaluation of alternatives and buying decisions                                              |                   |          |         |       |                |
| Need recognition, evaluation of alternatives, buying decisions and post purchase evaluation                    |                   |          |         |       |                |
| Need recognition, information search and buying decision                                                       |                   |          |         |       |                |
| Need recognition, buying decision and post purchase evaluation                                                 |                   |          |         |       |                |
| Other (Please specify)                                                                                         |                   |          |         |       |                |

11. What other comments can you make about the impact of internal marketing as a marketing tool on customer buying decisions in soft drinks?

.....  
 .....  
 .....  
 .....  
 .....

**Thank you for your time!**

## **APPENDIX II**

### **INTERVIEW GUIDE (EMPLOYEES OF NBCL COMPANY)**

1. Please tell me your experience about the influence of internal marketing as a marketing tool on consumer buying decisions?

.....  
.....  
.....

2. To what extent does NBCL Company influence customers to make buying decisions for their products through internal marketing?

.....  
.....  
.....

3. What criteria and strategies do you use to segment customers in your company?

.....  
.....  
.....

4. What stages do you think customers use to reach buying decisions for your NBCL company products?

.....  
.....  
.....  
.....  
.....

5. What other comments can you make about the impact of internal marketing on customer buying decisions in your company?

.....

.....

.....

**Thank you for your time**