The Importance of Internal Marketing in the Textile Industry
(Guangdong, China)

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I hereby certify that the work embodied in this dissertation project is the result of original research and has not been submitted for a higher degree to any other University or Institution.

(Signed): Jacob Lai
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List of Abbreviations

AVA       Averaged Variance Accounted for
CEO       Chief Executive Officer
HKMA      Hong Kong Management Association
HRM       Human Resource Management
IM Mix    Internal Marketing Mix
IM        Internal Marketing
PLS       Partial Least Square
QoS       Quality of Service
ROC       Republic of China
SOP       Standard Operation Procedure
SPSS      Statistical Package for Social Science
WTO       World Trade Organization
Abstract

Internal Marketing (IM) indicates that customer needs will be better met by employees, who are aware of both internal and external demands of the organization. IM is the philosophy of treating employees as customers. The benefits of IM can contribute greatly to: firstly, reduce turnover; secondly, increase service quality; thirdly, increase employee satisfaction; and fourthly, improve the ability to implement changes within the organization. IM Mix is a set of controllable elements inside the organization that is used to influence and motivate employees to provide consistent services to satisfy the external customer needs.

This thesis seeks to investigate the importance of Internal Marketing (IM) in textile industry in Guangdong, China; which occupies a very big share of the global production. This dissertation will firstly review literature on the development of marketing theories, including IM in different industries. Second of all, the major components of IM Mix have been juxtaposed against elements of Professional Competence, Job Satisfaction and Business Performance. To justify the importance of IM in the textile industry in Guangdong, China, five hypotheses are tested.

The four major Internal Marketing Mix (IM Mix) factors that employees have shown on this research are namely: Reward Savvy, Proficiently Trained, Coherent Communication and Endowed Leadership. These components were determined by a factor analysis carried out with nineteen variables. After ensuring the reliability and validity of the scales and combining the scales into composite measures, Statistical Package for Social Science (SPSS) and Partial Least Squares (PLS) technique is used to test the interaction between the new constructs and the contribution in relation to Business Performance, Professional Competence and Job Satisfaction.

The empirical research provides strong support for all of the hypotheses; all the data proves the conceptual framework of this research: that IM Mix has a positive effect on Professional Competence, Job Satisfaction and Business Performance. This result indicates that satisfied and competent employees will benefit the organization as a
whole. The project results suggest that both Professional Competence and Job Satisfaction are important factors that influence the company's Business Performance. Future research can be built on this dissertation by considering other source countries, regions or other industries.