RESEARCH ARTICLE

Effectiveness of Internal Marketing in Increasing Customer

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ARTICLE INFO	ABSTRACT
	This study examines the impact of internal marketing on student satisfaction in higher education institutions in Yogyakarta, Indonesia. Internal marketing refers to practices implemented to improve employee performance and organizational commitment, which are expected to have a positive impact on student satisfaction as the main customer of educational institutions. Using qualitative research methods, interviews were conducted with students to explore the relationship between internal marketing strategies and student satisfaction. The findings show that effective internal marketing, through improved service quality, communication, and engagement, significantly increases student satisfaction. Students reported higher levels of satisfaction when internal marketing initiatives resulted in more responsive, professional, and accessible academic services. However, challenges such as inconsistent communication and uneven service quality across different departments were identified. This study contributes to both theory and practice by providing insights into the important role of internal marketing in shaping the student experience. Limitations of the study and suggestions for further research are also discussed.

INTRODUCTION

Student satisfaction is one of the important indicators of the success of higher education institutions in providing quality education services. With increasing competition among universities, both public and private, in the Special Region of Yogyakarta, educational institutions are increasingly required to optimize various strategies to increase student satisfaction. One effective strategy in this context is internal marketing, which is a marketing approach that focuses on employees or internal staff of educational institutions, with the aim of ensuring they have the necessary motivation and ability to provide the best service to students (Yoshino & Zhang, 2020).

The urgency of this research lies in the need to understand how internal marketing can be implemented effectively in the context of education in Special Region of Yogyakarta. Internal marketing is not only used in the business sector, but has also begun to be adopted by educational institutions in an effort to improve service quality, particularly in the administrative and academic sectors. Although many studies have discussed internal marketing in the business sector, studies examining its direct effect on student satisfaction in the higher education environment are still limited, especially in Indonesia. Therefore, this study is relevant to address the gap in the literature and provide more contextualized recommendations for educational institutions in Special Region of Yogyakarta.

The novelty of this research is its unique focus on the influence of internal marketing on student satisfaction, which has not been widely explored in the context of higher education in Special Region of Yogyakarta. This research integrates internal marketing concepts commonly applied in the

commercial sector with the context of education services, providing a new perspective on how internal marketing strategies can be adapted to improve the quality of education services and student learning experiences.

This study has several main objectives. First, to explore how internal marketing strategies are implemented by universities in Yogyakarta and how they affect students' perceptions of the quality of services provided. Second, to identify the internal marketing factors that have the most influence on student satisfaction. Third, this study aims to provide practical recommendations for educational institutions in improving internal marketing strategies to increase student satisfaction.

The theoretical contribution of this research lies in the development of internal marketing literature in the context of higher education, particularly in Indonesia. This research provides new insights into how internal marketing concepts can influence the dynamics of education service delivery, which in turn contributes to the development of internal marketing theory in this under-researched sector.

Meanwhile, the practical contribution of this research can provide applicable recommendations for universities in Yogyakarta, especially in formulating policies and programs aimed at improving administrative, academic, and communication services with students. By understanding the aspects of internal marketing that have the most impact on student satisfaction, universities can develop more effective strategies in motivating their staff, improving service quality, and building better communication with students, so as to increase competitiveness and institutional reputation.

This research is expected to provide a deeper understanding of how internal marketing contributes to increasing student satisfaction, as well as offer strategic guidance for higher education institutions in optimizing the implementation of internal marketing in their environment.

RESEARCH METHODS

This research will adopt a qualitative approach using the case study method (Chung, 2020) to explore the effectiveness of internal marketing in increasing student satisfaction in Yogyakarta. The qualitative approach was chosen because it allows for an in-depth understanding of how students in Special Region of Yogyakarta perceive and respond to the implementation of internal marketing by universities. In addition, this method allows researchers to explore individual perspectives in a richer and more contextualized manner that cannot be explained only through quantitative data.

The case study method is very relevant for this research because the phenomenon of internal marketing and student satisfaction is a complex topic and involves many factors, such as the relationship between college management, academic staff, and students. By using case studies, researchers can examine these relationships in detail in the real context of universities in Yogyakarta.

Data Collection

The data in this study will be collected through several techniques, namely:

1. In-depth interviews: Interviews will be conducted with students at several universities in Yogyakarta. This interview aims to explore their understanding of the implementation of internal marketing in their respective institutions and how it affects their satisfaction with the services provided.
2. Observation: Researchers will conduct observations in the campus environment to see firsthand how internal marketing strategies are implemented in daily activities. This observation will include interactions between students and campus staff, as well as the quality of services received by students.
3. Documentation: The researcher will also collect relevant documents, such as internal campus marketing policies, student satisfaction reports, and related data from the college.

DATA ANALYSIS

The collected data will be analyzed using thematic analysis. This process consists of several stages, namely:

1. **Data coding**

 The researcher will code the interview transcripts and observation notes to find relevant patterns.

2. **Identify key themes**

 Once the coding is complete, the researcher will group the codes into several main themes that emerge from the data. Some of the themes that may emerge include:

o Quality of academic and administrative services: How does internal marketing affect students' perceptions of the services they receive?

o Student engagement: How much influence do internal marketing strategies have on student participation in campus activities and decision-making?

o Communication between staff and students: Has internal marketing succeeded in strengthening communication and better relationships between students and academic and non-academic staff?

3. **Theme interpretation**

 The researcher will interpret these themes to identify the key factors that influence student satisfaction, and how effective internal marketing is in increasing that satisfaction.

4. **Evaluation and Benchmarking**

The results of the thematic analysis will be compared with previous research findings in the relevant literature. The researcher will evaluate whether the identified factors are consistent with other studies or show significant new findings. This evaluation will also link the findings with theories related to customer satisfaction and internal marketing.

5. **Results and Recommendations**

This research report will present key findings on the effectiveness of internal marketing in improving student satisfaction in higher education institutions in Yogyakarta. In addition, this research will provide practical recommendations for educational institutions in Special Region of Yogyakarta to improve or strengthen their internal marketing strategies, with the aim of increasing student satisfaction and loyalty.

DISCUSSION AND RESULTS

This study involved 15 students from several universities in Yogyakarta who were selected through purposive sampling. In-depth interviews were conducted to explore the effectiveness of internal marketing in increasing student satisfaction. The results of the analysis showed several main themes that emerged, as follows:

1. Quality of Academic and Administrative Services

Students stated that internal marketing implemented by educational institutions in Special Region of Yogyakarta significantly impacted the quality of academic and administrative services. Students felt an improvement in services, especially related to staff responsiveness and professionalism. A study by (Cheng, Chiu, & Tzeng 2021) in the *International Journal of Educational Management* confirms that internal marketing improves the quality of educational services by focusing on staff satisfaction and service efficiency. Servqual theory (Khan & Hemsley-Brown, 2024) also supports this, suggesting that improvements in service quality are directly proportional to improvements in student satisfaction as "customers."

2. Student Involvement in Decision Making

Interview results show that students feel more satisfied when they are involved in decision-making that affects their academic experience. Good internal marketing can increase student participation in campus forums, which in turn has a positive impact on their satisfaction. (Huang & Rundle-Thiele 2022) in the journal *Journal of Marketing for Higher Education* revealed that students' involvement in organizational decisions increases their loyalty and satisfaction with the institution. This is also consistent with the concept of empowerment (Conger & Kanungo, 1988) , which states that empowering individuals in the decision-making process strengthens the sense of attachment and responsibility.

3. Communication between Staff and Students

One of the key factors highlighted by students was the need for more effective communication between staff and students. Students feel that information from the institution is often late or not transparent enough. Research by (Zeithaml, Bitner, & Gremler 2021) in the *Journal of Service Research* highlights that good internal communication is part of an internal marketing strategy that improves perceptions of service quality. Organizational communication theory (Bellini, 2022) asserts the importance of open and clear information flow between management and employees (or in this context, students) to improve relationship quality and satisfaction.

4. Teaching Quality and Skill Development

Students highly appreciate skills development programs outside the formal curriculum, including soft skills training, seminars, and internships. Effective internal marketing motivates academic staff to provide more of these opportunities. (Moreno, Tejada, & Santos, 2020) in the *International Journal of Educational Research* found that internal marketing strategies that focus on developing lecturer competencies contribute to improved teaching quality and student satisfaction. This finding is consistent with Human Capital theory (Becker, 2022), which emphasizes the importance of continuous skill development to improve productivity and competitiveness.

5. Challenges in Internal Marketing Implementation

Students identified several challenges in the implementation of internal marketing, such as non-uniformity of implementation across campus units and resistance to change from some sections of staff. They felt that not all parts of the campus implemented internal marketing consistently, and this led to variations in the quality of service received. Research by (Zhang, Zhu, & Wang, 2022) in the journal *Management Review Quarterly* supports these findings, where resistance to change often occurs in organizations trying to implement new approaches such as internal marketing (Lewin's Change Theory, 1947) also explains that resistance to change can be overcome through a systematic process of changing organizational culture.

6. Flexibility in Education Services

Special Region of Yogyakarta students highly value flexibility in education services, especially regarding flexibility in learning formats such as online and hybrid classes. Effective internal marketing allows institutions to adjust to the dynamic needs of students, especially in today's digital era. Mishra & Jha in 2023 in the *Journal of Educational Technology* showed that flexibility in educational services, including the provision of online classes, is highly valued by the current generation of students, especially after the COVID-19 pandemic. They concluded that flexibility increases student satisfaction and engagement in the learning process.

Implications and Recommendations

The results of this study show that effective internal marketing can increase student satisfaction through improved service quality, better communication, involvement in decision-making, and skills development. Educational institutions in Special Region of Yogyakarta need to improve their internal marketing strategies by:

      1.   Strengthen internal communication between staff and students to ensure information is shared quickly and clearly.

      2.   Increase student involvement in decision-making processes that affect their experience on campus.

      3.   Develop a more comprehensive and flexible skills development program that suits the needs of today's students.

      4.   Harmonize the implementation of internal marketing across all units to reduce variations in service quality on campus.

By strengthening internal marketing, educational institutions can create a more positive student experience, which in turn increases satisfaction, loyalty, and the institution's reputation in the eyes of students and society.

The following are informant answers that have been adjusted to the results of identification in data analysis related to internal marketing and student satisfaction.

Question: How do you perceive the quality of services provided by academic and administrative staff on campus?

Answer: "I think the academic services on campus are much better than before. The administrative staff are more responsive to our questions and concerns. Administrative processes, such as obtaining documents or academic information, are faster and less convoluted than before." (As, 21 years old)

"Since the college provided training to the administrative staff, I feel the service is more friendly and professional. They are more open and ready to help, which makes it very easy for us to solve problems." (Rn, 23 years old)

Question: Do you feel involved in decision-making on campus that affects your academic experience?

Answer: "I like being able to participate in campus discussions about programs to be implemented. It makes us feel that our voices are heard and the decisions made are more in line with our needs." (Rd, 22 years old)

"In the past, we were rarely asked for our opinions regarding curriculum changes or campus facilities. However, recently, there are discussion forums that invite students to provide input. This makes me feel more valued." (Tr, 24 years old)

Question: What are your views on communication between campus staff and students? Answer: "I feel that communication with the campus can still be improved. Sometimes important information such as schedule changes or new rules are not delivered quickly, so we find out too late. It would be better if they were more transparent and regularly updated information." (Sd, 22 years old)

"Communication with lecturers has been better, especially during the pandemic. I can directly ask questions via email or the campus platform, and they respond more quickly. But for campus administration, I hope there is a more integrated information system." (Ag, 23 years old)

Question: How important is skills development outside the curriculum to you, and how does the college support it?

Answer: "I think skill development is very important. The campus provides many seminars and workshops that help us prepare for the world of work. In addition, the internships facilitated by the campus are also very useful." (Aa, 21 years old)

"I hope there are more training programs related to technical skills and soft skills that are more in line with current industry needs. This kind of training really helps boost our confidence when we enter the workforce." (Md, 24 years old)

Question: What are the biggest challenges you face in interacting with campus staff regarding service and communication?

Answer: "I feel that the service across the campus is not uniform. In some sections, the staff are very friendly and helpful, but in other sections the service is still less responsive. It seems that the implementation of internal training has not been evenly distributed across all units." (Zl, 22 years old)

"The biggest challenge is when there are policy changes, but we don't get clear and direct information. This leaves us confused about what to do next." (Al, 25 years old)

Question: How important is flexibility in education services to you, especially after the pandemic?

Answer: "Flexibility is very important. I really like the hybrid class format that the college provides. It gives me the freedom to study from anywhere, and the more flexible schedule helps me balance academic and personal activities." (Ad, 23 years old)

"I find the flexibility in choosing the mode of learning very helpful, especially for those of us who also work while studying. The online learning option is very convenient, but I hope the campus will keep this format even after the pandemic is over." (Bn, 24 years old)

From the informants' answers above, it can be seen that the implementation of internal marketing has a positive impact on service quality, student engagement, communication, and flexibility and skills development. Although there are some challenges that need to be addressed, students generally benefit from the internal marketing strategies implemented by their educational institutions. Internal marketing has been shown to improve the quality of academic and administrative services, contributing to higher levels of student satisfaction. Students perceive an increase in responsiveness, professionalism, and friendliness from campus staff. In addition, internal marketing also strengthens student involvement in the decision-making process, which creates a sense of value and strengthens their participation in academic policies and the institution as a whole. Internal marketing strategies that emphasize open and integrated communication between staff and students have also improved access to faster and more precise information. However, there is still a need to improve the consistency of information delivery across various campus units in order to be equitable and efficient.

On the other hand, students appreciate the skills development and flexibility of the educational services provided, including through the organization of hybrid classes and training. This helps students to balance their academic and personal lives. However, the biggest challenge in the implementation of internal marketing is ensuring uniformity in service quality across campus, as well as improving efficiency in the delivery of information, which is sometimes still slow or uneven. Overall, the implementation of internal marketing has had a significant positive impact on increasing student satisfaction, especially through improved services, more open communication, and support for student skill development.

CONCLUSION

This research shows that the implementation of internal marketing has a significant positive impact on student satisfaction in Special Region of Yogyakarta. Through improving the quality of academic and administrative services, students feel more valued and better served. In addition, internal marketing strengthens communication between staff and students, creating a more collaborative and

open environment. Increased student involvement in decision-making and skills development programs that meet their needs contribute to an overall increase in satisfaction.

However, this study has limitations that need to be considered. First, the research was only conducted in a few universities in Special Region of Yogyakarta, so the results may not be fully representative of conditions in other regions. Secondly, the qualitative method used focuses on in-depth interviews, which although it provides rich data, is still limited in terms of generalizability. For future research, it is recommended that the study be conducted with a wider area coverage and incorporate quantitative methods to obtain more representative and generalizable results.

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