An Internal View of a Company’s Marketing and Relationships

- How to use marketing internally to strengthen relationships

Dissertation in Marketing, 30 ECTS Credits
Final Seminar: 2011-05-30
Authors:
Martin Gamhed, 870528
Karin Lönroth, 870218

Supervisor: Navid Ghannad
Examiner: Gabriel Awuah
Acknowledgements

We would first like to thank our families and friends for their support and feedback during this process. They have been there for us during our time here in Halmstad and supported us whilst writing this dissertation.

To everyone working at Mediaprovider Scandinavia AB we extend our most appreciative thanks. Without your help and contribution this dissertation would not be what it is today.

We are very grateful for our colleagues and friends at Halmstad University who through their feedback and comments helped us in shaping this dissertation to the better and to what you have in front of you today.

Last but not least we would also like to give a big thank you to our supervisor Navid Ghannad. His time and helpful insights has been of great value in our long work with this research. By pushing us to always move forward and do better, his support has contributed to us being here today and to the quality of this dissertation.

So from us both we say again to everyone who helped and supported us during this time

THANK YOU!

May, 2011

Martin Gamhed
Karin Lönroth
Abstract
Satisfying customers’ needs and wants has for a long time been the main focus for many companies, and through this the idea of satisfying the employees’ needs and wants first in order to achieve this has appeared. This has led to a greater focus on internal marketing and thereby the internal customer. It has also in later years been found that internal marketing can be used to build strong internal relationships. Having strong internal relationships has been discovered to be of importance as employees who work with friends work harder, and the work environment becomes more motivating when the relationships between the parties are strong. Considering, that stronger relationships between employees and management as well as between one employee and another is beneficial for the company as a whole, as there is a need to nurture and develop these internal relationships. Therefore building relationships have been proposed as an alternative approach to internal marketing and that this may be the right way to explore the area, however this needs substantial further investigation. This would mean an investigation of how internal marketing can be used for building relationships within a company. It is on this problem that we base this dissertation and choose to raise the question:

“How can a company use internal marketing to strengthen the relationships within?”

In order to answer this question, literature focusing on internal marketing, relationship marketing and especially what types of factors that is important for building relationships are presented. Based on this literature we have built a proposed model that was tested in order to answer the research question for this dissertation. The model includes five internal marketing tools, which are communication, education and learning, leadership, motivation and recruiting. These were tested to see if they can be used as an aid to strengthen trust and commitment in the company and thereby build stronger relationships between the members. This through analyzing the theoretical framework and the proposed model with a qualitative case study made with Mediaprovider Scandinavia AB including participant observation as well as interviews with focus on the relevant subjects. It was established that companies can use internal marketing in a number of ways in order to strengthen the relationships within. These include using communication, education and learning, leadership, motivation and recruiting as tools that can be adapted in order to achieve this goal. The proposed model was therefore found to be a way of strengthening relationships, however it is beneficial to not only measure strengthened relationships by trust and commitment, as there are other elements that are of importance.

Key words: Internal marketing, relationship building, communication, education, learning, leadership, motivation, recruiting, trust, commitment.
# Table of content

1. Introduction  .......................................................................................................................... 1
   1.1 Problem background ................................................................................................. 1
   1.2 Problem discussion ........................................................................................................ 3
   1.3 Purpose ......................................................................................................................... 4
   1.4 Research question ......................................................................................................... 5
   1.5 Delimitations ................................................................................................................. 5
   1.6 Disposition .................................................................................................................... 5

2. Theoretical framework ....................................................................................................... 7
   2.1 Internal marketing ......................................................................................................... 7
      2.1.1 Internal marketing as a strategy and instrument .................................................. 8
         2.1.1.1 Communication ............................................................................................... 9
         2.1.1.2 Education and learning .................................................................................. 12
         2.1.1.3 Leadership ...................................................................................................... 15
         2.1.1.4 Motivation ........................................................................................................ 16
         2.1.1.5 Recruiting ........................................................................................................ 17
   2.2 Relationship marketing ................................................................................................. 17
   2.3 Internal relationship marketing ..................................................................................... 18
      2.3.1 Key elements in relationship building .................................................................. 18
         2.3.1.1 Trust ................................................................................................................ 20
         2.3.1.2 Commitment .................................................................................................... 22
         2.3.1.3 Other elements ............................................................................................... 23
   2.4 Model for building internal relationships .................................................................. 24

3. Methodology ....................................................................................................................... 26
   3.1 Purpose of research ..................................................................................................... 26
   3.2 Research approach ....................................................................................................... 27
3.2.1 Qualitative or quantitative approach .............................................. 27
3.2.2 Inductive or deductive approach .................................................. 28
3.3 Research strategy - Case study ....................................................... 28
  3.3.1 Choice of company ................................................................. 29
  3.3.2 Presentation of company ........................................................... 30
3.4 Primary data collection .................................................................... 30
  3.4.1 Observation ............................................................................... 30
  3.4.2 Interviews .................................................................................. 32
    3.4.2.1 Choice of respondents ....................................................... 33
    3.4.2.2 Presentation of respondents ............................................. 33
3.5 Secondary data ................................................................................ 34
3.6 Method for analysis ......................................................................... 35
3.7 Research criteria ............................................................................. 35
  3.7.1 Validity ...................................................................................... 35
  3.7.2 Reliability .................................................................................. 36

4. Empirical findings ............................................................................. 37
  4.1 Communication ............................................................................. 37
    4.1.1 Information sharing ................................................................. 37
    4.1.2 Feedback ................................................................................. 40
    4.1.3 Communication inside and between departments ....................... 41
  4.2 Education and learning ................................................................. 45
  4.3 Leadership ..................................................................................... 47
  4.4 Motivation ..................................................................................... 48
  4.5 Recruiting ...................................................................................... 50

5. Analysis ............................................................................................ 52
  5.1 Communication ............................................................................. 52
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1.1 Information sharing</td>
<td>52</td>
</tr>
<tr>
<td>5.1.2 Feedback</td>
<td>56</td>
</tr>
<tr>
<td>5.1.3 Communication inside and between departments</td>
<td>59</td>
</tr>
<tr>
<td>5.1.4 Elements in communication</td>
<td>63</td>
</tr>
<tr>
<td>5.2 Education and Training</td>
<td>64</td>
</tr>
<tr>
<td>5.2.1 Elements in education and learning</td>
<td>67</td>
</tr>
<tr>
<td>5.3 Leadership</td>
<td>68</td>
</tr>
<tr>
<td>5.3.1 Elements in leadership</td>
<td>70</td>
</tr>
<tr>
<td>5.4 Motivation</td>
<td>70</td>
</tr>
<tr>
<td>5.4.1 Elements in motivation</td>
<td>72</td>
</tr>
<tr>
<td>5.5 Recruiting</td>
<td>73</td>
</tr>
<tr>
<td>5.5.1 Elements in recruiting</td>
<td>75</td>
</tr>
<tr>
<td>6. Conclusions</td>
<td>76</td>
</tr>
<tr>
<td>6.1 Our conclusions</td>
<td>76</td>
</tr>
<tr>
<td>6.1.1 Conclusions for model of research</td>
<td>78</td>
</tr>
<tr>
<td>6.2 Theoretical implications</td>
<td>79</td>
</tr>
<tr>
<td>6.3 Managerial implications</td>
<td>80</td>
</tr>
<tr>
<td>6.4 Recommendations for future research</td>
<td>80</td>
</tr>
</tbody>
</table>

References

Appendix 1. Interview guide
List of tables
2.1 Authors compilation of literature and proposed elements for relationship building........ 20
5.1 List of respondents ........................................................................................................ 34

List of figures
2.1 Proposed model for strengthening relationships through internal marketing ............. 24
5.1 Model for relationship building through communication ........................................ 64
5.2 Model for relationship building through education and learning............................... 67
5.3 Model for relationship building through leadership................................................... 70
5.4 Model for relationship building through motivation.................................................... 73
5.5 Model for relationship building through recruiting..................................................... 75
6.1 Model for strengthening relationships through internal marketing........................... 78
1. Introduction

In this chapter we present the background for the problem of this dissertation and discuss why the topic is of interest. This will be followed by the purpose for our research as well as our research question. Lastly the delimitations for this dissertation are explained.

1.1 Problem background

It is yet another warm day in Thebes, Greece, people are starting to gather in the agora, a place located in the city centre surrounded by buildings and temples dedicated to the gods. Farmers have travelled through the night from their own yard to stand here in the agora to sell their crops. The agora is filled with dusty stalls made of reeds and the morning sun quickly heats up the stalls as sweaty merchants cry out their offers. “Spices from Syria” a man yells out over the crowd. The stall next to him has linen all the way from Egypt, another one has ivory from the northern plains of Africa. Fishermen have travelled far to sell yesterday’s catch from the Mediterranean Sea. Despite the variety of products, there are competing merchants who offer the same kind of products. This means that they are looking to attract the same segment of buyers that wish to satisfy their needs and wants. They have to fight to attract these rare customers and they do so by offering their product to either a price that is cheaper, or by saying that their product has something that the other ones do not have.

Even now, over two thousand years later, Thebes is still a market town where farmers and merchants come to sell their products in a very similar way to how it was done in ancient Greece. The competition between merchants still exist today, and at a much broader context, one which we today call marketing. Marketing is said to have been around for as long as people have been trading or selling products to one another (Shaw & Jones, 2005). However, in these days they did not perceive these activities as what we today call marketing. According to Kotler, Wong, Saunders and Armstrong (2005) marketing entered a new era after the industrial revolution as markets have become more saturated and a product overflow has led to harder competition. Meaning that companies now have to focus outside the company, on what the customers demand instead of as before, what the company produced. Marketing is therefore today important for companies all over the world and a part of their strategies to attract and keep customers by satisfying their needs and wants.

While satisfying the customers’ needs and wants have become an important part of marketing the idea emerged of looking inside the company to achieve this, and do so by satisfying the employees’ needs and wants first. The issue was raised over 35 years ago and the concept was defined by Berry as internal marketing five years later, where employees are referred to as internal customers. (Ahmed & Rafiq, 2003)

As the subject is becoming an important part of marketing it is now a popular focus of research and more and more companies are starting to use internal marketing strategies. There is still however no widely accepted definition in the academic world of what internal
marketing truly is (Ahmed & Rafiq, 2000). While many authors at this time are starting to research internal marketing there is a need arising for defining the subject (Ahmed & Rafiq, 2000; Bansal, Mendelson & Sharma, 2001; Herington, Johnson & Scott, 2006 & Varey, 1995). It does not matter if employees are front-line, or working in the back-office, which can explain why there is a need for internal marketing in both service and production companies. However an underlying principle or thought of internal marketing is that of seeing employees as the company’s internal customers. What is meant by this, is offering them products as they do with external customers, however in this case offer them jobs. The rules for the internal market are the same as for the external, the customer’s needs and wants should be fulfilled in order to be successful (Caruana & Calleya, 1998; Greene, Walls & Schrest, 1994). The goal of internal marketing should be to motivate, attract and develop the internal customer as well as to address the goals and objectives of the organization. As the rules are the same for internal as for external marketing, Davis (2001) states that if the claims made to the internal customer falls through and expectations are not met, the internal customer will act the same as the external customer (i.e. getting disappointed and angry). If the purpose is to get employees more committed towards the organization’s goals and objectives, Bansal et al. (2001, p. 63) state that employees should be seen as assets to be invested in rather that costs to be controlled.

Google is a company that has put a lot of time and effort into their employees for some time, which is something that is appreciated by the employees. Their effort includes creating an interesting workplace, massages and free meals. An employee at Google describes the work team as an amazing crowd. When describing the most amazing experience interviewing local candidates and speaking with the sales team about how they should work together are high on the list [1]. Herington et al. (2006) mean to describe how relationships are built and managed in the firm’s markets, both internal and external, marketing literature use the term relationship marketing. Even though the external market are crucial for firm success, even more so is the internal market since it is the employees that provide for the customer. Herington et al. (2006) continue with stating that the relationship with the external customer is strengthened in the end due to the better relationships within the company that the internal marketing brings.

Strengthened relationships with external customers is however only one of many outcomes of successful internal marketing. Applying internal marketing to build strong internal relationships can for example according to the research on social incentives in the workplace [2] make the employees more productive. It was found that employees who worked with friends worked harder than when compared to working with people they did not know. Further they found that the work environment becomes more motivating when the relationships between employees are strong and well functioning.
1.2 Problem discussion

Considering that stronger relationships within the company has been found to be beneficial for the company as a whole, Herington et al. (2006) see a need to nurture and develop these internal relationships. To achieve this, these relationships need to be considered as an important part not only for the firm’s marketing but for the organization as a whole. This is because everyone involved in the organization needs to be involved and motivated for relationships between the management and employees and between the employees themselves to be successful. Herington et al. (2006) raise the importance of internal relationships to the firm and mean that it has become a subject of great interest to numerous marketing authors. They discuss that considerably less attention has been given to firm’s internal customer than to their external ones. Given that the internal relationships have been found to be of great interest, there is therefore a need for further investigation on the subject.

However, among the research that has been made there are those who discuss the internal relationships and how they can be characterized. According to Vikström (2007) an investigation of relationships was carried out by Kerstin Isaksson a few years ago, in which she explained that between management and employees there are so called informal contracts. These contracts dictate demands and expectations made by and between people in the workplace. There are rules that are not written down or even spoken but are applied and are included as components in these informal contracts. Employees may have a view of what falls within their rights and obligation in the workplace and how a performed task should be rewarded. However, because of these informal and often unclear contracts management may posit another view on the subject at hand. This difference in opinions of what is included in the informal contract may raise dissatisfaction among employees and result in them feeling betrayed and end up making spiteful comments about the company to other co-workers or friends. Clear and sound information should always be given to employees, even if it is about the company’s financial situation. This kind of information may be withheld by the company in fear of losing important and valuable employees, but if a long term relationship is valued then even bad information is important to share and explain to those groups that it may affect. (Vikström, 2007)

How and what companies should communicate to their employees to gain and keep strong relationships with them is not always obvious. As Isaksson pointed out in her research, both good and bad news are things that need to be shared with employees. Ballantyne (2003) states that one way for companies to work towards developing and maintaining strong relationships within the company, is to apply internal marketing. However, Papasolomou and Vrontis (2006) state that companies today, with no clear knowledge of what is included in internal marketing, instead of using a unified model, build their own. This means that each company use their own way to work with internal marketing and might not have the knowledge of what and how to communicate, which can lead to a negative outcome. This view is something that Ahmed and Rafiq (2000) brought up six years earlier when they stated that companies mix theories, models and ideas that they see suitable for their company. They stated that “There is
a great deal of confusion in the literature as to what IM is, what it is supposed to do, how it is supposed to do it, and who is supposed to do it” (Ahmed & Rafiq, 2000, p. 449).

While there is no clarification on how companies work with internal marketing it is difficult to investigate what the outcome may be. Therefore, there is a need for future research and Ahmed and Rafiq (2000) hoped that a clarification of internal marketing can make more focused empirical work on internal marketing possible. This clarification can also help when companies wish to use internal marketing for relationship building. Ballantyne (2003) argue that there is a need for a relationship-mediated approach in internal marketing. The need for this approach is for example due to that the organizational learning and knowledge renewal is constrained without relationships within the organization. This would mean that having a relationship mediated approach while working with internal marketing aids the learning and knowledge renewal within a company.

Using internal marketing for the purpose of relationship building within the company is therefore something that has been found to be successful, and Bansal et al. (2001, p. 62) state that “If relationship building is indeed the focus, then no factor other than effective internal marketing could be more important to an organization from a strategic viewpoint”. As a way of building relationships with customers, relationship marketing have been applied since the beginning of trade and is something that can be used when working with internal customers as well. In Ballantyne´s (2000) article on internal relationship marketing, he sees relationship marketing as an approach to internal marketing, this by using the foundation of relationship marketing internally. While discussing the matter theoretically there is no clear view on how companies do this in practice.

In the article of Ahmed and Rafiq (2003) they see building relationships as an alternative approach to internal marketing and that this may be the right way to explore the area, however this needs substantial further investigation. This would mean an investigation of how internal marketing can be used for building relationships within a company and if it is possible to develop and maintain the essential factors that are needed for relationships to exist. They concluded this issue by raising the question: “How can the company develop an effective process for structuring and managing internal relationships?” As they found no clear answer to this question, we find the need to investigate this further.

1.3 Purpose
The purpose of this dissertation is to gain an understanding and describe how internal relationships between members of a company can be strengthened by the use of internal marketing tools. The aim is to describe this from both an employee as well as a management perspective.
1.4 Research question
“How can a company use internal marketing to strengthen the relationships within?”

1.5 Delimitations
This dissertation will focus on one of the effects of internal marketing, namely the way it can enhance relationships within the organization. Due to this the research conducted will focus on the two subjects of internal marketing and relationship development. The study will not examine the effects of Human Resource Management in regards to internal marketing. We will however include one factor that can be attributed to Human Resources, namely the recruitment of employees.

1.6 Disposition
The outline of this thesis will be presented below in numerical order including the main subjects of each chapter.

Chapter 1: Introduction
In this chapter the background for the problem of this dissertation is presented along with a discussion of the topic followed by the purpose and the research question. These include the subjects of internal marketing and relationship building and how companies can work with internal marketing in order to build stronger relationships in the organization.

Chapter 2: Theoretical framework
The theoretical framework consists of internal marketing, its content and effects as well as theories focusing on relationship marketing and especially what types of factors that are important for building relationships. This will be followed by a model based on the theoretical framework which will be used for answering the research question for this dissertation.

Chapter 3: Methodology
This chapter presents the chosen methodology for this research which includes the motivation for choosing a qualitative study. Here we also explain that the research has been conducted using a case study together with participant observation. Further there is an explanation of choice of respondents, collecting secondary data as well as the validity and reliability of this dissertation.

Chapter 4: Empirical findings
In this chapter the empirical data collected is presented, it includes data collected through participant observation. It also includes four semi-structured interviews made with employees and managers at Mediaprovider Scandinavia AB together with unstructured interviews made
with other employees at the same company. The subjects that are discussed include different internal marketing tools as well as relationships within the company.

Chapter 5: Analysis

In this chapter the empirical data is analyzed and compared to the theoretical framework in order to find similarities and differences. The focus is here to discuss how companies can work with different internal marketing tools in order to establish and build relationships within the company and if there is a connection between the two subjects.

Chapter 6: Conclusions

In this final chapter our reached conclusions are presented together with theoretical implications, managerial implications as well as implications for future research. We present our final model of how internal marketing can be used to strengthen relationships within a company and what elements can be used.
2. Theoretical framework

In the following chapter we will give the reader a framework on internal marketing, relationship marketing and internal relationship marketing which will show how the two main areas are joined. We will also give the reader an overview of relationship building.

2.1 Internal marketing

When Berry and his colleagues published their article “Improving retailer capability for effective consumerism response” in 1976 they brought a new concept or term into the marketing realm, as “internal marketing” was born. The term may have been new, however the concept of providing constant high quality service and the problems related to this had been mentioned before. They stated that a motivated employee is a key term and a key requisite for providing quality service. In 1981 Berry came out with a new article where he defined internal marketing as viewing employees as internal customers. (Ahmed & Rafiq, 2000)

Even though 30 years has passed since Berry first defined the concept of internal marketing and even more, 35 years since the expression was first mentioned, there is still no widely accepted definition in the academic world of what internal marketing truly is (Ahmed & Rafiq, 2000). Despite the shortage of an agreed framework, the subject of internal marketing is still of interest for researchers who wish to learn the meaning of internal marketing in today’s business environment (Ballantyne, 2003). After examining literature revolved around internal marketing between 1980 and 2000 Ahmed and Rafiq (2000) incorporated the words and ideas of well renowned authors in the internal marketing literature like Grönroos and Gummesson, in attempting to make a contributing definition of the subject:

Internal marketing is a planned effort using a marketing-like approach to overcome organizational resistance to change and align, motivate and inter-functionally co-ordinate and integrate employees towards the effective implementation of corporate and functional strategies in order to deliver customer satisfaction through a process of creating motivated customer oriented employees. (Ahmed & Rafiq, 2000, p. 454).

Despite the efforts made by previous authors there is no clear definition or list of activities included in internal marketing. Grönroos (2008) however listed a couple of activities that he has identified as affecting internal relations and should thereby be included in the concept of internal marketing. Some of these are; education, leadership and support, internal communications and dialogue, include staff in planning, reward good performance and establish supporting technical equipment and systems. Zeithaml and Bitner (2002, p. 319) earlier made a similar list of activities, here they include “recruiting, training, motivating, rewarding and providing equipment and technology.” Bansal et al. (2001) included within the area of internal marketing activities such as attracting and retaining employees, sharing information, rewards, empowerment and the extensive training of employees. The same year
Davis (2001) stated that communication and information sharing as well as performance planning and appraisal, responsibility, decision making and involvement are main elements incorporated in internal marketing. Bennet and Barkensjö (2005) included in their article a list of techniques in internal marketing. These were; internal communications and extensive information sharing, training and development of staff, teamwork, clear defined reporting structures, empowering, recognizing accomplishments (rewards) and providing employees with a vision. When Ahmed and Rafiq (2000) tried to define internal marketing they listed a couple of items that they found to be closely linked to the subject. In these they listed attracting and retaining employees, motivate and empower them, train and develop employees and communication towards staff. Many of these were also suggested in their 2003 article (Ahmed & Rafiq, 2003).

With the recognition of the authors mentioned above and their categorization of internal marketing, the authors of this dissertation has made the assessment to include some of the most frequently cited subjects. These are communication within the organization; education and learning; leadership that to some extent also includes motivation, empowerment and inclusion in decision making, and lastly recruiting.

2.1.1 Internal marketing as a strategy and instrument

When internal marketing is used to promote activities internally, or used as a campaign inside the company, it is important that they have a base relying on existing behavior of managers (Davis, 2001; Grönroos, 2008). These campaigns or programs only amplify what is already being conveyed or expressed by management. Strategies chosen to perform this should be well thought out and planned to fit together. Davis (2001) continues with saying that the choice of interaction style, tactics and choice of media (further explained under 2.1.1.1 Communication below) need to be integrated and when these do not match or contradict what the manager is doing the choice will create distrust in the internal market. Distrust and confusion will also occur if the program is not prioritized. If management is not consistent and sticking with a program employees may see this less seriously and think that this is just a short flirt from management.

Ahmed and Rafiq (2000) conducted an investigation of the internal marketing literature and found despite the arguments of one defined framework, three strains or phases within internal marketing, one of which was the “Strategy implementation and change management phase”. This phase got its start when researchers recognized the role of the internal marketing concept and how to utilize it as a way to implement strategies. They realized how internal marketing could be practically used to motivate employees towards the organizations goals. With this recognition it became clearer through a variety of researchers that internal marketing is a cross-functional and organizational task and that it manages the entire organization and integrating all functions acting within. Ahmed and Rafiq (2000) state that at first internal marketing was focused mainly in service contexts, but was later classified as a model of marketing suited for all marketing contexts. They further state that this view was based on the
assumption that if a strategy were to be implemented successfully, there is a need for better communications internally and to defeat conflicts between departmental functions. In this sense internal marketing grew into a strategy for reducing tension between departments and acquiring better internal communication. With this classification internal marketing as a management tool, it could therefore be applied to any organization, service or manufacturing firms (Ahmed & Rafiq, 2000).

2.1.1.1 Communication

According to Ballantyne (2000) and Varey (1994) communication and specifically an improvement of two-way communication, is a way to use internal marketing to motivate and get more customer conscious employees. Two-way communications is about building trust and an understanding not just between managers and staff but between departments as well. Ballantyne (2000) continues with stating that the construction of communication strategies to be used internally is the most widely used application of internal marketing, which is further agreed upon by Ahmed and Rafiq (2003). For the employees to be better at performing against the customer and for them to be able to comply with what is being advertised, a parallel use of communication strategies should be used. If marketing communications (e.g. new products and employee training) flows simultaneously through both the external and internal market, the organizations internal customers can be better prepared in providing the advertised promises when meeting external customers. This is further established by Greene, Walls and Schrest (1994, p. 5): “Internal marketing can be defined as the promoting of the firm and its product(s) or product lines to the firm’s employees”. The essence of this quote is what Grönroos (2008) means when he claims that new products and marketing campaigns should always first be shown and explained to personnel.

When a member of an organization influences another it is according to Davis (2001) called internal marketing. Managers use this process to influence or persuade employees when they want to get things done and sell ideas to other departments, which was earlier stated by Kreps (1989). Davis (2001) found four distinct yet natural advances to this form of internal communication or marketing; directive controlling, persuasive selling, consultative marketing and relationship marketing. Communication occurs in two ways, verbally and non-verbally through actions. However a manager’s most powerful way of distributing his/her message in the above mentioned approaches is through non-verbal actions. Non-verbal and indirect forms of communication, for example responsibility and involvment of employees, decision making, communication and information sharing and relationship development are powerful tools just because they state how people should act. In the matrix described by Davis (2001, p. 122) which includes the approaches mentioned above he describes communication from a directive controlling management approach as being closed one-way communication. However, as it moves through the matrix it gets more and more open, ending up in relationship marketing with two-way communication problem solving and a large amount of information sharing.
When communication improves in an organization the manager moves from what Varey and Lewis (1998) refers to as an “overseer and controller” and to be more of a supporter and organizer, which can be related to the different approaches of Davis (2001). Both authors’ state that an agreement will need to occur as well as an understanding since in the long run it will gain all parties involved.

According to Varey (1994) communication can be used in a company to build trust and an understanding between managers and employees. Arnerup-Cooper and Edvardsson (1998) mention however that there are a few practical tools that are more visible in internal marketing. These are among internal education also internal interactive communication and internal mass communication. The authors describe the interactive communication as the daily contact between managers and employees in form of two-way communication and unofficial channels. In these they include activities and methods such as; personnel parties, personnel gimmicks, internal quality and information circles, personnel excursions and also miscellaneous one-way communications such as suggestion boxes. The internal mass communication is described by Arnerup-Cooper and Edvardsson (1998); Grönroos (2008) and Kreps (1989) as using personal papers, direct advertising (like personal letters to the employees), videos, posters, brochures, information and message boards and websites. All of these has as a goal to visualize the company´s visions and informs employees about current affairs and events. Arnerup-Cooper and Edvardsson (1998) state that as much effort should be put into developing internal mass communication as is done with external communication.

**Vertical communication**

Vertical communication is all the information that runs from either management to employees, known as downward communication, or that from employees to management, known as upward communication. For an employee to be able to perform his or her job towards customers he or she must have the right information, the tools and the skills necessary to do so. Some of this information is gained from downward communication and the most common and important use of this kind is the use of e-mails, company newsletters and magazines, briefings, videotapes and internal promotional campaigns and recognition programs (Zeithaml & Bitner, 2002). Davis (2001) had earlier also mentioned other forms of media channels when communicating; face-to-face (1 on 1), direct mail, group meetings, special events (celebrations), word-of-mouth, intranet, internal surveys, telephone, personalized letters and memos. The idea and key point is to keep the employees well informed in regards to what the company communicates to their external customers.

Management should always show employees advertising campaigns before it is aired externally (which is agreed upon by Grönroos, 2008), as well as they should be well aware of the website, mailings and direct selling approaches of the company. Should they not do this there will be an information gap between customers and employees which could result in employees feeling left out and customers disappointed because of a poorly executed service. Downward communication is also a term that is used by Kreps (1989) where he states that this flow of information is a very important tool for managers to use; it sends orders and job
related information down the hierarchy. However, downward information is often unclear and vaguely stated and can sometimes even be contradictory causing uncertainty and confusion among the employees.

The use of upward communication is according to Zeithaml and Bitner (2002), equally important as it often is the front-line employees who hold the most information about the company’s customers. Just as information flows downward to educate and enlighten employees about external campaigns, there should also be room for upward communication and information sharing to evaluate before and after external marketing campaigns. Kreps (1989) state that upward communication is also a very important way for managers to be provided with relevant and important information about problems and day-to-day operations helping them to make decisions. This could be done by implementing regular sessions where employees should have an opportunity the comment and give feedback. Feedback can, according to Kreps (1989) help communicators to adjust their message to clarify communication between people and departments. It also helps managers as it is a valuable tool to find out how well strategies are being understood and carried out. But feedback does not only exist between employees and managers, it also occurs between members of an organization.

**Horizontal communication**

Kreps (1989) further state that feedback and effective communication is also a way for employees on a horizontal level to clarify information shared between them and to show that they value that other person’s opinions and this could in turn strengthen the interpersonal relationship between them.

Zeithaml and Bitner (2002) describe horizontal communications as that of sharing information across organizational borders. To improve communication between the marketing department and operations will result in front-line personal knowing what, when and how to perform when interacting with customers. This entails that when the marketing department is finished with a campaign it should preferably be sent throughout the organization but specifically to the personnel in operations so that they are well prepared. Efficient information sharing and communication can for example between finance and marketing result in better coordinated prices that reflect customers’ willingness to pay for accommodating their needs. Zeithaml and Bitner (2002) further state that horizontal communication as a strategy should be able to fully open up communications throughout the company and can be done so by informal or formal execution. Methods for achieving this can be by arranging annual planning meetings, team meetings, retreats and/or workshop where the different departments and functions can interact and share information about their jobs and solve problems that may occur in more than one department.

**Characteristics of communication channels**

When communicating with management or with colleagues there are different media or communication channels to go through. According to Jacobsen and Thorsvik (2002)
depending on which channel chosen it conveys diverse results in richness of information. For example formal reports and letters communicate a low rate of information while videoconferences and face to face communication conveys a high rate of information. E-mails and telephone calls are located between the earlier mentioned media channels. With the fast development of technology today the boundaries of spoken and written communication, and which one is considered most efficient is becoming increasingly unclear. The authors however state that most managers prefer having direct conversations because this is a channel that not only is quick in giving information in terms of hard fact and non-verbal communications like body language and tone, but it is also more personal as to develop the relationship between the actors. They do however claim that the choice of channel is depending on what message is being conveyed. Un-personal and work related tasks can be sent through a similar media like e-mails or memos, but more complex, ambiguous and personal information may be better suited to be expressed by a verbal conversation. Grönroos (2008) means that with the technology today there is a risk that employees feel isolated from their co-workers when using e-mails and intranet. He states that the use of IT can damage moral and cause antisocial behavior.

Communication in the above mentioned way; vertical, upward, downward and horizontal, will only be effective if managers are aware of its importance and how it is best used to promote relationships. Managers have to send clear and informative information downstream and be responsive to feedback from employees. They should also, according to Kreps (1989), support and promote horizontal communication between organizational members, especially in complex organizations and in situations which require coordination and collective problem-solving skills necessary to perform at a high quality. The importance of good communication is clear however it will not be as effective if the interpersonal relationships between members are not well developed. Only by having strong relationships can communication, both vertically and horizontally be effective, meaningful and build trust among organizational members (Kreps, 1989).

Ballantyne (2003) believe that internal marketing as a process in later years has helped companies unmask experience and “know-how” existing with people inside the internal market. Internal marketing can improve communication and information flow throughout the organization, distributing knowledge and enabling all personnel to learn and develop in their work.

**2.1.1.2 Education and learning**

When a company work with, or decide to implement internal marketing it often includes some sort of education or training for the employees and it can, according to Grönroos (2008) be divided into both internal as well as external education. When incorporating education into the internal marketing process it is important to truly educate and show each employee the entire picture, or else they will not take in the information and adapt it to their work life towards customers and colleagues. This includes empowering employees to solve problems
(Bansal et al., 2001), but to be able to do this they first need to be educated in utilizing their knowledge in how to do this (Zeithaml & Bitner, 2002). Grönroos (2008) explains that education can be divided into three groups. The first set aims to develop a holistic view of the company’s service strategy, customer management or marketing process. It also comprises of informing employees of their role, not only in the marketing process but to each other and towards customers. The second type of education is about attitudes and how to reinforce employees positive attitudes towards the company’s service strategy and customer focus. The last set handles how to educate people inside the company in communication, to improve their knowledge in selling and how to provide service. Since it is important that the education come to use, Grönroos (2008) claims that it is important that employees feel that a level of trust exists in the relationship between them as well as with management. Trust will therefore need to be a part of the program so that employees are shown that there is a reliance existing and that their relationships with each other will be strengthened through training.

**Competence**

When Arnerup-Cooper and Edvardsson (1998) discuss competence they do so by stating that it is a complex subject to define, however they divide it into four different kinds of competence. Basic competence is that knowledge that everyone in the organization has despite differences in profession or position. It is that of knowledge of company history, meaning of quality, goals and company vision. However, it is often that employees lack information in these areas, and when they do not know the history behind the company and what it stands for is hard for them to be efficient and provide for customers. Occupational competence compiles of certain knowledge that can either be specific to a certain profession or that can be shared with other similar professions. Critical competence regards to being able to handle significant or problematic events. When someone can handle internal or external situations that can be of vital importance for the organization, this person has critical competence or knowledge. Knowledge about the company, your own role and how you can affect the situation, understanding of the customer’s needs are included in the final competence referred to as business competence by Arnerup-Cooper and Edvardsson (1998).

Employees’ work effort can be greatly affected by their opportunity to develop their competence in certain areas, and can result in greater satisfaction. This type of education should, according to Arnerup-Cooper and Edvardsson (1998) only be applied in an organization that on a daily basis supports personal learning. Further, if advances in staff competencies are neglected or undervalued, this may hinder the organization from fully adapt and apply information technology to their work. Employees should according to Arnerup-Cooper and Edvardsson (1998) be able to continuously develop their knowledge about the organization and its visions as well as having the possibility to improve their own competence in areas of interest and significance. Companies that wish to gain advantage through developing competencies of their staff as well as the company must first locate their core competences to be able to nourish them and develop them further. Ahmed and Rafiq (2003) mean that these are for many companies hard to locate or even understand but that internal marketing can help in building these when found.
Circulation of knowledge

Employees can also be educated in cross-training, this means that you prepare them for working at several stations or handling different tasks. This means that they can fill in for a person who is out of the office or just to rotate the work schedule as to not get autonomous work. When doing so, the knowledge that one person may posit can be transferred to another, helping the organization to grow and build up the staff in several knowledge areas (Arnerup-Cooper & Edvardsson, 1998; Zeithaml & Bitner, 2002). The reason for this is not only to have satisfied, well educated and trained employees, it is also seen as a competitive advantage compared to competitors (Arnerup-Cooper & Edvardsson, 1998; Bansal et al., 2001). This in turn will create a reputation that will attract not only new customers, but the best possible employees.

Ways of implementing internal education could be to have reoccurring courses and seminars and with various themes integrated in the internal marketing work. This is to Arnerup-Cooper and Edvardsson (1998), one of the main tasks for internal marketing, to develop and educate employees to be able to attract and keep the best personnel. Grönroos (2008) state that after employees have been away attending a course or an educational seminar that they follow up on what they have learned so that there is a positive side to them being away. Otherwise there may only be the potential negative aspect of the office being understaffed in the meantime. They should be given the opportunity to share what they have learned and others should be given an opportunity to learn and educate themselves based on the attendees’ knowledge. Ahmed and Rafiq (2003) mention that it is important that employees have trust for the organization that they will still be a valuable asset even after they have passed this new information. The same thing applies to when they distribute other information and “know-how” to their colleagues.

When utilizing the knowledge of employees and distributing it between them there is a sense of obligation as stated by Ballantyne (2000), when trusting each other to gain and learn from the experience, employees want to see it through. He describes it as a mutual obligation which ends up in a commitment both from the one who distribute the knowledge and a psychological commitment from the one who receives it. However if employees do not trust management they will not participate in the exercise. Trust is an important factor to include but there must also be a willingness from the employees to share their knowledge and hard earned “know-how”. The author also brings up tacit knowledge which is easiest re-distributed by showing how to perform a certain task, so called “how-to” knowledge. When the knowledge has passed from one employee to the next it should be analyzed, tested and re-examined to be incorporated into the daily work life. When this is done the new knowledge can when shared with others, open up new ways to handle problems that did not exist before.

As employees work together in facilitating this new “know-how” they gain a stronger commitment to each other at the same time. Though trust is a necessary factor, as staff build new knowledge they may feel a personal obligation to share and develop more knowledge. They also get a stronger commitment and obligation to others as they together can get things
done. As trust is built up, developing knowledge may break department boarders as employees across units share their “know-how”. This further proves several authors statements, among them Ahmed and Rafiq (2000), that internal marketing can be used to reduce tension and defeat conflicts between departments. Gummesson (2002) also stated that education in relevance to internal marketing also can be used to shorten the knowledge gap between employees and management.

In accordance to Grönroos (2008) it is the task of management and leaders to make sure that educational and training programs progress and to support employees in their work by providing the technology and systems that it requires.

2.1.1.3 Leadership

“Leaders depend on the development of effective relationships with group members to help gather information and elicit cooperation” (Kreps, 1989, p. 178). The author adds other key elements of a leader, like bringing out cooperation and coordination inside an organization. A leader should be able to effectively gather information and provide this to staff either to avert or stop a conflict. Or to transform any potential internal conflict into something that will create opportunities which could improve internal relations among members of the organization. He further states that despite the vast variety of management styles a competent leader should be able to combine these and adapt to use the correct approach depending on the situation. This means that a leader could be strict and give clear orders and follow the progress closely. He/she could delegate tasks and put trust in that the employees will rise to the challenge and perform according to what is expected. Or he/she could use something in between that is adapted to the situation and the individual or group it refers to. Grönroos (2008) agrees with these statements when he in his book mentions various tasks that may fall within the concept of a leader’s obligation. He states that a leader should be supportive and encourage staff, involve them in decision making, endorse communication and feedback and assure the progress of educational programs. Productive and motivated employees are according to Arnerup-Cooper and Edvardsson (1998) always grounded in a good leadership and a leader that shows commitment to both customers and employees.

A way for management to know how customers and employees feel about their products and method of work is to encourage employees to talk and actually being there to listen and take in what opinions and thoughts they may have, and make use of this knowledge. This is also close to what Zeithaml and Bitner (2002) refers to as the “hands-on” approach which means that leaders and management should spend time with the employees and be present and involved in their day to day work. If a leader is curious, a good listener and open to suggestions this will work as a strong motivation factor for employees. This leadership approach was referred to by Kreps (1989) as “management by wandering around” which means that a leader should be visible to the employees in every department of the organization and in contact with its members.
2.1.1.4 Motivation
To put every member of the organization in focus and to develop methods to assure this is according to Arnerup-Cooper and Edvardsson (1998), about creating a motivating environment for them to work in. Employees need to be motivated in order to be committed to their task and work efficiently. Therefore they state that motivation is a key point in internal marketing. This can further be exemplified by the quote “A successful internal marketing leads to a more motivated and better informed staff, better work well-being” (Arnerup-Cooper & Edvardsson, 1998, p. 230, authors own translation). According to Zeithaml and Bitner (2002) it is important for organizations who wish to retain qualified and good employees that support the organization, to clearly make the employees understand the organization’s goals and the company vision. This responsibility to inform and educate employees regularly in these areas falls on management.

Employees are motivated by being involved in what the company does and to be a part of its future. Therefore they should also be involved in decision making inside the organization, when they feel that they contribute and affect the company and its ways of business they are more inclined to stay. Motivation and satisfaction with their work are closely related to being involved with decision making in various forms. One of these is empowerment of employees which means giving them the authority, skills and tools to perform a certain task (Grönroos, 2008; Zeithaml & Bitner, 2002). By having the power to quickly accommodate the customer and by having the possibility to make decisions related to their work, Zeithaml and Bitner (2002) state that it can reduce stress and improved motivation towards their job. They, in accordance with Bansal et al. (2001), continue with stating that in order to keep employees motivated, organizations need to have an incentive program in place that will reward performance. The reward could be met by calculating productivity, sales or customer satisfaction.

More traditional incentives like promotions, higher salary (this will send a message to all the value the organization put in their employees Bansal et al. (2001)), a cash payment or other awards are often linked to how service has been performed. Some organizations however have rewards in form of one employee to another as they formulate it, “a peer award” where an employee or manager gives an award to someone in the staff who has performed extraordinarily well. These incentives work as a motivation factor that could be given either to an individual or a team (Zeithaml & Bitner, 2002).

Motivation is not only given by having incentives like awards, being involved and up to date about the company or having the authority to make decisions revolved around customer service. Arnerup-Cooper and Edvardsson (1998) also mention that colleagues can have a highly motivating factor. In companies that have implemented a successful internal marketing program also have good relations between their employees. If one employee makes a mistake, it is repaired before the customer gets the aware of it. If a mistake has occurred in data or in a system that is given to an employee another may take responsibility to correct the mistake even though it was not this persons fault or duty to do so. This shows that effective internal
marketing ensures that employees help each other in order to keep good moral, keep motivation up and keep and improve relationships between the organizational members.

2.1.1.5 Recruiting
Zeithaml and Bitner (2002) state that organizations should try to aim towards hiring the right people from the start, they mean that companies far too often focus on what qualifications they have as criteria when recruiting new employees. This is especially common in service organizations, and they mean that with regards to how important personnel is to performing quality service they should focus more on hiring people who are service minded rather that those who are qualified for the position. Organizations should compete for the best employees by thinking in terms of marketing and apply this to attract employees just as they attract customers. Another way is to “Be the preferred employer” with this they mean that potential and current employees should feel that they work in an organization in which they are valued as assets. To achieve this is by offer “extensive training, career and advancement opportunities, excellent internal support, and attractive incentives, and offering quality goods and services that employees are proud to be associated with” (Zeithaml & Bitner, 2002, p. 330). Employees should be trained when hired to ensure good service performance and that the training given should fit with the organization goals and strategies. Internal marketing has as according to Bansal et al. (2001) the aim of first attracting the best employees, and secondly to retain them inside the organization.

2.2 Relationship marketing
The term relationship marketing became according to Grönroos (1997) highlighted as the marketing mix and the 4P’s (also known as transactional marketing) were found to be insufficient and is now a leading approach in marketing. The theories of relationship marketing have since this emerged from service marketing as well as industrial marketing where relationships many times are of great interest. He views the markets where relationship is built as networks where suppliers or service providers interact among other actors including suppliers, customers, environmental actors and intermediaries. The relationships developed between these actors may give them a feeling of control and minimizing purchasing risks as together with a sense of trust and commitment (Grönroos, 2004a). Eiriz and Wilson (2006) see these effects in relationships as an outcome from relationship marketing activities and mean that the activities do not necessarily need to be conscious.

Conscious or not, at the centre of the relationship marketing is increased value and the focus is on the relationships (Palmer, Lindgren & Vanhamm, 2005). Building relationships, maintaining and enhancing them are here vital cornerstones as well as meeting the objectives of all involved (Grönroos, 1997). This meaning that the relationships between different actors and taking care of these relationships are the centre of relationship marketing. This can be viewed in a large amount of different types of relationships in which you can find the bond between different parties. Gummesson (2002) has chosen to divide these relationships into 30
different categories where they are sorted under three different pillars; The classical marketing relationships, Mega relationships: Relationships above the market and Nano relationships: Relationships below the market. It is under nano relationships the internal relationships of the company are presented and discussed, this in the form of relationships between different parties inside the company. Here the issue of internal marketing can be found in the context of internal relationship marketing.

2.3 Internal relationship marketing

Internal relationship marketing bring together internal marketing and relationship marketing and according to Ballantyne (2000) relationship marketing can not only be applied to the companies’ external partners and customers but also the internal. The aim with internal relationship marketing is to create mutual value between internal actors and create sustainable relationships. Creating long lasting relationships with employees is according to Davis (2001) what is most important, which is a view closely connected to how Gummesson (2002) describes the focus of internal relationship marketing. Namely that it is a way to build relationships between the management and employees as well as between different functions. It gives a way to break down the walls between different departments through the exchange of knowledge between people within the organization.

The purpose of generating new knowledge is something that Ballantyne (2000) argues is of importance and means that the purpose of internal relationship marketing is to create and discover knowledge. This knowledge can be used in the organization and circulated to benefit everyone within. When internal marketing and relationship marketing are combined, the internal marketing can be characterized as relationship development. However, seeing knowledge renewal as the only benefit from having strong internal relationships is being too narrow. For example Keller (2001, p. 650) asks: “Is it not logical to expect employees who are better skilled at managing work relationships within the firm will also be better equipped to maintain healthier relationships with external customers?” Herington et al. (2006) argue that many successful firms have gained an advantage over competitors by showing greater concern for customers by having relationship building as a focus. The main focus was however not on building relationships between the firm and its customers but between the firm and its employees. Davis (2001) means that the internal relationship approach is similar to the ones proposed in external markets and that it is truly a customer-centered one. Further he argues that this approach means that the members of an organization develop partnerships and what matters most is the involvement of employees. This means a greater involvement from the lower level managers as well as employees focusing on interaction.

2.3.1 Key elements in relationship building

For establishing relationships between internal parties there are a couple of elements that have been found to be of importance, and for example Herington et al. (2006) suggest that the key terms used for relationship marketing also are important in internal relationship marketing and
thereby in order to build relationships. These are elements such as supporting and caring for others, building and developing trust as well as sharing goals and values and looking after one another. Grönroos (2004b) also bring up a couple of factors and describes trust, commitment and attraction as key elements in establishing relationships. Other authors share the opinion that there are a couple of key elements that are essential in relationships, although these elements differ from one to another. Hunt et als. (2006) explanation of key success factors in relationships includes trust, commitment, cooperation, keeping promises, shared values and communication. These are suggested as important factors for successful relational exchanges and needs to be developed and nurtured in order to establish and maintain relationships. These relationship factors are according to Eiriz and Wilson (2004, p. 287) needed in relation to the relationships processes and state that: “In relation to relationship processes, it is crucial to develop explanations that take appropriate account to key relationship variables such as trust, commitment, adaptation, uncertainty, dependence, and reciprocity.” As there are many different views of what the key elements or factors are for establishing long-lasting relationships we have decided to place them in a table to show which are most recurring and who discusses them. Table 2.1 below is therefore an overview of different types of elements connected to authors discussing the subject in question.

Although these factors are all mentioned in different literature concerning key elements for building relationships there are two, which we have found to be most recurring. These are trust and commitment, which are discussed by many authors (Ballantyne, 2000; Grönroos, 2004b; Gummesson, 2002; Hunt et al. 2006 & Morgan & Hunt, 1994). As shown in table 2.1 below these are argued by many to be important for establishing relationships which is the reason for focusing this chapter on these. To mention one of many that highlight trust and commitment, Harwood and Garry (2006) argue that it is suggested that the key to relationship success is the presence of both trust and commitment. These two elements in themselves have been found to include competence, likeability, customer orientation, honesty, reputation, risk taking and dependability, which may be based on the process, character or organization. Hunt et al. (2006) view is consistent with the one of Harwood and Garry (2006) when arguing that without the existence of both trust and commitment there can be no alliance, or relationship.

These two elements have according to Ahmed and Rafiq (2003) been given a lot of attention in the relationship marketing field but that they have been neglected or under researched when it comes to internal marketing. They mean that it is therefore an area that needs to be investigated much further. They also suggest that internal marketing works by establishing, developing and maintaining strong relationships within the company through these factors and that internal marketing cannot work without them. Trying to use internal marketing without trust and commitment would be catastrophic and in the end lead to employee disappointment and cynicism.
Table 2.1 Authors compilation of literature and proposed elements for relationship building.

<table>
<thead>
<tr>
<th>Authors/Elements</th>
<th>Ahmed and Rafiq</th>
<th>Ballantyne</th>
<th>Eiriz and Wilson</th>
<th>Grönroos</th>
<th>Gummesson</th>
<th>Harwood and Garry</th>
<th>Herrington et al</th>
<th>Hunt et al</th>
<th>Morgan and Hunt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adaptation</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attraction</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitment</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Cooperation</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closeness</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dependence</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequent and intensity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long term thinking</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obligation</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Openness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reciprocity</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shared goals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shared values</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social characteristics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

2.3.1.1 Trust
According to Grönroos (2004b) internal relationships can only be established if the employees in an organization feel that they can trust each other as well as the company and the management. This is something that Ballantyne (2000, p. 285) brought up four years earlier when he stated that: “The strength of internal (relationship) marketing is its intent coupled with trusting employees and being trustworthy. The forgotten truth is that organizational knowledge is renewed through interaction and dialogue”. For this trust to be built Grönroos (2004b) states that the company needs to give the emotional and physical support that is needed. This trust can be explained as a mental agreement between employees, and between employees and management. The agreement between them adjusts what each person is expected to contribute with and what they are getting out of the internal relationships. The trust between the employees can thereby be described as an expectation that the other part is going to act in a certain way in a specific situation. If one part do not act the way that is expected the trust between them will be damaged. This view is shared by Harwood and Garry (2006) who mean that trustworthiness is a source of power in relationships in which parties have a belief that the other will act in a just manner. In this they will also act to establish a mutually satisfactory agreement.
Grönroos (2004b) also views trust as the willingness to depend on another person or actor and this is depended on experiences and interactions with this actor. It is also depended on contracts, laws and social norms as well as the personality of the people involved. Morgan and Hunt (1994) mean that trust is a key factor that needs to be nurtured and that this is done by attending to the relationships by providing opportunities, resources and benefits that gives a high satisfaction. Other actions that need to be taken are to maintain high standards, communicating valuable information and avoiding taking advantage of the other actor. They describe trust as existing when people have confidence in another person’s integrity and liability. When trust is described in literature it is suggested that confidence in the other part is a result from the belief that this had high integrity and is reliable. This is associated with different qualities like competent, consistent, responsible, benevolent, honest and fair. This makes people believe that they can expect the other to act in a certain way as they can rely on their integrity with confidence. If one is confident then they would be willing to make an exchange and a relationship can occur. If one is not willing however Morgan and Hunt (1994) mean that they are not confident and a relationship will not occur.

Ballantyne (2000) reflects over the key elements in relationships and emphasizes the importance of learning how to work together as a team. For this to be possible there is a need to develop trust between the firm and the employees as well as between employees themselves. In the banking case studied, he explains that trust meant that employees could rely on one another in relation to what they hoped to be a certain expected outcome. Confidence in others were a consequence of experience from working with them earlier and with this, there was some risk involved as well as faith in the other person to do what they should. Trust is something that was in this case practical, as it was needed for a job that no one would be able to do alone. It was also only by trusting each other and working with them that the employees could learn from one another and be willing to teach what the other part needed to know in order to do their job. In addition to this Grönroos (2004b) means that regardless of what the source of the trust is it can be seen as a way to create a sense of security against risks.

Ahmed and Rafiq (2003) mean that employees need to trust the management and organization in order for them to feel safe. They need to have a trust in the leadership, trust in system and processes as well as trust in, what they call “rules of the game” that exist within the organization. For employees to share knowledge with others is given as an example as to when trust is significant and as they need to feel that they still will be a source of value to the company after they have given their knowledge to others. For this to be achievable the company needs to treat each employee as if they were partners of the firm. When establishing trust as well as commitment they also need to know and understand the employees within the organization (Ahmed & Rafiq, 2003).
2.3.1.2 Commitment

If we are dependent on relationships and they are important to us, as the case often is in business relationships, Gummesson (2002) means that we have to commit to it for them to be successful. This is something that Morgan and Hunt (1994, p. 23) suggested eight years earlier when they stated that “Parties identify commitment among exchange partners as key to achieving valuable outcomes for themselves, and they endeavor to develop and maintain this precious attribute in their relationships.” Therefore they see commitment as vital in all relational exchanges.

Commitment is, according to Grönroos (2004b), the motivation to establish and uphold a relationship and is vital for a relationship to exist together with the need for attraction and interest to create a relationship with the other actor. When a person to some extent feels motivated to engage in and uphold relationships with another it is referred to as commitment and by this being committed to the relationship. For example a customer or in the case of internal marketing an internal customer, can feel commitment towards a supplier if this has shown to be reliable and be able to offer satisfying solutions. Grönroos’ (2004b) view of commitment can be compared to Morgan and Hunts’ (1994) earlier definition of the subject. They mean that relationship commitment is when an exchange partner thinks that the relationship with another is so important that they are willing to work hard in order to maintain it. This person believes the relationship that they have is worth putting time and effort into, to make sure that it lasts. They mean that commitment is a vital part of relationship marketing and although it is fairly new, during the 90’s, it has been important in social exchange literature for a long time.

Payne (1995) means that the demonstration of commitment is crucial in order for a relationship to be strengthened, together with having positive attitudes towards each other. It can be defined as the parties’ intentions to act as well as the attitudes they have towards one another. To strengthen the relationship, Grönroos (2004b) means that the commitment to uphold a relationship can become stronger from one of the parties if the other chooses to prioritize this person. Other ways for maintaining and upholding a relationship is described by Morgan and Hunt (1994) who mean that commitment is partly a result from activities that can be maintained by the firm. Included in these are such as recruiting and training personnel, organizational support and job equity. Ahmed and Rafiq (2003) stress the importance of looking after employees needs in order to make them feel valued and mean that if the company can show that they are committed to the people within the employees might respond and become committed to the company and its success.

According to Ballantyne (2000) key elements that are needed for establishing relationships and maintaining these over a longer period of time are commitment and obligation. He also suggests that commitment can be divided into two different forms for the purpose of building relationships to enhance knowledge renewal. The first is a commitment to behaving in a particular way or wanting to achieve something while the second one is commitment as an obligation to others. In the banking case it was found that employees agreed to participate
even if they had fears and doubts. This was a result of the commitment that they felt for achieving the task. There was also the commitment and obligation to each other that made them want to finish the hard task. The relationships they with each other made it possible for them to achieve something that would have been impossible for any one person to do alone. In a later article Ballantyne (2006) suggests that in order to be successful in building relationships it is important to nurture the characteristics that have shown to be important. These are communication, keeping promises, cooperation, shared values, trust and commitment, which are all connected to each other.

Connection between trust and commitment
Grönroos (2004b) means that the connection between trust, commitment and also attraction in business relationship is not yet discovered. It is however established that trust and commitment is more important when the ones involved see a greater value in the relationship. Morgan and Hunt (1994) did however describe the relationships between trust and commitment in relationships ten years earlier. The relationships that are based on trust are here seen as highly valued and makes people want to commit to these relationships. If there is no trust there will be no commitment.

2.3.1.3 Other elements
Trust and commitment have, as argued earlier, been found to be of importance when building relationships and are therefore factors that are going to be used for investigation in this dissertation. However, as we want to keep an open mind, other elements that have been found to be of importance (see table 2.1 above) are still going to be seen as possible factors for relationship building.

Adaptation
“Adaptation is the process of changing in order to deal with a new situation.”

Attraction
“An attraction is a feature which makes something interesting or desirable.”

Cooperation
“When people co-operate, they work or act together, often for a specific purpose.”

Closeness
“People who are close know each other very well and like each other.”

Dependence
“Dependence on something is a constant need for it in order to be able to live or work properly.”

Frequent and intensity
“Something is frequent when it happens often.”

Long term
“Something that is long term lasts for a long time.”
Obligation
“If you feel obligated to do something, you feel that it is your duty to do so and if you feel obligated to someone, you feel that you owe them something, usually because you are grateful to them for some reason.”

Openness
“If you have an open mind or are open for ideas or suggestions, you are prepared to consider any ideas or suggestions.”

Power
“Someone who has power has control over people and activities.”

Reciprocity
“Reciprocity is behaviour between two people or groups of people in which each gives or concedes a lot to the other.”

Shared goals and shared values
“If two people or things share a particular quality, characteristic, or idea, they both have it.”

Social characteristics
“A characteristic is a quality or feature that is typical of someone or something” (BBC English Dictionary, 1992).

2.4 Model for building internal relationships

![Diagram of internal marketing and relationship building]

Figure 2.1 Proposed model for strengthening relationships through internal marketing.
Based on the theories presented above we propose a model for building strong relationships through internal marketing. The model will be used as a tool for analyzing our findings and to answer the question: “How can a company use internal marketing to strengthen the relationships within?” The model therefore includes the internal marketing tools that have been found to be some of the most frequently cited subjects in the field. These are communication, education and learning, leadership, motivation and recruiting. The purpose is to use this model in order to see if and how these tools can be used in order to build stronger relationships within a company. To measure if they are able to do this we have reviewed literature with relationship building as a focus and found that the elements of trust and commitment are the ones that are most recurring. Therefore we have chosen to focus this dissertation on these to see if the internal marketing tools can be used to build stronger relationships through enhancing the trust and commitment in the company. However, as we wish to keep an open mind, the model also includes other elements that have been argued to be of importance when building relationships. These are adaptation, attraction, cooperation, closeness, dependence, frequent and intensity, long term, obligation, openness, power, reciprocity, shared goals, shared values as well as social characteristics.
3. Methodology

In the following chapter we will discuss and argue for our choices of methodology in this dissertation. We will present the purpose for this research, our approach and our strategy for gathering data and end with giving criteria for this research in terms of validity and reliability.

3.1 Purpose of research

When conducting research no matter what the subject is, the aim is to gain new knowledge, maybe not to all but to a few. Before starting this journey of gathering and analyzing your data there is a need to know what the purpose is with the research in question.

The exploratory approach to the problem is used when there is a need and wish to gain a deeper understanding of a subject that there is a lack of information about and to find out what it consist of. The goal is to gain more knowledge and to clarify the subject and according to Saunders, Lewis and Thornhill (2007) it has the advantages of having high flexibility. Jacobsen (2007) state that when choosing this type of problem there is a need to get deep data with large variety of nuances. The best approach here is a qualitative approach where the researcher can focus on few units but a greater amount of valuable information. Saunders et al. (2007) write that the descriptive approach is often used when the researcher use a problem formulation with a wish to describe a situation as it is today or to get a better understanding of how a certain phenomena looks. To explain how something is perceived by others or how things are done, and are often done so according to Jacobsen (2007) by illustrating the similarities and differences at a certain point in time.

Explanatory purposes are also known as causal research designs as they aim to find out a connection between factors, what affect one part may have on another. The explanatory problem aims to conclude how a part originated, why it happened and what caused it (Saunders et al., 2007). Often these are complex subjects that are hard to describe, it can be the reasons for why something happens and why there may be similarities or differences. The investigator who use this kind of purpose often state according to Jacobsen (2007) hypothesizes that through their research can be tested and acknowledged or denied. During the research it is also common to develop models that will be tested, this is to simplify for the reader but also a way for the researcher to clarify what causality of variables are being tested.

Since the research question and purpose for this dissertation aims to understand and depict how a company can work with internal marketing we have a research design of a descriptive nature. We want to explain and show the reader how our case company works with their internal marketing in order to strengthen relationships within the company. A research that has an aim to describe how a topic is and are perceived by others and how they work with the above mentioned subject, the best suited purpose and design are the descriptive ones.
3.2 Research approach

When conducting research there are, according to Jacobsen (2007) two approaches that can be applied to gather data. Whether you are going to collect words or numbers there is a choice of using either a qualitative approach or a quantitative approach.

3.2.1 Qualitative or quantitative approach

In order to truly understand a phenomenon of a social character, Jacobsen (2007) prefers the qualitative approach. By this approach data can be collected by observing or interviewing people and what they think, perceive and do as a way to understand social relationships. By conducting interviews or observing, this method is more flexible in that questions can be altered and adapted over time to fit with the reality and to depict it correctly. Though this approach aims to give a rich and full picture of the environment it has been criticized for not including every aspect of what is being researched. How good a researcher may be at interviewing or observing people it is impossible to catch every detail, therefore it is said that despite it claims to give the whole picture, it seldom does. Critique has been aimed at the qualitative approach because of the affect a researcher may have on the environment that they are studying. However supporters say according to Jacobsen (2007) that this affect is impossible to remove and that to be close with whom you are studying is an important part of gathering data, it is just a matter of having knowledge about it and try to reduce it.

The quantitative approach is characterized by the use of questionnaires and with fixed alternatives for responses. Jacobsen (2007) argues that this type of approach demands that the researcher can create a questionnaire with alternatives that easily can be interpreted and applied by the respondents. The researcher has to him/herself develop questions and answers which puts a lot if not all of his/her understanding and definitions of a subject into the development. This is also the main reasons for the critique that has been given to the quantitative approach that it only measures the views defined by the researcher. Jacobsen (2007) further states that a questionnaire is more fixed than an interview, once a questionnaire has been defined it is hard to adapt depending on what answers that is received. However they often include questions of situational matter which can help to clarify and analyze a situation. Critique has also been aimed towards that these types of studies puts too much distance between the researcher and what is being researched. The same critique is also one of the aspects that can be seen as a positive thing. This means that the researcher are less able to affect the results and that the answers are given without the influence of an investigator.

The research question for this dissertation aims to find out how a company can work with internal marketing to strengthen the relationships within the company. Therefore we want to perform a research that gathers deep and colorful information to give a clear picture of how internal marketing techniques are worked with and how these in turn affect relationships. In order for us to achieve this and to get as descriptive information as possible a qualitative approach was the best choice. This approach also works best to the chosen method of gathering data that we have chosen. Though the risk for a greater influence on our
respondents and our observation subject this approach was most suitable for the choices that we have made.

3.2.2 Inductive or deductive approach
In research approaches, Jacobsen (2007) describes the deductive approach when the researchers first collects data from different theories and then collect empirical data. The positive and negative sides to this approach are the same, depending on how you look at the approach. First the researcher gathers data and build expectations of reality so that he/she knows what to look for when gathering empirical data. By doing this however the researcher are only looking for information that he/she sees relevant to the case and fail to notice any other data that might be pertinent to the case. A polarity and alternative to this approach, is the inductive approach. With this approach the researcher goes out in reality without knowing what to look for and gather all the information that is relevant, categorize it and then formulate theories. The objective is to gather information without any expectations or preconceptions of reality in order to not limit the amount of information that should be gathered. Strong critique has according to Jacobsen (2007) been aimed towards this approach since no researcher can collect so much information without beforehand having made some limitations, consciously or not.

In this dissertation we have used a deductive approach since this is more suited when we first conducted a research of existing theories and then gathered our empirical data. This is in accordance to what Jacobsen (2007) describes as first look at different theories and then go out to reality and gather information related to the research. We are aware that this approach can be negative as we may have only seen what we found relevant and overlooked other information. To try and not limit us to what we found relevant we first conducted a research of existing theories to see what other researchers have said about our topic and their categorization of it. Jacobsen (2007) further state that the deductive approach is better suited when we wish to get individuals view of subject that is already defined which is the case in this dissertation. In our research we prepared a model which we later tested through our empirical data. According to Saunders et al. (2007) should a deductive approach be chosen when there is a wish to test hypothesizes or models. Linked to qualitative studies, as this one, are inductive approaches. However to be able to answer our research question we needed rich and deep data and therefore we saw a need to first define and categorize the subjects beforehand, as are done with deductive studies.

3.3 Research strategy - Case study
Saunders et al. (2007) mention that there are seven different research strategies, these are; experiment, investigation, case study, action research, theory, ethnography and archived research.
Jacobsen (2007) states that case studies are often used when we want to focus the research on a specific unit or a specific event. It is used when the goal is to describe, understand and explain something in particular. When the case refers to an event that has or will occur then the case is limited to only look at that point in time. The case study approach is excellent when we want a deeper understanding of a subject and its processes (Saunders et al., 2007), be it an organization, an event or to further develop theories. By applying this approach the researcher may find something unexpected and apply this to his or hers research in order to widen the knowledge of the topic and to expand the theoretical framework that surrounds it. The approach can be very useful when depicting causal connections between two objects and how the relationship between them is characterized. Yin (2007) brings up a few prejudice points that have been brought to attention when using a case study approach. First that they can have a risk of being bias as the researcher do not follow protocol or have been careless during the time of the study. Secondly that a single case study can be harder to generalize from, however case studies can be used to generalize a hypothesis but not populations. The third part is that they take a long time and are costly to perform and often produce long reports that can be hard to read.

Since our research question aims to find out the link and how a company work with internal marketing, the choice of choosing a case study correlates well to what Jacobsen (2007) states of it being a good method when wanting to get a deeper understanding of how the processes look and work. Despite the critique mentioned by Yin (2007) it is our strong belief that all result according to protocol should be revealed whether they support our model or not. We have considered the point that this study may not have the ability to be generalized for a larger population. Yin (2007) mentions however that there are situations when the use of a single case study can be justified. One of these is when previous researchers have stated hypotheses that you wish to confirm, question or develop. In our case there are several authors that state that the topics which we chose to represent internal marketing as well as relationship building are representative for each subject. We wanted to test these in our work to confirm and possibly develop this categorization of subjects. A single case study, can according to Yin (2007), be used if there is a wish to test previous research and/ or to add to the development of theory. As we in the beginning of this dissertation state that there is a lack of empirical data with these two subjects combined, we believe that the choice of only one case study is justified in order for us to get the deep and rich data that is needed to conduct such a research. We are aware that choosing only one company to perform our study will lower our ability to generalize the results; however we believe that our results may act as a foundation for future research.

### 3.3.1 Choice of company

One of the researchers had the opportunity to do a three month long internship at a company located in Stockholm Sweden. The company is called Mediaprovider Scandinavia AB, and it is because of this opportunity we chose this company to use in our dissertation. Therefore our choice to use Mediaprovider as our case company was a choice of convenience. This type of
choice is explained by Jacobsen (2007) as a choice when the researcher chooses respondents (in our case company) that is easy to get in contact with. This is similar to what Saunders et al. (2007) refer to as an independent selection where the researchers make the choice themselves. To make sure that our case company would generate data in the internal marketing area, before collecting data we asked the CEO if they worked with internal marketing as to make sure that the choice of company was relevant. Our choice to do this type of selection will lower the chance of creating result that can be generalized, however it is in line with our research question and our strategy of choosing a case study strategy.

3.3.2 Presentation of company
Mediaprovider has its roots in Sweden and is a company that own, produce and manage magazines both in print and online as well as newsletters. The company was founded in 1995 under the name Modern Kommunikation Förlag (MKF). At this time their only product was the magazine called Mobil, which contains information about the mobile market in Sweden. The magazine quickly became market leading and it is still today a part of Mediaproviders product portfolio together with other products that focus on mobile phones, photography and home electronics. In November 2006 Mediaprovider was listed on First North and one year later the Danish company Ncom Publications A/S was bought to expand their market, as they today are active in both Sweden and Denmark. The company consists at the moment of approximately 50 people where about half are located in Stockholm, Sweden and the other half in Denmark. [3]

3.4 Primary data collection
Primary data or primary source of data is when the researcher according to Jacobsen (2007) participated in the process. In this thesis we have gathered data in various forms. Our primary data was collected through that of conducting a participant observation in a company with supplementary interviews with four individuals working at this company, as well as numerous unstructured interviews. The secondary data consist of gathered theories from articles and books about the subject that we wish to study and through this build a model.

3.4.1 Observation
Observation becomes a good data collection method when we wish to find out what people do and how they act instead of what they say that they do, as is common in interviews (Jacobsen, 2007). When conducting an observation the researcher will have to choose place and time when it should take place. The place can, according to Jacobsen (2007) be in a natural environment like the office where the situation and people normally act and feel comfortable or artificial environments for instance a laboratory. Benefits with choosing a natural environment is that the subjects of the investigation can act natural and the observer can move around freely. An artificial environment is a place that is new to both and is most commonly used by physicians and psychologists. He also brings up the time aspect and to choose a time
for conducting the observation that represent a typical time. The longer the time period the more reliable the results get.

When conducting an observation an important question is to decide whether to do it in secret or open. Advantages by carrying out a secret or hidden observation is that it hinders your subject from knowing that they are being observed which means that they act normal around the observer and not adapt their behavior to please the viewer. Jacobsen (2007) brings up the ethical questions by conducting it this way and whether it is right to observe without consent. Researchers argue that openness, honesty and consent should be key words in conducting research. However many argue that even though those words are important a hidden observation is preferable if there is a risk of adaption of behavior among the observed.

Participant observation
After this it becomes a question whether to have a participant or non participant observation. A participant observation means that the observer acts as one of the members in the situation in which he/she observes. They act on the same terms as the rest of the group; this however can later cause validity problems (Yin, 2007). When the observer acts in the group he/she can either be passive which can cause other participants to wonder why, or they could be too active and affect the end result. This will affect the validity of the research because critique can be aimed to that those they observe may not have acted in the same way any other time. This brings us to what Jacobsen (2007) refers to as the observer effect which is to what extent the observer affected the results and the behavior of the group he/she studied. Yin (2007) however states that despite the weak aspects of conducting a participant observation, namely being that the participant affects how the others act, the great cost and time period needed, there are some clear benefits with using this technique. It depicts actions and situations as they happen in real life and also how and in what context they happen and lastly it gives the observer valuable insight in the interpersonal behavior among the members of the observed group. This information through an inside view of an organization is extremely valuable for a researcher to get an objective view and to truly illustrate an event or organization.

In our case study research we chose to conduct a participant observation at Mediaprovider Scandinavia AB (further presented below). Because one of the authors did an internship at this company we felt that this would be a good opportunity to utilize this by at the same time observing the people and actions that took place there. Since the researcher in question worked there over a period of three months she also acted as one of the employees, took notes and observed actions that are related to our research subject. A participant observation has the negative aspect of that the observer may affect the outcome of the study by being either too passive or to active changing the results. The observer may find it hard to stay critical and impartial, to try as much as possible to not defend the actions or comments made by those who are being observed a diary was kept. In this actions and interaction that occurred in the company were written down and later discussed between us. This discussion helped the one participating in the observation to try and keep impartial and look at events in a critical way.
As it according to both Jacobsen (2007) and Yin (2007) is almost impossible to prevent an observer affect we have however tried to act as normal as possible in order to not too much disturb the processes and people who are being observed. As it is necessary to get consent to conduct this type of study the CEO of the company were aware of the observation. Beside the CEO, one other person knew that this was going on, this was the person who one of the authors worked closely with during the internship. Both individuals gave their consent and were also asked not to tell anyone else as to keep the observation as secret as possible. Despite the possible disadvantages and critique aimed at this approach we have chosen it because it gives rich and valuable information for the research and gives a depth in knowledge that is not possible to get by just conducting interviews or non-participant observation.

3.4.2 Interviews
Yin (2007) states that an important and valuable complement to an observation is to conduct interviews to clarify and validate results. An interview can be conducted face to face or by telephone. According to Jacobsen (2007) phone interviews are less costly than personal interviews however during a phone interview you have the risk of the other person not being entirely truthful with the answers. When doing a telephone interview there is always a risk that the person you are interviewing do not have their focus entirely on the interview itself which risk the answers being stressed and untruthful. We asked the only person who asked to have a telephone interview to be at the office and go into an empty room as a way to prevent disturbance from outside factors. There is still a great risk when performing interviews by telephone, a large part of the information we get is through non-verbal actions which are not possible to see over the phone.

We conducted four interviews and all were conducted by the same person in order to as much as possible give the interviewee the same stimulation as is recommended by Jacobsen (2007) to lessen the interviewer effect. A face to face interview is recommended if you have open questions and it is a personal interview where you wish to get the individuals thoughts about a situation. It is easier to get contact with the other person and at the same time notice body movements and behavior when they answer questions. We had desires for all interviews to be face to face, however as you have to respect the respondent’s time, only three interviews were conducted face to face. Despite that one interview were done over phone it is our belief that the results given can be reliable though the face to face interviews gave more exhaustive answers. To strengthen the reliability of the interview all of them were with the respondent’s permission recorded so that no data would be lost or misinterpreted.

During the interviews the researcher conducting the interview used a semi-structured interview guide in accordance to Jacobsen (2007). A semi-structured document has main questions with the possibility to ask follow-up questions to get deeper answers and more information. The main topics of the questionnaire were sent to each respondent before the interview so that they could prepare and be aware of what the interview was about (see
Appendix 1). The interview guide was adapted to fit the respondents’ position in the company, i.e. management or non-management.

Interviews vary in grades of openness, it depends on to what extent they are structured in terms of pre-categorization from the interviewer. The interview can vary from having a well structured guide or a questionnaire with fixed questions and answers to that of almost no structure as when having a normal conversation (Jacobsen, 2007). Beside the use of formal interviews using a semi-structured interview guide, we also conducted unstructured interviews. These were characterized by casual conversations with employees in the office of our case company. We made the choice to conduct these types of interviews to strengthen the results given by formal interviews and performed observation, to ensure that we covered the subject thoroughly and make sure that what information we got elsewhere were truthful and correct.

3.4.2.1 Choice of respondents
After having chosen Mediaprovider as our case company and one of the authors had been working there for some time, it was time for us to choose which respondents to have formal interviews with. When making our decision of which ones to interview we did a subjective selection which is described by Jacobsen (2007) as when the researchers chooses individuals whom they believe is representative for the company. Problems that may occur when making a selection this way is that it falls entirely on who the researcher believe can represent the population of the company. In our case it felt despite the critique aimed at this approach as a natural choice. Since one of the authors had been working there for a while together we had the opportunity to evaluate which individuals could be representative which would be harder to accomplish from an outside perspective. We chose four individuals that we believed would give us rich data from both a management perspective as well as an employee perspective. At first we wanted to begin with these four and conduct additional interviews to strengthen our results. However after these four we considered the data to be saturated as we got the same answers from almost all respondents, thus to conduct further interviews would not provide us any new data.

3.4.2.2 Presentation of respondents
For the research four interviews were made with managers and employees at Mediaprovider Scandinavia AB. Three of the interviews were conducted by direct communication at the office in Stockholm Sweden and the fourth one was made by telephone.
**Table 3.1 List of respondents**

<table>
<thead>
<tr>
<th>Name</th>
<th>Time at Mediaprovider</th>
<th>Work profile</th>
<th>Type of interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pontus Brohult</td>
<td>Since the start in 1995</td>
<td>Head of marketing in the Swedish office</td>
<td>Personal meeting</td>
</tr>
<tr>
<td>Carolina Acosta</td>
<td>Since September 2010</td>
<td>Traffic manager/marketing assistant in the Swedish office</td>
<td>Personal meeting</td>
</tr>
<tr>
<td>Anders Wånell</td>
<td>Five and a half years, started in 2005</td>
<td>Part of Kamera &amp; Bild’s editorial team and partly responsible for IT.</td>
<td>Personal meeting</td>
</tr>
<tr>
<td>Radu Apreotesei</td>
<td>Two years, started in 2009</td>
<td>Sales manager in the Swedish office</td>
<td>Telephone interview</td>
</tr>
</tbody>
</table>

**3.5 Secondary data**

Jacobsen (2007) describes secondary data as when researchers do not take part of the gathering themselves but rely on a secondary source of information. Secondary data will be collected to our theoretical framework through articles and books about subjects relevant to our topic of research that will allow us to answer our research question. In the theoretical framework found in this dissertation we have tried to utilize as new information, relevant topics and authors that are well renowned in their field.

For this dissertation we have used Halmstad City Library and Halmstad University Library to find books relevant to our topic. Books used have been on the topic of internal marketing, relationship marketing, service marketing, relationship building, communication, dictionaries etc. We have also utilized previous course literature that we still had in our possession since earlier courses.

The types of articles that we have been using in this dissertation are both scientific and non-scientific articles. Scientific articles have been found on following databases; Google, Google Scholar, JSTOR, Libris and Emerald. The non-scientific articles have been searched for on Google, e24.se and dagensindustri.se. Key words on both types have been; internal marketing, marketing, relationship marketing, relationship, relationship building, communication, trust, commitment, motivation etc.
3.6 Method for analysis
In qualitative methods the results are according to Jacobsen (2007) very rich, it is however very complex and the researcher may encounter problems when analyzing it. To counter this problem we first categorized our interview guide in topics which we wanted to investigate, this helped us in dividing the information gained through interviews and observation into relevant areas. The formal interviews were transcribed so that no information would be lost. Together with notes taken during the interviews we then compiled all information to find any similarities or differences. This is what Jacobsen (2007) refer to as categorization and combination. When compiling and combining this information the data collected from observation in the diary was transcribed and merged. In our analysis through the transcribed interviews, both formal and non-structured, as well as the data collected during the participant observation, we were able to great extent describe the data as it was. As our analysis is based on our empirical data gathered through interviews and participant observation it was of immense help that we transcribed all data before starting with the analysis. This enabled us to go back and check any information so that no misinterpretations would occur.

As this research is aimed on one company we have conducted a within-case analysis. Our analysis is structured after the internal marketing tools that are presented in our model (model 2.1) and combined with the tools for relationship building that we have found. The model is used after each internal marketing tool to show the connection found to relationship building.

3.7 Research criteria
In order to judge a research and its quality it is important to have some criteria as a base. Two of the most commonly used phrases are validity and reliability; these tell how the researcher has taken a stand for the methodological choices that they have made conducting the study.

3.7.1 Validity
Jacobsen (2007) defines validity as the research being relevant and valid. This means that the researchers actually measure what they say they will. The choice of using participant observation as a data collection method lowers the validity of the research results. The reason for this is that the observer is also active inside the group of people that is being observed. Strengths are that in this study only key personnel know that the observation were in play, including the CEO and one other employee. If only an observation were to be conducted the validity could be questioned since it only measure and record how people act. A participant observation raises the relevance of what we actually wish to study by adding an inside view and information of the organization. To further strengthen the validity of the study four formal interviews as well as a number of non-structured interviews were conducted to add with the information gathered from observation. Three out of four interviews were conducted personally in the office of respective interviewee so that they would feel comfortable, they were also recorded and notes were taken as to not lose any information in the process. The
fourth interview was done over telephone and was also recorded to not miss out on any information by just taking notes. The recordings were later transcribed into the following empirical chapter. Even though one researcher conducted the interviews, the transcription was performed by both researchers so that we both would be aware of what was being said, and as to not get one researchers bias while transcribing.

3.7.2 Reliability

A criterion of reliability refers to the goal that if a second researcher were to replicate the research using the same formulation as earlier, the result would be the same. Yin (2007) states that the key point is not to replicate the first researchers’ results, but rather to replicate the same case study. If the same results using the same method of data collection are assured, then Jacobsen (2007) states that the research are trustworthy and believable. Since the case study in this research was conducted with a hidden participant observation the reliability are higher seeing that only two people in the company knew that they were being observed. Yin (2007) further states that to ensure reliability of research the study should be documented so that it is possible to replicate. For our study we have done this, throughout the participant observation a detailed journal has been written that entail all that has been going on in the case company and what the participant has been doing. To come to the same conclusions as the researchers of this dissertation it is a necessity to use the same elements of theory that has been used here. In our theoretical framework we did a thorough investigation in the areas of internal marketing, relationship marketing and relationship building. Through this we found key elements that are mentioned frequently by previous authors and decided to use these as areas for studying further.
4. Empirical findings

In the following chapter the empirical findings for this research are presented. Including four interviews with employees at the Swedish company Mediaprovider Scandinavia AB together with participant observations. The findings are categorized under five different subjects, communication, education and learning, motivation, recruiting and lastly leadership.

Mediaprovder Scandinavia AB is a company active in both Sweden and Denmark, and they own, produce and manage magazines both online and in print. The Swedish office is located in Stockholm where about thirty people work. The office is divided into different departments including an economic department, marketing department, sales department and different editorial departments focusing on a specific field.

4.1 Communication

The subject of communication is a large part in the internal marketing literature as well as in the empirical findings for this dissertation. Therefore it is divided into three different sub categories that are; information sharing, feedback and communication between and amongst the different departments of the organization. This separation is made so that it will be easier to follow the discussion.

4.1.1 Information sharing

While informing about activities and subjects concerning the company, Brohult the marketing manager at Mediaprovider, means that: “The goal is to always start working from the inside and move outward, giving the employees information about new products and other events before others” (authors own translation). If they do something new, the first ones that need to know are those that it will affect directly or indirectly and thereafter they who work with similar products and lastly their partners in Denmark. For example in Sweden, Mediaprovider has different product segments and when informing about a new product the group responsible will be the first one to know. When the product is finished everyone at the company both in Sweden and Denmark should be informed and know what it is about before it goes out on the market. This way of informing was viewed at the time of observation where information concerning new products or events was firstly informed to staff.

It was also as Acosta, the traffic manager/marketing assistant means when she brings up that the employees working on a particular project will be the ones firstly informed and that since it is such a small company it is easy to always stay updated. Working in a project meant that all involved was informed about what was going on, this was at the time of observation easiest done through e-mail or project meetings. The information that is concerning the news or actions done by the company means sales manager Apreotessei, are given through many different types of forums. This can be through internal mail, and through various meetings and to some extent through talking to each other when meeting in the hallways or through
individual conversations between different people. How this type of information is shared is something both Acosta and Brohult discuss. They mean that it is first and foremost given through internal email and at a large meeting that is held every Monday morning with the entire Swedish office.

During the time the participant observation took place, a Monday meeting was held every week. At 8.30 in the morning the whole company consisting of the economy-, sales- and marketing-department as well as the editorial offices, developers and CEO gathered in the kitchen where breakfast had been prepared by the department in charge that week. How many that were participating depended on how many employees that were in the office. At times, where many were working from home or were away in business, there was a small crowd discussing the status of their work. In other weeks the kitchen was full of employees taking up every seat and standing along the walls to get room. The meetings often started by a presentation from either Brohult or the CEO giving general information about the company and any news that might be currently interesting. This was followed by a status update from the sales team, explaining how the sales were going and how they were according to budget as well as bringing up any news. For example if one of them had performed well the week before this was brought up and the employee was congratulated for a job well done. This was usually followed by an update by each editorial office which explains how the status was on the websites, as well as what they were focusing on in their work, for example what they were focusing the next magazine on.

Managers in these meetings were interested in what the others had to say and often asked follow-up questions and gave praise if something had been going well. Other employees also got to explain what they were working on and especially if it was something special that was happening. The meetings were also a way of informing everyone about good news, both work-related and personal. Work related might be the start of a new employee or introducing a new member of the organization while personal can be everything from congratulating an employee whom just had a baby, to acknowledging a personal achievement outside of work.

Brohult explains that they started with these meetings a long time ago as the company grew and they noticed that information did not travel automatically and the internal information was not shared enough. He sees this as an easy way of informing everyone and as the office in Sweden consists of between 25-30 people it is possible to inform everyone in this way. However he believes that it might be hard to have these types of meetings in a larger organization, but for an organization of their size it is perfect. That these meetings are a good way of informing everyone and a way to stay updated is an opinion shared by Brohult, Acosta, Apreotesei and also Wånell, who works in one of the editorial offices. Throughout the observation this way of informing employees was found to be preferred by many and a good way to stay informed about what was going on in the different departments of the organization. The meetings made it possible for everyone to meet and discuss any questions that might have come up or simply listen to hear what the others had to say.
One that shares this view is Apreotesei who means that “The meetings are a good forum where it is possible to share information that you want everyone to have” (authors own translation). Further he explains that it is also a way to minimize the questions that employees have about what the other departments are working on at the moment and gives an overview of the whole company. It also gives a better insight in the other employees’ daily lives and an understanding of what challenges colleagues are facing in their work at the moment. Brohult also shares this opinion and means that it is good to have a time where everyone at the company meets. Employees do not have to wonder about what the others in the company are doing. Wånell’s thoughts of the meetings are in accordance with the observations and he means that attending these meetings gives an overview of what is happening at the moment in the entire company and it is also a way of meeting employees that one would not have contact with otherwise. However, Wånell means that if one is not present at the meeting some information may be lost. It is in that case up to the person in question to ask a co-worker for an update if it is something they are wondering about.

Acosta emphasizes that it is interesting to follow up rapport from other departments and means that this is best done during these meetings. She thinks these work well and that it is important to know what the others are working on and how things are going. For her, working a bit like the link between all departments this is a good opportunity to stay updated on how everything is going. It is also a good way to get status on the outcome for each magazine and to find out if there is something special they want to highlight in the next issue.

At the meetings it has been observed that not all information is relevant for everyone and this is something that Apreotesei and Brohult agrees on and mean that there might be information shared that do not involve or affect everyone. However they both see it is important that everyone knows about what is happening in the company and that it is good to know this even if it is not critical for them to be able to do their job. Wånell also discuss the relevance of the information in accordance to his work tasks and means that some information is more relevant for him than others. In the end however, he means that it is good to have gotten all the information and taken part in everything that is happening.

As the meetings give a greater understanding of the other members of the organization Apreotesei think that it is beneficial for the relationships between them in general. That it is good for the relationships between different departments is something that is agreed upon as it through observation was found to be a way to get everyone at the company to meet one another. Brohult means that without these meetings the information might stay in the different departments and everyone will not know what the other departments are doing. This view is shared by Acosta, who thinks that this is information that everyone would not get if they did not have meetings like these. She thinks that it is important to have a joint meeting every week with all departments where they can meet and talk to each other. Even if they do this in addition to these meetings, she does not think it would be to the same extent. Everyone do not go around to every department and update him or herself in the same way. Wånell also
believes that if they did not have these meetings and for example got the information in another way, for example through email, they would not take part in the information as much as it is easy to overlook and not read.

One Thursday, during the time of observation, when quite a few of the employees were away working at a fair, all of the employees received an email from management which was later discussed in the Monday meeting the following week. Having read the email, the discussion would be easy to follow as the email would have given everyone a good idea of what was going to be informed. However, even if the email was sent to everyone only a few had read it through before the meeting, indicating that information by email often gets lost or overlooked and that the easiest way to be certain that everyone has received the information is to have face to face meetings. The presentation made, gave everyone a good insight in the company and for the employees that had questions it was informed that they had the opportunity to visit the person in question in their office so that they could discuss it, giving the possibility to clear up any misunderstandings or questions.

Brohult also bring up that on some occasions they put in extra meetings during the week if they have something specific that is happening that they want to inform everyone about. Sometimes it is information that cannot wait until the next Monday to be shared. This could for example be a quarterly report that they want to inform everyone about or if there is something specific that the employees do not know. This is a way to clear out any questions that might come up. However, at the time of observation there were no such meetings held apart from the occasional celebration of an employee or an accomplishment of the company or employees.

4.1.2 Feedback

Acosta and Brohult mean that before releasing a new product or an improvement of some sort the employees are often asked to give feedback. Here everyone is according to Acosta given a chance to give feedback on a certain issue in front of the whole company or be given feedback from others if that is the case. She explains that “Everyone, are in these cases able to give their point of view and a decision can be made together when the issue concerns the whole company. If one is working in a smaller group there is a possibility to give constant feedback to those involved in numerous ways” (authors own translation). She also means that their goal is to work with the best and if they do not give feedback to each other there is a risk that the result will not be as good as it can be. For example she sent out a new update for the sites to everyone in the company by email and asked for feedback and what improvements could be made. That each were given the opportunity to give feedback on this can be supported by observation as an email was received more than once concerning this update. Each time with new improvements made according to employees’ suggestions in the matter, making the result better. Acosta thinks that she got good feedback by email with ideas on improvements that could be made. She means that they work a lot with making everyone feel included and give them the possibility to influence the results. This is important for everyone to feel that
they are working towards the same direction and goal. During the time of observation there were apart from this example other times when employees were asked to give feedback, this mostly by e-mail or during project meetings.

One example is brought up by Brohult that discusses their new site Filmforum. In this case emails were sent to every employee, both in Denmark and in Sweden, asking them to check the site for flaws or things that can be improved. This was later something that they also asked and encouraged everyone to do when discussing the new site in a morning meeting with the whole office. This procedure is something that is standard and is done with every new product. Wånell agrees that they are able to give their point of view and feedback on different subjects however for this to be successful it is required that they take the time to do so. Through observation it has however been noticed that the feedback do not only come from employees but from management as well. As the whole company received an email from an employee asking for comments on something he made, the CEO for example answered to him as well as everyone else that it looked great. This shows that feedback in the company travels both from one employee to another as well as to the management and back.

Regarding her work, Acosta feels that she is able to take own initiatives and if employees have new ideas concerning a project it can easily be discussed with the others involved. This is something that there is no need to book meetings for to present but something that is done continuously. Apreotesei shares this view and means that feedback is something that can be given informally and that is it easy to simply go over to someone and talk about the subject in question. However, Acosta means that if it is something that can possibly be beneficial for the company as a whole it is possible to discuss this with the person in charge.

4.1.3 Communication inside and between departments

At Mediaprovider there are numerous different departments including an economic, marketing and sales department as well as different editorial offices. The economic department is located in an office together with the CEO and the head of marketing while the sales department is located in another together with the traffic manager. The different editorial offices and the developers are all placed together in a larger room in the office. The office also consists of a larger conference room as well as a smaller room referred to by some in the office as “the box”. Most of the different offices and rooms have glass walls giving a feeling of openness.

Apreotesei explains that the sales department has a general meeting by themselves after the big meeting on Mondays. This can be confirmed by observation as the sales department each week stayed in the kitchen after everyone else had left to have their own meeting or moved themselves into the conference room. In those meetings Apreotesei explain that “We review everything from large too small. What everyone has going on right now, how the last week went, and what everyone is focusing on next week. After this I present a general status update on where we stand against the budget of this month and where we stand in regards to this
quarter. We also discuss specific products, which products are ahead and what products are lagging behind” (authors own translation). Wånell also brings up meetings within their department and means that in their editorial office they have joint meetings every week in order to discuss what everyone is working with at the moment, functioning not as much as planning but as continuing communication. What is going to be included in the magazine is often filled in an ongoing process however they also have a larger meeting every six months. These are held to discuss the contents of several issues ahead. These meeting are often held outside of the office and may be a half-day or a full day meeting.

Apart from these meetings there have been observations of the ongoing communication between the employees inside the departments. The sales office, which at the time of observation consisted of seven sales employees as well as the traffic manager, had an ongoing discussion in the office each day. Topics were, as one would think, both work-related as well as personal as they all take interest in each other’s lives. Discussing their daily lives outside of work and talking about everything from travelling plans in the weekend to the purchase of a new apartment. It was through one of these casual discussions amongst them that the subject of the webpage came up. It was established by a couple of employees from the sales team and the traffic manager that it needed to be updated and they made a list of everything that needed changing. This is something that might not have been done without this connection between them. Another way of communicating and get to know each other is meeting outside of the workplace. As one of the co-workers in the office was leaving for a longer period of time it was decided to have a dinner with everyone after work. The decision started a cheerful discussion of where to eat and the good mood continued throughout the day. While out together there was a chance to leave work behind and only focus on getting to know each other better and having an enjoyable evening.

During the time of observation it was evident that the different departments were dependent on each other and Acosta describes this by saying that “The various departments of the company live in symbiosis” (authors own translation). The sales department is dependent on the editorial boards and that they are providing good products and they are in the next step dependent on that the sales department are selling enough ads to put in the magazines. She means that between them there is a lot of communication at individual level and that the departments do not have any ongoing projects together. It is more of a personal relationship where they have a close contact with the ones that they work with most frequently at each department. As an example the sellers connect most with the editors that they sell for, which is only natural. Both Apreotesei and Wånell agree that the communication between the sales department and the editorial offices is mostly between the sales person and the specific editorial office that they are selling for, which also is something that have been seen through observation. Apreotesei means that the communication between them entails getting to know what is going to be in the products and for example special tests that are going to be included. To get this information it is easy for the specific seller to just walk out to their department and ask the person in question. At the same way if they need to know something from the sales department they can come into the sales office and simply ask, which during the time of
observation was something that happened frequently. It was often that the different editorial managers came in to the sales office in order to discuss something or merely ask a question.

This communication as Wånell means is mainly between the manager in each editorial office and the seller with which they work with. It can for example be when planning the pages and this is supposed to be done continuously. However, Wånell means that between the different editorial offices, continuously communication is not needed for them to be able to do their work and they therefore do not communicate as much as inside their own group. However, Brohult means that the communication between the different editorial offices has improved as they moved the office from another location to the one they have now as they before where divided in different rooms depending on what department they were in. He thinks that the larger office with the editorial departments in the same room is beneficial for communication and that it is easier to get an insight and an understanding of the other department’s work. However he still believes that they still communicate most with the co-workers that they work closest with.

There might also be times that they need to work undisturbed and for these times they can simply move into the conference room for example. That it is easy for them to communicate between the different editorial departments has been observed and for example, when asking Wånell in the interview he was having a conversation with employees from another department simply by turning his chair in their direction. Having a conversation from one department to another in that room is thereby very easy no matter what department they are in.

The daily communication between the different departments is done in a number of ways and both Brohult, Apreotesei, Wånell and Acosta mention talking face to face, using internal emails or having short discussions through MSN. All of these channels were used during the participant observation and they were suited for different types of discussions. Shorter questions were easy to discuss via email or MSN while others were better to take in person. It was not unusual for one to come and talk after receiving a question via email or MSN just in order to be certain that everything was understood right. This is supported through the interviews where Wånell means that people contact him in different ways and Apreotesei explains that what channel is used is depended on what type of information that is going to be discussed. General updates are something that can be taken through email and more sensitive subjects is better discussed in a meeting.

The daily communication between departments is according to Acosta done mostly through email but that the way she chooses to communicate depends on the priority. That is, how quickly you want an answer to a question. For her as traffic manager, she understands it is also “Important to adapt the communication depending on the person you are communicating with. For example if I know that a person prefers contact via email, this is the way I will contact that person” (authors own translation). Is it on the other hand, a person who never read their mail, it is no use trying to contact him/her in this way. Do they prefer a face to face
contact instead, this is the way she is going to contact them. Further she means that in her case it is much about being able to detect the type of communication that will work best in each case.

This way of communicating Acosta thinks is good, because when trying to force everyone to communicate through the same media it will not be as effective or personal. For the relationships, and in order to understand each other and know each other, it is important to be aware of and know how each person wants to communicate. It is a part of getting to know everyone and have a personal relationship with everyone. During the interview with Acosta the rest of the sales department were away on a fair and in the middle of the interview one of them called Acosta with a question that they needed help with and they got their answer right away. This can through observation be said to be a typical example of how she communicates with the other employees, no matter when or where they are they can contact her and ask for her help and she usually have the answer that they want. This is something that can be found in other employees as well.

When during the participant observation asking one employee for help in a question that he did not have the answer to, he instead recommended asking another co-worker. How to get in touch with this person he explained was just to go over to that person and ask, meaning that the easiest way to communicate would be face to face. Brohult means that to have enough communication at the right moment is important. In some cases where for example a problem needs solving or there is a subject that needs to be discussed the interaction between people becomes more important and a meeting might be in place. However meetings can be time consuming so it is important not to have meetings about things when not really needed.

When regarding the communication between the different departments it has been observed that they have project meetings when working with tasks that include employees from more than one department. When planning the launch for their new site Filmforum, they for example had meetings each week to follow up their work. These meetings included the developers, an editorial manager, Brohult the marketing manager and Acosta the traffic manager. Brohult means that it is important to have these project meetings, as they need to work together. He also explains that the editorial departments who are the main production need the help from the economy, advertising and marketing departments, which helps with different tasks. These meetings are crucial for the relationships and some type of the questions or problems are not possible to answer by email or through other communication channels like MSN. These functions are however very good and easy to use when not discussing a problem or something that needs a lot of discussion. Acosta thinks that these types of meetings are good to have when wishing to get many different views regarding a question. This might take some time, as there are often follow-up questions that need to be discussed.

That these meetings are appropriate for these types of questions is also supported by participant observation. Much of what was discussed during these meetings is hard to get an answer to without direct interaction where it is possible to find solutions to problems or plan
what everyone must do in order for everything to work. The project meetings are according to Acosta often a way to follow how the work is going and to divide and delegate tasks and when there are many people involved Acosta thinks that this is a good way to do this. She also thinks that one can get a better understanding of something when asking directly and that it is easier to get an answer to a complicated question. It is also a way of getting everyone involved to feel that they are a team that works towards the same goal.

Brohult means that there are also recurrent meetings held between the marketing department and the economy department, and for the whole Swedish office they have management meetings where they discuss what everyone is working on at the moment. They also here take the time to discuss questions that are relevant for everyone. Like before the launch of a new product they can discuss if there is something similar that can be done in other departments.

### 4.2 Education and learning

Acosta means that a lot of what she is working with is ongoing work and are real-life situations, once it is running. Due to this she got a lot of guidance in the beginning and also received training in the various stages by another employee and also by external parties such as for their ad management system where she was trained by staff at Mediaproducer and by those who distribute the system. The person who was traffic manager before Acosta quit before she started so it was her superior Apreotesei who trained her. However, the traffic manager before her left manuals that she created. They were thorough and contained information on all that she had worked with and included everything from the login information to various procedures and how to work with the different systems and manuals.

This is similar to the way that the author of this dissertation was introduced to the work tasks at Mediaproducer, which included training from another employee together with manuals and learning by doing. Apreotesei means that this type of learning and education is standard when new staff is introduced to their job. He explains that they with every new seller go through three different blocks including media knowledge in general, selling techniques and product knowledge. Apreotesei himself holds most of this but they have also sent sales personnel to the media agency Maxus, which has overall media training. This was for example done in the last recruitment round when they sent three of the salespeople to Maxus media school. When discussing the initial education at Mediaproducer with personnel from the sales department one described the initial week at the company as a time to learn about the company itself as well as the work tasks. Another got a specific training in the specific field he was going to work with, which describes the training as individual and depending on what they are going to work with.

During the time of observation an e-mail with an invitation for a seminar connected to work was received from Brohult. He means that the employees are given opportunities to go to seminars or courses and that they are often much related to their work tasks. Acosta agrees with this and means that they get invitations to participate in different seminars or courses.
She explains that she mainly get these from Brohult if he has found something that he thinks can be beneficial for her to go to. Acosta means that if it is something that feels relevant for what she is working with and something that can help her stay updated, she happily goes if she has the time. Brohult explains that this type of education can be relevant when for example a developer needs new information about a system that he/she is working in. It can also be a further education that they need.

A lot of this knowledge Brohult means they get just by working at Mediaprovider and learn as they go, but sometimes it is good to get external input. Wånell agrees that a lot of the knowledge received they get just by working. He thinks that you learn things over time and if there is something you do not know it is possible to learn this from someone else in the company. As for the area that they focus on in the products (in his case photography) it is in most cases a personal interest of the employee and he thinks it is hard to learn this only for the reasons of work. However, he means that it is not the knowledge about the theme that is most important but the production of the material. Acosta thinks it is best to have a combination of reading about what they need to learn and learn from others as well as learning to solve problems themselves. She means that if you have difficulty with anything at the moment, there is always someone you can ask.

Acosta further explains that she got a lot of support from other staff members who helped her in the beginning and they made sure that everything was done right. “It was really nice to know that if I missed something, they would find it pretty quickly so that this error could be corrected” (authors own translation). This gave her the opportunity to learn everything without the pressure and risk of doing something wrong which felt assuring. During the participant observation there were many new things that needed to be learned, such as what the company was working with and how. It also included learning new systems that was needed for the work. This was done as Acosta and Apreotesei explained, through learning from others, reading manuals as well as learning by doing. If a problem would occur there was often someone who could help.

Brohult means that the idea is that the knowledge in the organization should be shared as much as possible and it is through this you learn. He also explains that it could also be that a new employee brings in new knowledge that can be beneficial for the others. Acosta discusses the forwarding of knowledge that they learn on various courses and seminars and means that if it is something that is relevant for other employees this can be discusses during the meetings on Mondays. It is also possible to share this on an individual level if it is something specific that another person can benefit from. Sharing knowledge with other members in the company is something that has been found through observation to be something that many do. When for example asking for help in a specific question it is often that instead of just doing the task for another that they show how it is done to enable the other to do this themselves in the future.
When discussing who or how often employees share their knowledge with others Brohult explains that “the more social competent someone is the more knowledge they are probably sharing with others” (authors own translation). Although they do share information Apreotesei means that when sending the sales personnel for courses in media they unfortunately did not pass this on to the others. However, it were the ones that needed take the course that did and the other sales personnel have been working in the business for a long period of time and have experience in the field.

4.3 Leadership

Brohult means that each department manager has the job to push the work forward and delegate and divide the work between the employees in their department, and see that they follow this through. They also need to see if everyone feels that the tasks are challenging enough. Brohult himself is supposed to help the employees that are in charge of products and it is his tasks to see that they are doing their job and that the groups are working well. Apreotesei means that, he apart from the group meetings also has individual meetings or conversations with the employees in the sales department when it is needed. It could be an employee that needs to speak with him or something that he needs to bring up with a specific person. He means that it is important to have both of these types of meetings with the employees, as there are some things that are not needed to discuss with everyone.

“If someone for example is behind in their budget we look at this together and try to come up with what can be done for this particular product. This is then discussed in the group what each and everyone can do and all are able to come with ideas and suggestions. They have also a lot of freedom in their own work and have the possibility to discuss ideas with the whole group or me.” (authors own translation).

That the sales department solve things as a group and work as a team can be seen in an example from observation when two of the sales people were having a meeting with a client about the products they are in charge for. They did not sell for themselves in the end, but for another product. Showing that the customer and what they need and want is what is important, and not selling for your own product. This idea and act helped one of their co-workers.

That the employees have a lot of freedom and are being encouraged to act and solve things together is therefore something that has been observed in several occasions. Another example of this is the actions of the marketing manager at a project meeting. The meeting included several employees all from different departments of the company where they were supposed to prepare for launching of a new product. Brohult decided in this meeting to let the others discuss the plan and he was going to take notes during the meeting. The meeting started quite unstructured with no agenda and things were discussed from left to right. To make the meeting more structured, Acosta therefore decided to take charge and started bringing up the issues one by one in order, and tried to get an answer of what to do in each case. This shows
that when a manager decides to take a step back, others are encouraged to take the lead.

When discussing what is needed to be able to gain the response you want from others Brohult thinks that trust between them is crucial for everything to work and for them to be able to work together. “If the employees don’t have a trust for you as a manager I think you can fail both in delegating tasks, follow up what they have done and everything that you are working with” (authors own translation). This is of course also important within the group as well and between the employees. When talking about the relationships that the employees have with each other as “friends” and when the work tasks are not involved he does not think that a trust in their work capabilities are important but professionally it is crucial. Getting to know the employees is something that has shown to be important as well, and during the time of observation there was a rotation of work places done in the sales office. This was mainly in order for the sales manager to have the new sales people closer him and easier be able to help them or talk to them. It was also during this time not unusual that other managers or the CEO came into the office to see how everything was going and taking interest in the others work or simply dropping by to talk, indicating that the organization is very open, and that relationships extend between both employees and managers. Wånell explains that a few years ago the chairman of the board had interviews with each employee for fifteen minutes or so. This was a way to get feedback from the people within the company and a way for the management to gain an insight into how everything was going and if there was anything that could be improved at the company.

### 4.4 Motivation

Mediaprovider has been found through observation to be working under a decentralized model and Brohult means that as they work after such a decentralized model as possible, each business area is independent. They are supposed to plan together in each group or department what they plan to do which is something that they do. They might do it in slightly different ways in the different departments but the main idea is the same. In the editorial offices for example they have a manual that they use, however they do not follow it to the letter. It works more as a frame of how they work in the company. Apart from this they are completely independent in relation to their budget. Wånell agrees that their work is much unbound and that they have much influence in what they will work with and choose to write about. This is probably something that he thinks can be motivating, but is something that is largely taken for granted because it has always been this way. It is not always easy to come up with good ideas about what you wish to do and he means that it is also important that it should be possible to accomplish. If you have any idea of something that you wish to do it is something you can easily discuss over morning coffee and that it is not something you necessarily need to schedule time to bring up.

Aprotesesi means that every sales department has a built-in reward system where those who sell well are rewarded and those who do not are not. This is something Brohult brings up and means that in the sales department their salary is depended on how well they perform so the
motivation or reward system is built in. In the other departments he means that they sometimes have competitions where they try to make a fun “thing” with a work task. This is supported by Wånell, which explains that they have had a competition between the different editorial offices. The competition was concerning how much they increased in traffic on their websites in percentage. This is something that can be influenced by posting more and better news. However, he did not see it as a big thing as he does not write news for the web, neither does he remember that the competition caused any stress amongst the others. During the time of observation however, the sales department had different weekly competitions with the goal of for example book in as many meetings as possible. At one point they had a rush one hour before deadline where everyone was trying their best to win, which motivated the others to do this as well. This created a friendly but hectic competition between the employees, including many laughs and stressing comments that were given to one another.

Brohult further discuss these types of competitions and give an example when they had an evaluation on one of the sites on what could be developed further technically. The developers got a reward when improving something to a certain level. This was a group reward as they were supposed to try and achieve this together. Brohult means that they often try to have competitions where they reward groups together after achieving a certain goal as a team. Apreotesei means that they in the sales department also have competitions in order to motivate the employees and give an example of a competition that they had last year. It entailed reaching a certain budget together as a team with the reward to travel to Island together. He means that this type of group competition where they all have a common goal to strive for results in everyone pushing and encouraging each other, everyone want all to do well. Acosta believes that there is nothing that can be bad with a group performance, but this is something that is only beneficial to the group.

She thinks it is important to both set individual and group goals so that you can help and motivate each other to reach them. These goals are more favorable for the company because if all are performing well it is good for the whole company. Therefore the best rewards should be given to the employees as a group. By observation it was possible to see that they needed everyone to succeed. The sales department would not be able to meet budget if not all did well and the editorial offices would not be able to create the products without everyone participating and with the help of the other departments. However, Acosta means that if an individual is performing well then of course they should be rewarded for his or her accomplishment. Apart from this type of motivation or rewarding systems, Wånell states that the thing that motivates him the most is the social part that comes together with his job. However, he does not socialize with other employees that much in his free time but means that when he does it is always nice.

When discussing the sales department’s competition last year Apreotesei means that the reward was half the fun, and as they had many new sales people it was good for them to go away together. This gave them the chance to get to know each other better and get better relationships with one another. When coming back from their trip Acosta who also went on
the trip with the sales people means that the atmosphere in the sales department was really
good. This is something that have been observed as the week after their return they were all in
a good mood and they all talked more with each other in the office, bouncing ideas and
helping one another. The Friday after their return, the sales manager Apreotesei held a group
meeting, in which one of the authors participated, in the office letting everyone explain what
they had been working on and talk about how their week had went. The answers from many
of them were that they thought that the week had been really good and that they felt that it had
been a really good atmosphere in the office. This discussion showed that not only the
competition is what was motivating but also the reward itself. Acosta means that it is good to
meet each other in situations that are not entirely work related; it gives an opportunity to
communicate in another way and meet in another environment. She thinks it is in this way
easier to be more open and get to know the other employees in a different way. It is then
easier to get closer to everyone as a group and she believes that this will also benefit their
work. Mediaprovider also has as many other companies, dinners and kick offs, which Brohult
means is a way to build a company culture, and is a good way of meeting everyone outside of
the office and the regular working day. While some of the employees might see each other
outside of work he still sees this as a good way for everyone to get to know each other.

4.5 Recruiting

When recruiting new personnel, Brohult states that they use both ads and their own networks
in the industry. They have as a principle to always put an ad out for new jobs, as they want to
see if there are others that are suitable and he means that they do not want to exclude someone
the opportunity to apply for the job. He gives the example of when they are searching for an
employee with less experience but with a certain type of qualification and means that they
might be easier to reach with an ad. Often they do however use a combination, and how they
recruit is depending on what type of job opening they have. For the editors it is important that
they have an experience of the media business and also for the special niche that they are
going to be working with. For example an employee for Kamera & Bild needs both
journalistic and photography knowledge. At the time of observation one of the editorial
offices was searching for a new member and did this by a combination of recruiting ways.
Putting out an ad as well as sending this ad to everyone in the company asking if they knew
someone that would fit for the job and at the same time encouranging everyone to
communicate this to people that might be interested. Wånell means that they during his time
(five years) in Mediaprovider it is first now that they have put out an ad for a new job opening
in their department. Through this ad they have hired a new staff member that will start
working at the Kamera & Bilds editor office during April. This person does not have any
previous connection to the other employees or the company.

Wånell started at the company when they figured out that they wanted more tests in the
magazine. It was then created a new position that he filled. Wånell had gotten to know the
editor in chief earlier and it was through him that he got introduced to Mediaprovider. As this
person left the company the position was filled by another employee that already work at the
company and it is due to this that they needed to employ another person. The current editor in chief got to know that they needed help at the office by a contact in the company and started at Mediaprovider as an intern. When discussing recruiting with other employees, their way in to the company have been different and being all from through contacts, ads or merely an open application. If they have been in the business for a long time varies as some have been working in the industry or in their field for a number of years and others are completely new.

Wånell means that some of them have thus begun working at the company as they have found out from contacts that there was space opening. But it is only now that they are really in need of a new employee and therefore have chosen to put out an ad. Acosta also describes contacts as the way that she got to know that they were searching for a new traffic manager. However, this was a contact outside of the organization. Brohult, which meant that they try to use ads for every job opening also means that at the same time they sometimes might already know someone that would be most suitable for a particular job. This since the industry is quite small and the people that have worked with the exact same type of product are not that many. Apreotesei means that when recruiting to the sales department he prefers to recruit through contacts. When having a job opening they therefore ask employees at the company if they know someone that would be suitable for that particular position.

Having ads Apreotesei means is their second option and as their third option they can use a recruitment agency. He does however think that hiring through personal contacts generally go faster and you get a filter from the start because no one wants to recommend someone who is not good, or would not fit the role. It is therefore faster and you get a type of filtering right away. Having a relationship with other employees at the company before starting Brohult means can be both good and bad and that it is more important that they have done similar tasks before. He means that it is not that important if they know other employees before starting as they get to know each other quite fast when they start working at the company. This is something that correlates with what have been seen through the participant observation.
5. Analysis

In this chapter, the empirical data is analyzed and compared to the theoretical framework in order to find any similarities and differences. There will be a discussion of how our case company works with internal marketing in order to establish and build relationships within the company and to describe the eventual connection between the subjects. At the end of each chapter below we will give a short discussion of any other elements we may have found. We will also at the end of each chapter show our model with the connections that we have found under each instrument.

5.1 Communication

This first part of the analysis containing communication have been divided into three parts; information sharing, feedback and communication inside and between departments. This is done as to have same headlines as in the empirical data and to make it easier to follow. After the chapter of communication inside and between departments, a summary of the entire communication analysis can be found.

5.1.1 Information sharing

Brohult says that “The goal is to always start working from the inside and move outward, giving the employees information about new products and other events before others”. This means that they work with presenting new products by first informing the department involved with the development and then the entire company, both in Sweden and in Denmark so that everyone are aware of the new product before it is shown to the public. This correlates with what Grönroos (2008) states that one of the key parts of internal marketing is that a company first presents campaigns inside the company so that everyone knows about the product and can be prepared when dealing with customers. When a company always presents new products first internally, managers build up a sort of agreement with employees. Grönroos (2004b) means that this agreement is based on trust and expectations that they will continue to do so for every product in the future. This way of informing was viewed at the time of observation where information concerning new products or events was firstly informed to staff. However, if managers would for some reason stop sharing this information internally, then Grönroos (2004b) argues that it can result in the trust in management being damaged. By having marketing strategies shown internal first is what Greene et al. (1994) mean by that internal marketing means to promote products to the company’s employees first. Through the participant observation it was found that informing employees was easiest by sending e-mails or having project meetings, depending on the extent of the campaign.

When informing about news or eventual actions that the company will or has done, the most frequent used mediums are according to Apreotesei the use of internal e-mails, a variety of meetings or by just catching a person walking in the hallway to have a casual conversation. When informing about company affairs or events, we see a connection to the use of media
described by Arnerup-Cooper and Edvardsson (1998) and Grönroos (2008). This use of communication is described by Kreps (1989) as mass communication. That they share information in a manner similar to above authors can be confirmed by observation, and both Acosta and Brohult say that the most used application is internal mail and communication through Monday meetings. The act of using these channels to inform employees builds a trust that they will always act in this manner and is according to Harwood and Garry (2006) the power of the agreement that exist in the relationship. We also draw a connection to what Grönroos (2004b) states about that expectations are built that a part will act in a certain manner is the base of the trust between the actors.

During the meetings that are held every Monday it has been found through participant observation that they usually start with a presentation from the CEO or from Brohult where they provide general information as well as by sharing news that might be interesting. By sharing news and information that managers see as interesting we believe that they may be using internal marketing as Davis (2001) describe it, by trying to influence employees and sell ideas to different departments. After this each team gives a status update, the sales team inform how sales are going and how they are performing according to budget and general about their work. The editorial office gives a status update on the websites and the content of the next magazine. By opening up channels to exchange information across departments we argue that they apply exactly how Zeithaml and Bitner (2002) want internal marketing and communication to be used. They do this by coordinating the editorial office and what they plan to write about with the sales department to prepare them for how they can act with their customers and what they can offer.

Managers do according to Jacobsen and Thorsvik (2002) prefer to use verbal communication when interacting and informing employees as this gives an opportunity to give hard fact in an easy way that enables them to ask and answer questions at the same time. By communicating verbally as both interviews and observation show that managers do in these meetings, Jacobsen and Thorsvik (2002) argue that a manager can also use non-verbal communication like body language and tone to express their feelings and emotions. We as well as the authors believe that this will develop or strengthen the relationship between those involved. We argue that giving the information not only personally but face to face gives it more credibility and also shows a commitment from management. This commitment by managers and by communicating valuable information can be connected to Morgan and Hunts (1994) view of trust in organizations. We believe in accordance with their view, that being consistent in sharing information is an action taken from management to nurture the relationship with employees and is also how the authors portray trust.

The relationship marketing approach to leadership as described by Davis (2001) involve using two-way communication to solve problems that may have been encountered and to share information with each other. Through observation it has been found that managers in these meetings are interested in what the others have to say and often asked follow-up questions and gave praise if something had been going well. They also give other employees a chance to
explain what they are working on and if something special has happened or if any problems have been encountered. The way managers’ act in these meetings we argue confirms the connection to how managers can use communication as described by Davis (2001) above. The meetings were also a way of informing everyone about good news, both work-related and personal. Work related might be the start of a new employee or introducing a new member of the organization, while personal can be everything from congratulating an employee whom just had a baby to acknowledging a personal achievement inside or outside of work. When sharing personal information as mentioned in above sentences, Jacobsen and Thorsvik (2002) mean that this kind of information should be given in a medium that is more personal, e.g. verbal communication. In this case, meetings were held with everyone and they all got a chance to share. When sharing information of personal character as these we see a link to how communication as described by Varey (1994) can build trust between employees in a work place. By sharing your personal life with others it opens up a chance to develop your relationships. To us this openness shows a certain trust in co-workers and we believe that it can benefit relationships. It also shows that employees are willing to open up and trust others which require a certain commitment to co-workers and the company. Therefore we agree with Morgan and Hunt (1994) when they state that relationships are built on a commitment between the partners and that they are willing to work in order to maintain and develop the relationship.

That these meetings are a good way of informing everyone and a way to stay updated, is an opinion shared by all respondents as well as found through observation. Throughout the observation this way of informing employees was found to be preferred by many and a good way to stay informed about what was going on in the different departments of the organization. This we have found to be a direct link to how Zeithaml and Bitner (2002) describe how internal marketing should help to open up communication throughout the company and make information available for everyone. Mediaprovider today, arrange planning and/ or team meetings where different departments can meet and interact and share information about their jobs and eventual problems they may have encountered during the past week. This is a method that according to Zeithaml and Bitner (2002) can help solving eventual problems and share information across departmental borders. We agree with this view and argue that for management to arrange these meetings can show that managers are committed to help and encourage employees in their work. Therefore we think that this sign of organizing meetings where employees can interact and discuss problems or have casual conversations is a sign that they care about their staff and wish to maintain the relationship with them. This is something that is closely connected to what Payne (1995) means when arguing that a demonstration of commitment is crucial for a relationship to be maintained and strengthened.

At the meetings it has been observed that not all information is relevant for everyone and this is something that Apreotesei and Brohult agree on and mean that there might be information shared that do not involve or affect everyone. However Apreotesei, Brohult and Wånell think that it is important that everyone knows about what is happening in the company and that it is
good to know this even if it is not critical for them to be able to do their job. By giving information about the different department the company use what Zeithaml and Bitner (2002) refer to as horizontal communication. Through observations it has been shown that though these meeting may not give everyone there relevant information for their specific task, there may come up information here that would not have been shared otherwise. This is also something that can be confirmed by Acosta and Brohult who say that information sometimes can tend to stay in each department if opportunity was not given to express it. This comment we argue can be connected to Zeithaml and Bitner’s (2002) statement that horizontal communication aims to open up communication between departments so that information can be shared and problems can be solved. If this is not done, what Acosta and Brohult describe can take place and the information stays within each department. Therefore we believe that the use of communication and especially horizontal communication is of great importance.

Despite the fact that all information given at these meetings does not affect everyone there, it gives everyone an insight to the company and to their colleagues which according to Apreotesei can benefit organizational relationships. This we argue can be connected to Kreps (1989) statement, that sharing information between employees can be used to explain what different departments are doing help clarify any misunderstandings. Kreps (1989) further states that knowing what your colleagues do and to know that they value your opinions in some matters can strengthen the relationship. The participant observation in the company can confirm what Apreotesei stated, meetings that everyone are a part of is a great way to meet one another and to catch up and to strengthen relationships. Here all interviewees agree that it is a good forum to share information with everyone, to keep your colleagues updated of what is going on is a way to reduce questions that one may have about another departments tasks.

Observation has shown that employees and managers walk around the office and ask questions in addition to these meetings. However, Acosta believes that they do not do it to the same extent in terms of getting the same information as they would if attended the meetings. Wånell agrees in saying that in these meetings you also get a chance to catch up with people you not usually have a regular contact with. However, through observation and what Wånell says, if you were to miss a meeting it is easy to ask a co-worker for an update if there are any questions. By asking a co-worker for an update are according to Jacobsen and Thorsvik (2002) a fast way to get rich information quickly.

As described above this might also be why they use meetings instead of other media for distributing information. This can be linked to how Wånell believes that if they did not have these meetings and for example got the information in another way, for example through email, they would not take part in the information as much as it is easy to overlook and not read. This is best described by an e-mail that was sent out on Friday from the CEO about a subject that would be discussed on the meeting on Monday. Observation tells that if you read the e-mail the discussion in the meeting would be easy to follow. However, even though everyone received the e-mail only a few had read it, showing that information send through e-mail can easily be overlooked. This is one of the reasons why Brohult thinks that they started
with these meetings; in an organization with their size having group meetings like these is an easy and effective way to keep everyone informed. That e-mails can be ignored or overlooked can be a large contributor to why they prefer to have these meetings when distributing information; however we argue that there may also be a link to what Grönroos (2008) means, that too much use of IT and in that e-mails can cause personnel to be more antisocial. Therefore we believe that by arranging these meetings where everyone gets a chance to share information and possibly solve any problems that a department have faced, can be a way for managers to keep the employees to value the strength of verbal communication and the importance and possibilities in two-way communication.

5.1.2 Feedback
Before the release of a new product or when doing updates and improvements on existing products or websites it is then according to Acosta and Brohult that employees always should get the possibility to come with suggestions and feedback. Giving employees the chance to give feedback is according to Grönroos (2008) vital as it is important to show and for employees to be aware when new marketing campaigns or products are being released. Through observation and interviews it has been found that everyone at Mediaprovider got a chance to see materials before they are shown externally, and just as Zeithaml and Bitner (2002) mention about employees getting a chance to also give feedback on campaigns before they air they were also given opportunities to give feedback and comments. Further Kreps (1989) means that feedback is a way for management to stay updated of what employees think and feel about the company and its products. It is also used as a way to clarify messages sent between people and departments.

Feedback can, through the interviews and supported by observation, be given in a large variety of ways. In the example from Acosta which is confirmed by observation in the company, it shows that numerous e-mails went out after the first one, every time with taking in account the feedback she got from various employees. That everyone got an opportunity to give their thoughts about the update and that they were taken into account can be connected to what Kreps (1989) mentions about effective communication between people. Further it has through observation in the company been found that feedback besides from employee to employee as mentioned above, are also given to and from management. One example is when an e-mail that was sent by an employee asking for ideas and comments, the CEO replied to everyone that it looked good. This use of communication, in this case to use e-mail, as a way to open up two-way communications correlates to what Ballantyne (2000) and Varey (1994) state about motivating and building trust between employees. By acknowledging the work this employee had put into the product can give the feeling of being trusted by management. This act we believe strengthen the commitment from the employee to the organization as well as the management and to show that value is put to other’s opinions and ideas can strengthen the bond between them.
However, there were also large amounts of feedback given via project meetings and the weekly Monday meetings. Brohult gave an example of the new site Filmforum, and how e-mails first went out asking for comments and feedback and on the next Monday meeting these were encouraged to be brought up. Acosta described this by saying: “Everyone, are in these cases able to give their point of view and a decision can be made together when the issue concerns the whole company.” A similar statement was given by Brohult that everyone are given a chance to comment and that a decision can be made together based on comments raised. It is in moments like these that we believe that members have to have trust in one another to contribute and give feedback in order to improve the project. Here we can see a connection to how relationships between people are based on having trust in another person and that they will act in a certain way or as Grönroos (2004b) mention, contribute in order to maintain the internal relationships between members.

The idea to use group meetings as a two-way communication channel was how Davis (2001) stated that management could give information to employees and that it would help the relationships between them making decisions together which can be connected to what is described by Brohult and Acosta above. We have found a connection between how these internal quality and information meetings as described by Arnerup-Cooper and Edvardsson (1998) are linked to how Varey (1994) describe communication as a way to build trust and understanding between employees and management. As these meetings are used to discuss every new product as Brohult mentions, we believe that there is a connection between presenting new products to employees as well as trusting them to give feedback and how trust can be built between employees and management. This is in accordance to arguments by Ballantyne (2000) and Varey (1994) that communication is a way to build trust between employees as well as between managers and employees. By encouraging feedback in the company we see a connection to how providing opportunities, as mentioned by Morgan and Hunt (1994), can contribute to nurturing the relationship between employees and managers.

Acosta means that when everybody can influence the result of a product and give feedback it results in the product getting better and better. She means that they want to work with the best, and to give feedback to one another enables the development of skills and to ensure that everyone is working towards the same goal and feel included in the work that is done. Through this two-way communication we see a connection to what Ballantyne (2000) and Varey (1994) discuss about it being used to build trust between employees. If one feel included in the development and that their ideas are taken into account, trust between them build up, making employees more inclined to offer more feedback, and ask for feedback themselves. This we argue can be directly linked to how Acosta described how they aim to work with the best and provide the best products and how feedback can facilitate this process. To always try and maintain a high standard we believe can be connected to how trust is built and nurtured in relationships as described by Morgan and Hunt (1994). They continue with stating that trust is also based on that one does not take advantage of the other. That all employees often give feedback to one another is an example of the trust that exists between them. Therefore we believe that there is a trust in their relationship and because they do not
only take feedback from others, but they on a regular basis give it back keeping a trustworthy relationship between them. As Acosta says that they all strive to work with the best and provide the best for each other we believe is a motivation and a mutual interest between members of this organization to maintain the relationship. Grönroos (2004b) defined this as having a commitment to another person and we therefore see that there is a commitment between the employees at Mediaprovider.

As mentioned above, observation show that feedback can take many forms depending on the subject and from whom you wish to receive it. Acosta means that it is easy to give feedback continuously and through a large variety of ways, which also can be verified by observations in the company. She means that even if the one you want feedback from is not in your department it is easy to go to others involved and get feedback. This sort of informal way of feedback and not having to book a room or a meeting is agreed upon by Apreotesei. If the subject do not require a formal meeting it is easy to walk over to the desk of the person you wish to speak with. In this we see a connection to how Jacobsen and Thorsvik (2002) describe how different media convey different richness of information. A work related task may be better suited to be sent in a non personal media like e-mail. However when the message is more personal or more complicated, an e-mail or a phone call may not be sufficient. In these cases they state that managers prefer personal meetings where a verbal conversation can take place to further explain the issue and also enable the relationship between them to grow. This we believe can explain the information we have gathered that even though the subject is brought up with someone in management or another employee, these informal ways of walking up to someone’s desk or office is the same regardless of who it is. Here we can see a connection to what Acosta says, that if the subject or the feedback could be beneficial for the company you may want to take it up with the person in charge or bring it up in a meeting. Which is also something that Kreps (1998) suggests could be done to enable sharing of feedback.

For management to have the opportunity to listen to employees feedback and give it back is according to Kreps (1989) and Zeithaml and Bitner (2002) a great way for them to get information on day to day work and is something that can help them in making decisions. This is something that we see a direct correlation to how Acosta and Brohult mention that meetings that are held to discuss issues and feedback with their products. These meetings we argue are valuable in making a decision together and to provide management with information that they may need in order to make these decisions. They also show a commitment from management’s side to care about what employees’ think, which we argue can also strengthen the relationship. To demonstrate a commitment for one another is crucial to maintain and develop a relationship (Payne, 1995).

Acosta describes Mediaprovider as having the aim to work with the best requires the best products and they get these by implementing regular feedback on their work. Feedback can be given via a variety of mediums, be it with a close colleague, your closest superior or the CEO. By working this much with providing each other constant feedback not depending of which
medium they used is an application of two-way communication that build an understanding between departments and between employees and managers. This understanding between them is a large contributor to the trust that they build with each other (Ballantyne, 2000; Varey, 1994), a trust that is based on always give ideas and help your colleagues to be the best and provide the best at all time. Ballantyne (2000) also means that an obligation towards your colleagues and towards the organization can be a contributing factor to trust. We believe that there might very well be an obligation for each employee to all the time be there and support their co-workers by giving them feedback to help them develop in their work.

5.1.3 Communication inside and between departments
During the observation it was detected that after every Monday meeting the sales department had a general meeting themselves, which is something that is confirmed by Apresotesei. The meeting consists of by going through everything whether it is big or small, how last week went, what they are doing right now and what they should be doing the following week. These meetings also give the sales manager a chance to give general updates about the budget and how they stand and how the different products are doing. This type in information sharing or communication is by Zeithaml and Bittner (2002) referred to as vertical or downward communication. They mention briefings like the one described by Apresotesei as one way to give information, Davis (2001) calls it group meetings. However, the content is the same, to inform employees about company or departmental campaigns and how the work is going. This is something Davis (2001) means is important when stating that employees should always be well informed of what is going on and what they plan to communicate externally.

With the support of observation and interviews we believe that Mediaprovider work in a very similar manor to what is described by the authors above. Wånell says that a similar meeting is also held by each editorial department every week, however these are not planning meetings as those described by Davis (2001) and Zeithaml and Bittner (2002) but a way to keep a continuous communication of what everyone is working on at that moment. To know what they should put in each magazine is also a continuous communication and a process that is ongoing. They do however as Wånell put it, have a larger meeting every six months which are usually held outside of the office for half a day or a whole day, here they discuss several of the upcoming issues. This way of meeting outside the office is something that through observation and interview was found to be very appreciated by employees. It is also something that we have found by Zeithaml and Bittner (2002) to be a way to open up communication in the department. Annual retreats such as these act as an opportunity for them to solve problems and plainly interact with each other in an environment other than the workplace.

During the observation it has been found that daily communication between employees within a department were frequent. Topics were both work related and personal like weekend plans or recent purchases, this due to them wanting to take an interest in each other’s lives. We believe that this casual communication between them is built upon a commitment to each
other. Morgan and Hunt (1994) mean that in a relationship where partners are willing to work to maintain the relationship is based on a commitment between them. This is what we have found through observation, as they work closely together and take real interest in each other’s lives. It is because of these casual discussions between colleagues and friends that work related topics are brought up. Without this connection they might not have brought up that the webpage needed to be updated and a change might not have been executed. To be able to function as a team and working together is by Ballantyne (2000) referred to as being one of the key parts of a relationship. In relationships he mentions that they rely on each other to perform in a certain way and that trust is an essential part in working together and maintaining the relationship. If trust does not exist between members they have no faith in that person and the relationship is not beneficial for anyone. Therefore we argue that working closely as a team can aid the building of trust and commitment between the members and in the end result in stronger relationships.

Wånell says that for the different editorial offices to be able to work, continuous communication between them is not necessary. Acosta however mentions that for the sales department and the editorial office to be able to work efficient and provide quality products, good communication between them is a necessity. We have found that Zeithaml and Bitner (2002) have a similar view, that communication between departments can make sure that everyone knows what goes out to their customers and that everyone can serve them in the best possible way. At Mediaprovider communication has been found through observation to be more frequent on an individual level as they build a personal relationship with the employees they work with the most. Therefore we believe just as Apreotesei and Wånell that it is only natural that a seller communicates most frequently with the editorial office for which she/she sells. A seller needs to know what products and tests are included in the magazine, to get this information Apreotesei means that it is very easy to walk to that office and ask the person in question personally. Personal meetings and verbal communication is by Jacobsen and Thorsvik (2002) known to be a fast way to get information and to discuss topics that may be too complex to take over telephone or e-mail. During the observation this type of communication happened frequently in both directions, however it was mostly the editorial managers that came to the sales department discussing a topic. Communication of this sort can be linked with Zeithaml and Bitner (2002) and their idea that a department need to be aware of the product in order to be able to provide for their customers. In this case study, the sales department needs to be aware of what products and tests will be included in the magazine for them to be able to sell ads etc.

Though the different editorial offices do not need continuous communication to do their work, communication throughout the entire office has according to Brohult been improved since they moved to a bigger workplace. This is because they have placed all editorial offices in the same room and with easy access between every other department. Brohult thinks that this has opened up communication in the office we believe can be attributed to that managers’ as in accordance with Jacobsen and Thorsvik (2002) seems to prefer verbal communication. The reason for this is that it is a good way to get rich information fast and also adds a more
personal touch to the message which can benefit the relationships between the parties. Having a larger and more open workplace make it for the editorial offices as well as everyone else easier to see what everyone else is doing and makes catching up a lot faster. That communication between or inside the editorial offices is immediate can be confirmed by observation and through an example where Wänell turned his chair answering a question by a co-worker. Therefore we believe that communication has been improved thanks to the possibility that they now can get fast answers to any questions that may arise. This we argue can be connected to as described above that Jacobsen and Thorsvik (2002) state that this type of communication is far more effective as is allow employees to get rich information in a quick manor.

All respondents in the interviews state that daily communication between departments can be done by a large number of ways. They discuss face to face, the use of internal e-mails or using MSN to send short messages. Jacobsen and Thorsvik (2002) state that e-mails and similar media are better to be used in non-personal and work-related information while more complex information or those of a more personal matter or more suited with the use of face to face communication. In accordance with these statements the use of these channels has been confirmed in the research during the participant observation as well as through interviews to be suited for different types of discussions and what message should be conveyed. At Mediaprovider it is however common to use an e-mail first and then have a personal conversation. Jacobsen and Thorsvik (2002) mean that even though technology gets better and better, e-mails and instant messaging often contain a smaller amount in richness of information. This we believe may be a reason why Mediaprovider has this dual usage, through observation it has been shown that en e-mail can be received but may be hard to understand or the answer may be too complex to reply with the same media. Therefore it is not unusual to walk over to the person who sent the message and have a face to face conversation to discuss the topic and/or to make sure that there are no misunderstandings.

Just as Jacobsen and Thorsvik (2002) discuss about more personal related information should be conveyed, Acosta says that general updates are usually taken via e-mail, but more sensitive subjects are better discussed in a meeting face to face. Brohult adds that if there is a problem that needs solving then an interaction in form of a personal meeting may be in place. He says that meetings also consume time and that they should only be used if it is really needed. This is something that the other respondents did not mention, throughout the interviews, with the exception of Brohult they seem to prefer just as Jacobsen and Thorsvik (2002) mention a face to face meeting as to get as much rich information as possible.

What type of communication channel is used also depends according to Acosta, on priority and how quick you want an answer and also here we can draw a link to the discussion above by different media giving a variety in richness of information and also what rate you wish to receive it back. Acosta mentions that in her position it is important to also know how a person wishes to be contacted. If a person does not read their e-mail then this is not a channel she will use for that person and vice versa. To know how a person wishes to be contacted can
depend on how well you know this person and how the relationships is between you. Here we have found a link to how communication is most effective when a relationship is in place. Kreps (1989) describes this as when there is a relationship between two or more people and a trust exist between them then and only then can communication be truly effective. By adapting the channel to each person and not force everyone to use one channel makes it according to Acosta more personal. To know which channel is preferred, requires as mentioned above, a certain relationship where employees have to know each other. To find out which channel is preferred is a way to develop and build a personal relationship with your colleagues. By developing a relationship with your colleagues and understand which channel they prefer makes it easier to get to know and understand each other and makes the communication between you more effective. Further we believe that choosing the right channel may have a positive effect on the relationship one has with the other. We also argue that knowing which channel another employee prefers is based on previous experiences and interactions with this actor.

As described by Grönroos (2004b) there is a trust and willingness to depend on this person to act in a similar way when interacting the next time. Harwood and Garry (2006) calls this a mutual agreement between members of the relationship. As communication is an important part of working together we argue that there is a trust between the parties in that relationship to communicate in a way that both understand and that is suited for the subject. We believe that when communicating with another person, one is willing to trust the other person and trust that he/she relishes the relationship and choose to communicate in a way that will benefit both. This is based on previous experiences of this person and that he/she will act in the same way as described by Ballantyne (2000); Grönroos (2004b) and Harwood and Garry (2006).

Communication in a company that uses internal marketing should according to Zeithaml and Bitner (2002) be used across organizational borders and can be done so by having team meetings. Observation in the company has shown that in accordance with Zeithaml and Bitners’ (2002) view, when different departments work together on a specific product they use project meetings. Brohult means that these meetings are important because they work together and have to share information in order to get it right and provide a quality product. As the editorial offices are their main production they need help from every department to provide what is wished for. By working together cross departments they apply what Zeithaml and Bitner (2002) refer to as effective communication in which departments share information in order for them all to better provide for the external customer. When doing this, they have meetings which we believe are very good as there may be many questions and follow up questions which are not possible to discuss and answer in other channels. Observation can confirm what Brohult says that what is discussed in these meetings would be hard to discuss using any other media channel. Some problems cannot be solved without interaction where they can have a discussion and solve the problem together.

Beside from following up projects, their progress and to solve problems, Acosta means that the project meetings are also used to delegate tasks, and as many people are often involved
this is a good way to do so. Utilizing these meetings to delegate tasks and give job related
information is how Kreps (1989) states that effective vertical communication should be used.
Further Acosta means that these meetings is also a way of getting everyone involved to feel
that they are a team that work towards the same goal.

Summary of communication
The meetings that Mediaprovider have each Monday morning for the entire office is exactly
how Zeithaml and Bitner (2002) described the use of internal marketing and how it should
open up communication across departments. When managers in these meetings present news
personally we believe that it gives the information more credibility and also shows
commitment from management’s side. This is a commitment that we connect to how Morgan
and Hunt (1994) describe how trust is built and how relationships are nurtured. When in these
meetings someone may share information of a more personal character we think that this
proves a certain trust for your co-workers and the organization. It also shows that you are
willing to open up and trust others which require a certain commitment to your co-workers
and the company. This we connect to what Morgan and Hunt (1994) mean, that relationships
are built on a commitment between the partners and that they are willing to work in order to
maintain and develop the relationship.

By giving the opportunity to give feedback and for managers to encourage this feedback we
believe can contribute to the relationship building between managers and employees.
To always try and maintain a high standard we argue can be connected to how trust is build
and nurtured in relationships, as described by Morgan and Hunt (1994). By being there for
each other and by giving comments and feedback we think is a mutual interest to maintain the
relationship which can be connected to Grönroos (2004b) definition that this is commitment
between partners. We therefore see that communication in the way of sharing information,
giving and receiving feedback as well as the communication within and between departments
can influence the trust and commitment within a company.

5.1.4 Elements in communication
In the discussions above we have found a clear link to both trust and commitment. There are
however also a presence of a few other elements.

In meetings and in their normal work with giving feedback to one another they are open for
ideas and suggestions, which is how openness can be defined. As Monday meetings have
been going on for a while and will continue to do so as they are a good way of sharing
information, we see that they are thereby long term. Both Monday meetings and regular
meetings are frequent as well as are how they inform employees by e-mail this is why we
include the element of frequent and intensity.

Though they are also dependent on the feedback they give each other, we believe that giving
and receiving feedback we believe can be linked to an obligation that you have received it
before and feel that it is now time to give it in return. This works as a cycle and by giving each other feedback and providing better products is a way to make sure as Acosta says that they all work towards the same goal. We therefore include the elements of dependence, obligation and shared goals.

When information is shared for example between the editorial offices and sellers, the salespeople are depending on getting information about what is going to be in the magazines so that they can perform their work more easy and correctly. This is also the case when they work in teams on a project, they are depending on each other to get and give the right information, something that also requires cooperation between them. Some employees work frequently together and build a relationship together, they take an interest in each other’s lives and this brings them closer to each other. With this discussion we hereby see that communication can not only be connected to trust and commitment, but also the elements of; dependence, cooperation, closeness, frequent and intensity, obligation, openness and shared goals (see figure 5.1).

**Figure 5.1 Model for relationship building through communication.**

### 5.2 Education and Training

Grönroos (2008) explains that internal marketing often includes some sort of education or training, which can be both done within the company or by an external partner. This is agreed upon by Armerup-Cooper and Edvardsson (1998) who explain developing and educating personnel as one of the main tasks of internal marketing. This will help to attract the best employees as well as keeping them.
During the time of the research it was observed that Mediaprovider both use internal and external education and training of personnel. This included both learning from other employees or managers, reading manuals or sending employees to seminars or courses. Through a conversation with employees it was also discussed that the education when starting at the company included an initial introduction to the company and its products. Introducing new staff to the company is according to Grönroos (2008) important in order to show the employees the entire picture. This can be connected to what Arnerup-Cooper and Edvardsson (1998) describe as business competence, which includes knowledge about the company as well as the employees own role and how they can affect different situations. Here we also see a connection to what Apreotesei describes as the three blocks in which new employees in the sales department are educated. These included media knowledge in general, selling techniques and product knowledge. Further he means that he holds most of the education with the new sales personnel, however they also send employees to courses and media training. What they get to learn is depended on what specific field they are working in and what they need to know in order to do their job.

It has been established through both observation and interviews that Mediaprovider send their employees to seminars or courses in order to keep them updated and make sure that they have the knowledge and competence that they need. One example can be if a developer needs information about a system in order to be able to work with it. Here we see a connection to Arnerup-Cooper and Edvardssons’ (1998) discussion of training and education. They argue that employees need to have the opportunity to develop their knowledge and improve their competence in areas of significance and interest. This opportunity can affect their satisfaction, and Morgan and Hunt (1994) describe training personnel as one of the ways to enhance the commitment in the company. This can in the end be a way of upholding and maintaining relationships between the company and its employees. Giving the employees the opportunity to build their knowledge and competence we believe is an act from the company’s side that shows commitment to employees. It can be seen as a way for the company to let the employees know that they are valued and that enhancing their competence is of interest for the company. According to Payne (1995) a demonstration of commitment is crucial for a relationship to grow and that it can be of interest for building positive attitudes between the parties. For this education to come to use Grönroos (2008) means it is important that employees feel a level of trust between them and the management as well as between each other. Therefore it is it is important to let trust be a part of the program in order to show that they can rely on one another.

As mentioned above, managers themselves do some of the educating and Acosta describes the best way to learn by having a combination of reading manuals, learning from others as well as learning by doing. This is agreed upon by Wånell, who means that a lot of knowledge is gained through experience over time and explains that it is also possible to learn from others. Employees at Mediaprovider share knowledge with one another, which is also supported by observation as many employees gladly helped others if a problem occurred. The knowledge
sharing between employees will enable more employees to solve similar types of problems on their own in the future. This can be connected to Grönroos (2008) opinion that companies need to give the opportunity to employees to share their knowledge with others as well being able to learn from managers’ knowledge. For employees to want to share their knowledge with others it is, according to Ahmed and Rafiq (2003), important that they trust the organization and believe that they will still be valuable for the company after giving their knowledge to colleagues. We therefore stress the importance of building trust between employees and management and argue that this is critical for employees to be willing to share their knowledge with other members of the organization. Ballantyne (2000) supports this view and that if the employees do not trust management they will not be willing to share any knowledge or give away any information on how to perform a task.

Brohult emphasizes the idea that knowledge should be shared as much as possible and that it is in this way you learn. It is also possible that a new employee brings in new knowledge into the company which can be beneficial for others. Sharing knowledge that have been learned in for example courses could be shared in a numerous of different ways and Acosta describes the possibility to share this with everyone at the Monday meetings or talking directly to the person who might benefit from the information. Sharing learned knowledge in this way is something that we have found Grönroos (2008) describes as valuable. Not only because everyone can learn, but also to give the employees who did not participate at the course or seminar, a positive view of them. He also stresses the importance of analyzing what they have learned and incorporating it into the daily work life. Although they at Mediaprovider have the possibility to share with other employees what have been learned at courses and seminars it is not always done. Apreotesei explains that a reason for the sales personnel who went to courses not to share their new knowledge with others can be that it is not as relevant for others. The employees who needed the information participated at the course and therefore everyone who needed this information got it firsthand.

Ballantyne (2000) argues that employees who work together and share knowledge with one another gain a stronger commitment and trust to one another. It is also by working together that employees can learn from each other and be willing to teach others which can create a sense of security. This we can connect to Acosta’s explanation when starting to work at Mediaprovider. She stated that in the beginning “It was really nice to know that if I missed something, they would find it pretty quickly so that this error could be corrected” (authors own translation). This gave her what Ballantyne (2000) described as a sense of security as the pressure of doing something wrong was reduced.

Through this discussion we have found that trust and commitment is connected to education and learning in several ways and is of importance for creating the opportunity to learn more. The company and management need to be committed to the employees and put time and money into their education and make them feel secure enough both in the company and with other employees to share their knowledge with other employees. Sending employees on seminars and courses is also a way for the management of showing their commitment to
employees and a way of letting them know that they are valuable. We therefore argue that education and learning can be used in order to develop and maintain trust and commitment in the company but also stress the importance of the existence of the factors in order for knowledge to be shared within.

5.2.1 Elements in education and learning
Through the interview with Brohult the importance of social competence was also discussed. He meant that “the more social competent someone is the more knowledge they are probably sharing with others” (authors own translation). This is something we argue can be of importance and that a company with many social competent employees may have more knowledge sharing. However we do not believe that the education and training can influence a person’s social competence and therefore do not see it to be a factor that is connected to internal marketing although these types of people may help the relationship building within a company. Although trust and commitment have been found to be important aspects in education and learning there is another factor than can play a great role when sharing knowledge with others. This is the obligation to share knowledge with other employees, who has been found to be connected to commitment to both the company and co-workers (see figure 5.2). Obligation is according to Ballantyne (2000) something that is enhanced when employees work together and we argue that a sense of obligation may aid the sharing of new knowledge, which in turn strengthen the relationships.

![Diagram of relationship building through education and learning](image-url)

**Figure 5.2** Model for relationship building through education and learning.
5.3 Leadership

Within Mediaprovider there are different departments in which all are managed by a leader or manager who has the task of pushing the job forward. They also have the responsibility to make sure that the tasks are appropriate and challenging enough as well as looking after the group and see to it that everything is working well. This we argue is in correlation to Ahmed and Rafiq’s (2003) line of reasoning that it is important to look after employees’ needs in order to make them feel valued. Further they state that if the company, or in this case managers show employees that they are committed to them it is a possibility that they will respond in the same way. It is thereby a matter of putting time and effort into the employees, which is something that has been found through observation to be of importance. This can be achieved through taking the time to get to know new employees simply by keeping them close, or if this was not an option, take the time and walk around the office and talk to everyone. The latter we believe can be connected to a term that Kreps (1989) refers to as “management by wandering around”. It means that a leader is visible to employees in the entire organization and is in contact with everyone. This, Kreps (1989) believes is of importance as a leader that is a good listener, curious and open to suggestions can be a great motivation factor for employees. For a leader to walk around the office and interact with employees we also found correlates with what Zeithaml and Bitner (2002) call the “hands-on” approach which entail leaders and management take the time to be present in the employees day to day work, showing their interest. Apart from this “hands-on” approach Wänell explained that the chairman of the board took time and had meetings with every person in the organization a few years ago.

This type of behavior we argue can be seen as a demonstration of commitment. Demonstrating this type of behavior, Payne (1995) means is crucial for relationships and is needed in order for them to become stronger. We can also see a connection to Morgan and Hunts’ (1994) description of commitment in relationships as something that people believe is worth putting time and work into. In order for them to do this they need to believe that the relationship is worth the effort. Apart from this type of leadership it has been established that the different managers at Mediaprovider have meetings with their department as a group as well as individually with the members. What type of way to communicate with employees Apreotesei means is depended on the subject or situation, as not everything are appropriate to discuss with the entire group. Here we can see a connection to Kreps’ (1989) view that a leader should combine different leadership styles and adapt these to use the correct approach depending on situation.

On several occasions it has been observed that the employees at Mediaprovider have a lot of freedom in their own work and are able to influence their tasks. For example the sales department normally solves things as a group and work as a team in order to meet budget and Apreotesei explains that the employees have the possibility to discuss ideas with one another as a group or with him directly. We have found that being able to get employees to cooperate and create opportunities where employees build relationships is something that according to
Kreps (1989) is of importance as leaders are depended on building effective relationships with employees. Grönroos (2008) states that a leader needs to be supportive and encourage staff, as well as involving them in decision making. This has been found to be motivating employees and is always grounded in a leader that shows commitment to both customers and employees.

Brohult discuss the need for a manager to be able to delegate and divide the work between employees as well as making sure that these are followed through. It has also been found through participant observation that employees are encouraged to give their point of view in different questions and make own decisions. Here we see a connection what Kreps (1989) discusses when he means that leaders should delegate and put their trust in the employees and that they will perform as decided. However, we have found that it is not enough for the management to put their trust in the employees although it is needed. Trust is one thing that has been found through both observation and interviews to be of importance and Brohult believes that trust is crucial for everything to work, for employees to be able to work together and for him to get the response wanted from others. He argues that “If the employees don’t have a trust for you as a manager I think you can fail both in delegating tasks, follow up what they have done and everything that you are working with” (authors own translation). Here we have found a correlation to Ahmed and Rafiqs’ (2003) explanation of trust in the organization. It means that employees need to trust the management and their leadership as well as the entire organization in order to feel safe. They can only reach this by treating every employee as a partner of the firm and by knowing and understanding the employees in the organization.

Leaders do also, as Morgan and Hunt (1994) mean, need to provide opportunities and resources for trust building by attending to the relationships between the employees. Here we have found a connection to what Brohult discusses when describing that it is the manager’s job to see to it that the groups are functioning as they should. We therefore argue that managers and leaders are able to aid the trust building not only between themselves and employees but also between employees by creating a positive environment.

Grönroos (2004b) emphasizes the need for trust between employees and management in order for relationships to be established and in accordance with the discussion above we argue that it is crucial for leaders to establish a trust between them and employees. A part from this they have the possibility to try and influence the workplace in order for trust to be established between the members. Like trust, commitment has been found to be of great importance in leadership and is a factor that can be influenced by showing commitment to employees as they can respond in the same way. We therefore see leadership as a way to establish trust and commitment between not only management and employees but also between the employees themselves.


5.3.1 Elements in leadership
Analyzing the empirical data of leadership as an internal marketing tool has lead to findings that can play a role in relationship building a part from trust and commitment. One of these is the effect of being able to adapt to employees and situations. The leader needs to be able to adapt in order to use the correct type of communication and leadership style with employees, which has been established to be used at Mediaprovider. Another element that can be of importance and something that a leader can influence, is the cooperation between employees by encouraging them to work as a team. Cooperation is something that Morgan and Hunt (1994) have found to be an outcome of trust and commitment and therefore we believe that these factors needs to be established in order for a leader to influence employees and get them to cooperate. Further we argue that a leader who shows that they are committed can establish commitment from employees. This does however need to be shown for a longer period of time and the more frequent the better. One approach of doing this is for example what Kreps (1989) describes as “management by wandering around” where the manager has the opportunity to get to know the employees and show that they are committed. Therefore we connect leadership apart from trust and commitment to adaptation, cooperation and frequency during a longer period of time as a way of developing stronger relationships (see figure 5.3).

![Figure 5.3 Model for relationship building through leadership.](image)

5.4 Motivation
Mediaprovider has, through observation, been found to be a decentralized organization and employees in each departments plan together what they wish to do. Here we see a clear connection to what Zeithaml and Bitner (2002) state, that employees tend to be motivated if
they are involved in what the company do and are a part of the decision making process. Even though Brohult means that it is each department that act independently they do this to the same organizational goal, Zeithaml and Bitner (2002) argue that as long as employees can contribute to a part of the company they are more inclined to stay. Through this together with observing that employees have a lot of freedom in their work we confirm that Mediaprovider to some extent empower their employees to make decisions in the company which have been proven to motivate employees. Empowerment of employees can be further exemplified with statements from Wänell who said that the editorial office and its employees have much influence of their own work and what they wish to write about. When having the authority to greatly influence what they write about he thinks that it can be motivating. For the management to give the employees free hands in their own work mean that they need to have a trust for them to do what is expected. This can be viewed in Grönroos (2004b) explanation of trust as a willingness to depend on another person. This willingness is built on earlier experiences and interactions with the other person. We therefore believe that the management is willing to depend on their employees to do what they are supposed to, based on their earlier experiences.

Through the interviews conducted together with observation we can say that Mediaprovider uses competitions in order to motivate their employees. They do this by creating a fun experience with a work task such as gaining more visitors to websites, reaching specific budget goals or as in the example of the sales department booking as many meetings as possible in a specific time limit. Apreotesei also explains that in every sales department they have a built in reward system, which is depending on how much a person sells. Here we can see a correlation to what Bansal et al. (2001) discusses while explaining that rewards in a company can be based on calculating productivity, sales or customer satisfaction. The competitions conducted at Mediaprovider were either between different departments, individuals or with the thought that a department should reach a goal together as a team. Both the individual competitions as well as the group competitions were found through observation to have a positive impact on the relationships between the employees, thus creating an atmosphere where everyone cooperated and motivated each other to perform better. Cooperation is a characteristic that we have found Ballantyne (2006) to describe as important for building commitment and in the end relationships together with shared values.

Herington et al. (2006) bring up sharing goals as a factor for building relationships and is a feature that we have found to be of importance when creating competitions for a group where they are supposed to work as a team towards a common goal. Here we argue that there is a connection to what Ballantyne (2000) means when describing that learning to work together as a team is important for relationships and for them to be able to do so they need to trust one another. Meaning that this type of competitions has a positive effect in the relationships of the involved partners.

Apart from the competitions it has through interviews and observations been found that the rewards are like them, either individual or given to an entire group. Having a reward system is
something we found to be of importance for motivating employees in accordance with Bansal et al. (2001) who mean this is needed in order to keep employees motivated. Having rewards given to entire groups were something that Acosta meant were to prefer as they all need to perform well in order for the whole company to benefit. This was also confirmed by observation as they all are depended on one another for the organization to perform well. This can be connected to what Morgan and Hunt (1994) argue is needed for one part to be committed to the other. Namely that the partners feel that the relationships they have with the other is important and therefore is willing to work in order to maintain it.

When describing the reward, the sales department got last year for achieving a common goal, Apreotesei described the reward as half the fun as they got the chance to get to know each other better. This was also seen through observation to be appreciated by the others as they described the week after the trip away as good and several employees meant that there was a good atmosphere in the office. Acosta means that it is good for employees to meet outside of the office in order to get to know each other better and it gives them the chance to communicate in another way, which is something that was observed during a dinner outside of the office. Mediaprovider also organizes kick offs and have dinners where the employees meet in another environment and Wånell means that the thing that motivates him the most is the social part that comes with the job. Here we see a correlation to Arnerup-Cooper and Edvardssons’ (1998) view of colleagues having a motivating factor. They further describe internal marketing as ensuring that employees help each other and keep good moral and improve relationships. Motivation is also something that is described as crucial in order for the employees to be committed.

We do after this discussion argue that even though not all tools of motivation are relationship building there are those who are directly connected to building trust and commitment between the parties involved. This through such acts as creating mutual goals, working as a team and making sure that everyone feels that the relationships between them are important to work on. We therefore see motivation in an organization as a possible way of strengthening the relationships of the members involved.

5.4.1 Elements in motivation
Looking at using the creation of common goals in order to create motivation is also according to Herington et al. (2006) a way to build relationships as having mutual goals are important in order for building and maintaining them. We therefore see motivation as a way to enhance the relationships within an organization by creating mutual goals to reach as for example budget or traffic goals. Making the employees work towards a common goal in order to succeed also means that they need to cooperate in order to reach this goal. Cooperation between employees is according to Gummesson (2002) and Hunt et al. (2006) key elements in relationships and we argue that motivation can be used to getting employees to cooperate as they in their tasks depended on one another to succeed. Being depended on another person is in itself according to Eiriz and Wilson (2004) and Harwood and Garry (2006) an element in building
relationships and in this research case dependence is connected to the internal marketing tool of motivation. Apart from using motivation as an internal marketing tool for building trust and commitment to strengthen relationships it also includes important elements such as dependence, sharing goals and cooperation (see figure 5.4).

Figure 5.4 Model for relationship building through motivation.

5.5 Recruiting

When recruiting new personnel Mediaprovider has been found through interviews and observation to use different ways depending on what types of qualities that is required for the particular job in question. These recruitment ways include advertising, using recruitment agencies as well as using the networks of the members in the organization. When adapting their channels for hiring new personnel they are able to find the person they feel is most suitable for the job. We have found a correlation between this way of recruiting in what is discussed by Zeithaml and Bitner (2002) who mean that companies should try to hire the right personnel from the start. This however, indicating that the focus is not to be put in the qualifications criteria. It was thus found that when searching for specific type of qualification it was by Brohult preferred to use ads in order to not exclude anyone from applying for the job. This is therefore a way of finding the personnel with the right qualities or the competence that is needed for the job. Knowing that a person is competent is something that Morgan and Hunt (1994) mean is a quality that enhances the other person’s belief that this is a reliable person. Indicating that by hiring personnel that are known to have a certain quality would help the establishment of trust between the parties. However, as we have found through Grönroos (2004b) and Harwood & Garry (2006) there are more qualities needed for a feeling of trust to
be maintained as it is relied on the expectations of the other part to act in a certain way. Finding and hiring qualified and competent personnel is therefore not something we believe is a direct influence in the trust between the different parties however it may aid the trust building indirectly.

Recruiting new personnel via connections in the business or through the relationships of employees were described by all interviewees and seen through observation as a way of hiring new employees. This is according to the interviewees in order to shorten the recruitment process and being able to easier find a person suitable for the job. This was also something that was able to be combined with other ways of recruitment such as sending ads to both employees and through other media which was observed during the time when Mediaprovider were hiring a new employee for one of the editorial offices. Recruiting from personal networks is something that Brohult means can be useful as they can find the person they think is most suitable, and as their industry is quite small it is possible that they know this person already. Recruiting in the industry we believe indicates that the company has a connection with the person in question and knowledge of what the different parties have done earlier before they start their work in the company.

As trust is according to Ballantyne (2000) built on earlier experience, hiring a new employee with which the company have previous knowledge of and vice versa would mean that they know better what to expect from the other. This expectation is something that Grönroos (2004b), Harwood and Garry (2006) and Morgan and Hunt (1994) describe as trust building if turned out to be true. Meaning that in order for trust to be present between different parties they need not only expect that they are going to act in a certain way as described by Ballantyne (2000), but also know that this is a likely outcome in accordance with Grönroos (2004b), Harwood and Garry (2006) and Morgan and Hunt (1994). Therefore one may argue that hiring an employee with relation to the organization and its employees is not enough for a trust to be built, as they do not know the outcome. However, Apreotesei means that hiring new personnel via contacts is a way to know in beforehand that the new employee is good and suitable for the job as employees wish to recommend people that are great and people that they believe are appropriate for the job. Indicating that this person would be expected to be appropriate not only for the job in question but also well suited for the company. The interviewees described that having the appropriate knowledge and experience is more important than having a relationship to the company or employees before joining the company. The reason for this was because new employees quite quickly become one of the group, regardless if they knew anyone in the company before or not.

In accordance with the discussion above, recruiting new employees that the company or personnel have a connection or relationships with can mean that they easier find people suitable for the job. It can also be an indicator that they will fit in the company and have similar values and attitudes as other employees. This we have found to be something that Morgan and Hunt (1994) argue is a direct influence on both trust and commitment. Finding personnel that are committed to the company, as recruiting new personnel is something that
Morgan and Hunt (1994) describe as one of the ways a company can maintain the commitment in the company and uphold relationships. As a result of this discussion recruiting can thereby be used as a way of trying to find personnel that will easier be introduced into the company. For a company to recruit new employees through contacts or networks may be used as a guide to find employees that are suitable for the job and in the company as a whole. This can make the process of gaining and maintaining trust and commitment easier and in the end also relationships. Therefore we see a correlation between using recruiting as an internal marketing tool to help create relationships within the company and enabling stronger relationships between the involved parties.

5.5.1 Elements in recruiting

In addition to the connection between recruiting and helping the creation of commitment and trust we have also found a connection between recruiting and other elements listed in table 2.1. As it is argued above it is possible to try and find new employees that will fit the company and aid the building of trust and commitment. For example recruiting through contacts can be used as an indicator when finding the appropriate employees. This we argue cannot only be connected to trust and commitment but also as a way to find employees with similar values and goals. Having similar values are argued by Hunt et al. (2006) as being important for building relationships, and Herington et al. (2006) emphasize the importance of shared goals. We therefore also see a correlation between using internal marketing during recruiting and finding employees with similar values and goals as people within the organization which is aiding the relationships building (see figure 5.5).

Figure 5.5 Model for relationship building through recruiting.
6. Conclusions

The question raised in the beginning of this dissertation will be answered in this chapter based on the data collected and the analysis. Further we will give implications that can be drawn from these conclusions that are both managerial as well as theoretical. Lastly we will give propositions for future research.

6.1 Our conclusions

In the beginning of this dissertation we presented the purpose for our research, which was to gain an understanding and describe how internal relationships between members of a company can be strengthened by the use of internal marketing tools. The aim was to describe this from both an employee as well as a management perspective. In order to reach this purpose we raised the question:

“How can a company use internal marketing to strengthen the relationships within?”

Through the research conducted we have found that companies can use internal marketing in a number of ways in order to strengthen the internal relationships. By measuring the ability to strengthen relationships using the two elements of trust and commitment we have established that using communication, education and learning, leadership, motivation and recruiting as internal marketing tools can all be used for this purpose. However, it has been found that not only trust and commitment can be used in order to see how internal marketing can be used for strengthening relationships. By keeping an open mind and including other elements we have therefore been able to establish more ways of using the internal marketing tools presented above for this purpose.

By using communication in certain ways, it can be applied to strengthen relationships within a company. These include creating opportunities in which employees and managers can meet and discuss topics like events, work tasks as well as other questions that might come up through for instance weekly meetings. Here everyone gets the chance to meet face to face and share information of a more personal character which is a way of opening up and trusting the other members. This has been found to be appreciated by employees and reduce the barriers between departments as well as a way for management to show commitment to employees and involve everyone in the company’s business. Feedback and communicating regularly with others in a way that they prefer has been established to be a way of showing mutual interest in questions. It is also ways of showing commitment and the desire to maintain relationships. These communication tools are therefore ways of using internal marketing to influence relationships in a company in order to strengthen relationships.

Throughout the research it has been discovered that education and learning is connected to trust and commitment in several ways and thereby to strengthen relationships as well as creating opportunities to learn more. By putting time, effort and money into educating and training employees, management can show that they are committed to their employees and
create a sense of trust and security. This can be through internal learning and education where management or other employees teach one another. There is also the possibility to send members in the company to participate in seminars or courses. The need for members in the company to feel trust and commitment as well as feeling valued has been found to be of great importance. We therefore stress the importance of the existence of trust and commitment in a company as it is crucial in order for employees and management to be willing to share their knowledge with others. Sharing knowledge and experiences with others is a way of enhancing the competence within as well as a way for everyone to get the chance to improve. By sharing information with others and know that there is someone that can help if needed have been found to be positive for the relationships and creates a feeling of security.

Trust has been found to be of great importance in leadership and without the existence of trust the leader will not be able to do what is needed. It is therefore crucial for leaders to establish a trust between them and employees as well as between one employee and another. It has been established that leadership can be used to influence the workplace in order to establish trust between the members as well as gaining commitment from employees. By showing commitment to employees they can respond in the same way. Strengthening the relationships between management and employees is also depended on the leader’s ability to adapt in a correct way depending on which employee they are in contact with and what that particular situation needs. When wanting to strengthen relationships between employees, a leader can influence the work tasks in order for employees to work as a team and encourage cooperation through several ways. This can be by creating mutual goals and environments that encourage communication as well as working towards reducing the barriers between departments. However, it has been found that in order for this to be successful they need to take into consideration that this work needs to be upheld during a long period of time.

Motivation of employees can take many forms and not all of them are suitable for building or enhancing relationships. These might be commission for selling a certain amount of products or receiving a higher salary after being a part of the company for a longer period of time. There are however tools of motivation that can be a direct connection to strengthening relationships. This through the creation of an environment where both management and employees work as a team towards common goals as well as making sure that everyone feels that the relationships between them are important. One way of doing this is incorporating the employees in the decision-making and make sure that everyone feel that they all contribute to the company’s results as a team. Another is to create an environment where they have to work together and cooperate in order to succeed, meaning that they are all depended on one another. Having competitions within a department have been found to be a way to do this where it is possible to create goals that they need to achieve as a team. The competition can create a good atmosphere in the department and encourage everyone to support and help one another. The reward can also be used to strengthen relationships when designed in a way where everyone gets to meet in another environment and gain shared positive experiences.
Recruiting is a tool that can be used to find people that will be easier introduced into the company and thereby influence trust building and commitment within, making it easier to strengthen relationships. This can be done by working to find employees with the right qualities and are suitable for the existing environment in the company as well as people who have similar goals and values. Recruiting new personnel can be done through a variety of different ways like using a recruitment bureau, putting out employment ads, using existing networks within the industry or recruiting through personal contacts. Recruiting through networks and contacts can be of help as it can be used as a guide and make it easier to navigate and to find suitable employees. Using contacts of employees can also be an indicator that there is at least one person at the company who believes in and trusts this person to be suitable for the position as well as in the environment. This is something that can shorten the screening time and make the process of introducing the new employee easier.

6.1.1 Conclusions for model of research

![Model for strengthening relationships through internal marketing.](image)

In this, our refined model we include all internal marketing tools as we have found that they all in connection to trust and commitment can be used in relationship building. In our previous model in order to keep an open mind we also included other elements that also have been stated to aid the relationship building process. In our analysis we discussed beside trust
and commitment also these but there were only a few of them that we found had a connection to internal marketing in a relationship building purpose. In Figure 6.1 above we have included those other elements that we found have most correlation to internal marketing in order to build and develop stronger relationships. In our analysis we have found two or three connections with these elements and our internal marketing tools, however there were additional eight in our original model. Those included above are the ones that we believe have the strongest ties (i.e. two or three links) to internal marketing. The four elements of adaptation, closeness, openness and shared values were found to have only one connection each to the tools depicted in our model. It is our belief that one link is not enough to conclude a relationship and these are therefore not represented in this final model. The last four elements of attraction, power, reciprocity and social characteristics have not in this research been able to be linked to internal marketing in a relationship building purpose. Therefore these are also not present in this final model.

When conducting our analysis we also saw that in order to help implementing or work with these internal marketing tools there is a need to have a relationship with employees. To have trust and commitment from your employees will aid a manager in his or her leadership role. We have found that it is more likely that employees will follow a leader if they trust that they are making the right decisions. We have also found that when communicating, whether it is between management and employees or one employee to another, there are advantages to already have a relationship with whom you wish to communicate with. If one exists, you trust that this person will share correct information and that he/she will do so in a way that suits both partners. To know how, you rely on previous experiences with this individual and that these have build a connection and relationship between you and the other part. In our model we therefore incorporated an arrow leading back to internal marketing.

6.2 Theoretical implications

As presented above it has through this research been established that there is a connection between internal marketing and strengthening internal relationships. The tools of internal marketing including communication, education and learning, leadership, motivation and recruiting can be used in order to establish relationships between management and employees as well as between one employee to another. Though this is only a single case study we have confirmed that these tools of internal marketing can be used in the purpose of gaining stronger internal relationships. For measuring this we used elements that have been argued by many authors to be of importance in relationships, namely trust and commitment. These have previously been given a lot of attention in relationship marketing field but neglected or under-researched when it comes to researching relationships through internal marketing. Through this research we have found them to be factors that can also be found in internal marketing. We argue that it is possible to influence them by using internal marketing tools in order to enhance relationships within the company. Apart from this they have also shown to be of importance when implementing internal marketing strategies and can therefore be seen as a subject of relevance in the field.
6.3 Managerial implications

Internal marketing has for a while been a strategy for companies that wish to take a greater interest in their employees and to satisfy them first so that they in turn can satisfy external customers. It has also been known to improve internal communications and to remove tension between departments. The notion that relationships between employees themselves and between them and management are important is not unknown. However how to create these or how to strengthen these within a company and at the same time make sure that the focus remains on the company’s goals and objectives, has from a management perspective been relatively unknown. Previous researchers have made the claim that internal marketing can aid the relationship building process, but since no accepted definition of internal marketing exist authors has separately stated topics which could be included in the subject. To not now which are relevant for a manager to adopt has made it harder to identify what needs to be done.

In this research we have used a number of tools within internal marketing that are frequently used by previous authors and tested how a company can use these in order to create and strengthen relationships within the company. These are the tools of communication, education and learning, leadership, motivation and recruitment. As our purpose was to describe how internal marketing can be used, we have in this chapter above stated a few examples of how internal marketing can be used to create trust and commitment that is required to have a strong relationship. It is our beliefs that our results may have the ability to be adopted by managers that wish to implement internal marketing, or that already do, as a way to strengthen relationships within the company between employees, but also between employees and management.

6.4 Recommendations for future research

This dissertation has focused on researching how internal marketing can be used in order to strengthen relationships within a company. The empirical data was collected by using a single case study which was analyzed using the theoretical framework and the model made for this dissertation. As the findings and conclusions are based on this, it would be of interest to investigate if these would be the same when studying the same subject in other companies by:

- Testing the model on multiple case studies.

The theoretical framework was used to build a proposed model for this purpose and included internal marketing tools such as communication, education and learning, leadership, motivation and recruiting. They were tested to see if and how they can be used in order to strengthen relationships by using the elements of trust and commitment as measurements. It was found that they can be influenced by using internal marketing. However, it was also evident that they are of importance for implementing internal marketing as stronger relationships can help this process. Since these two elements are under-researched in the field of internal marketing, the following is an interesting subject to look at:

- The importance of trust and commitment as well as having strong relationships within a company in order to implement successful internal marketing.
References

Acosta, C. Personal communication


Apreotesei, R. Personal communication


Brohult, P. Personal communication


DOI: 10.1108/00251749710169729


83

Wånell, A. Personal communication
Appendix 1. Interview guide

The interviews conducted with employees and managers at Mediaprovider Scandinavia were structured after this guide and the interviewees were able to speak freely around these questions. However, as the interviews had different perspectives, namely the one of employees and managers, the guide was adapted depending on the interviewee. The guide shown below is formatted after an employee’s perspective of the subject.

General information

- Name
- Position
- Time at Mediaprovider Scandinavia AB

Information sharing

- Do you think that you get news and information about the company and new products?
  - If yes, how do you receive this information?
  - Are these ways good or not? Why/Why not?

- Do you think it’s important to get the chance to be informed about different activities in the company?
  - If yes why, if no why not?

Feedback

- Do you have the opportunity to provide feedback on things happening in the company?
  - If yes, how?
  - Are these ways good or not? Why/Why not?

- Do you notice any difference after you have given feedback?
  - If yes, in what way?

Communication between and inside departments.

- How do you communicate within your department? Why?
• How is the communication between different departments?
  o How do you communicate with employees in other departments?

• Is it possible for a two-way communication?
  o If yes, how?

• Do you think the company environment allows a dialogue between employees and between managers and employees?

• Do communication misunderstandings happen sometimes?
  o If yes, what are you doing to prevent this and what is done if it were to occur?

• How does the communication between management and employees look?
• How does your communication choices affect relationships and potential conflicts between departments / editorial offices?

**Recruitment**

• How did you hear that there was a job opening?
  o How did you come to work at Mediaprovider?

• How were you introduced when you started working (to the other employees)?
  o Did you know anyone at the company before starting?
  o How has this affected your relationships with other employees?

**Education and learning**

• Have you been invited to attend seminars, courses? (attended courses, seminars)
  o If yes, what type of course, seminar?
  o If yes, have these been evaluated, followed up?
  o Are the new information shared with other employees? If yes how?

• Do you think that employees and managers share the knowledge they have?
  o If yes, how?
  o Does this affect relations between the parties?

• Do you think that information sharing (teaching others) affect the unity?

**Motivation**

• What motivates you?
• Do you have any reward systems in the company?
  o If yes, how are they built?

• Are you rewarded as a group or as an individual?
  o Positive/negative effects of this type of reward?

• Explain what type of competitions you have in the company/department?
  o How do you think the competitions you have affect the relationships between employees?

**Leadership**

• Do you feel involved in the planning process?
  o If yes, how?
  o Is it important, why/why not?

• Do you feel that you can take own initiatives and are given responsibility that the work gets done?

**Relationships**

• Describe the relationship between employees and between managers and employees?

• How do you think that the relationships in the company can be strengthened?