

The Impact of Internal Marketing on Employee Satisfaction and Customer Satisfaction with the Mediating Role of Service Quality: A Vietnamese Bank Case

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Abstract

The service-profit chain model has been used as the background for analysing the relationship between internal marketing, employee satisfaction, customer satisfaction and service quality in this research. The purpose is to investigate the role of internal marketing towards employee satisfaction, customer satisfaction and service quality in the context of Vietnamese commercial banks. Also, the study will identify the mediating role of service quality in the impact of internal marketing run inside Vietnamese commercial banks on customer satisfaction. The study used the quantitative survey method. The research selected a dyad sample of each pair of employees - customer using banking services from 10 out of 38 Vietnamese commercial banks in Hanoi. Findings show that internal marketing influences directly and positively both employee satisfaction and service quality. The main findings indicated service quality mediates both two relationships: (1) internal marketing and customer satisfaction and (2) employee satisfaction and customer satisfaction. As the result, the managerial implication for Vietnamese commercial banks is to invest effectively in internal marketing activities which will be designed toward the better service quality for their target customers.

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I. INTRODUCTION

The Vietnamese banking sector has experienced severe competitiveness in attracting, maintaining and developing the relationship with clients in both the B2C and B2B markets. Most Vietnamese banks recognised the important role of employees in the race towards customers. Therefore, Employee Satisfaction (ES), Service Quality (SQ) and Customer Satisfaction (CS) are the major concerns in Vietnamese banks. They implement Internal Marketing (IM) to gain ES, External Marketing to gain CS, and provide the best SQ. As the matter of fact, Vietnamese banks conducted those strategies separately, so it is difficult to prove IM has a real impact on CS.

The relationship between IM, ES and SQ has been considered by many researchers [1-3]. Tortosa-Edo, et al. [4] showed a strong connection among internal market orientation and job satisfaction when doing research in different branches of United State credit organisation. In the high-contact service sector, the relation between IM and SQ has been proved in many research studies [5, 6]. Research by Yee, et al. [7] and Sorayaei, et al. [8] in different industries showed that ES has a positive impact on all aspects of SQ. In addition, the study of Heskett, et al. [9], Ahmed and Rafiq [10], and Ghorbani and Mostafavi [11] found a positive link between SQ and CS. Most research studies referred to the indirect impact of ES on the relation between SQ and CS. In general, previous research projects have demonstrated the

relations between each pair of these concepts including IM, ES, SQ and CS. An occasional study has shown research, such as Shazia [12], showed a weak relationship between IM, ES and CS. No research has shown the quartet between IM, ES, SQ and CS to or not to support the role of IM toward CS, especially in the field of banking service. Hence, this research focus on capturing the direct relationship between IM, ES, SQ and CS. The question is whether IM and ES have an influence on ES through SQ. Based on this result, we can then explain the role of internal marketing toward the external market to help banking managers decide whether to invest on IM effectively or not. Based on this result the research can affirm the relationship in the quartet of IM, ES, SQ and CS. The research is structured as follows. The research starts with the framework about IM, ES, SQ and CS to provide whole picture in different aspects for reader. Then the research goes further deeply to present the complicated relationships between those factors and state hypotheses accordingly. Finally, the case of Vietnamese banks was analysed and based on its result conclusions with managerial implications and research issues were shown.

II. LITERATURE REVIEW

The framework for the relationship among IM, ES, SQ and CS in service sector has been highlighted through studies by Berry [13], Grönroos [14], Heskett, et al. [9], and Ahmed and Rafiq [10]. The model from Berry [13] includes 10 relevant factors in which the main 7 factors including “treating employees as customer”, “jobs as products”, “employee satisfaction”, “attitudes toward service mindedness”, “perceived service quality”, “customer satisfaction”, and “competitive advantage” influence the immediately following factor as a chain. The other three factors in the model are “applications of marketing techniques internally”, “attraction and retention of customer conscious employees”, and “employee involvement and participation”. Berry [13] provided a clear framework but the role of IM was expressed only through 3 factors. The model of Grönroos [14] had an HR approach when starting the chain with “supportive management”, “training”, “supportive recruitment practices”, “participative management”, “employee discretion”, and “pre-launch information regarding campaigns”. According to Grönroos [14], the factors, which are

belonged to human resource management area, were marked as most important ones and it explained why author put them in the first position of the chain of impact. This model does not express the direct relations among IM, ES, SQ and CS. Heskett, et al. [9] introduced the service-profit chain describing the relationship between internal quality of service, employee related factors, external quality of service, customer related factors, the firm performance. This author started the chain from an IM approach with the factor of internal quality of service which is evaluated through designing workplace, designing job, selecting and developing employee, rewarding and recognising, instruments for serving customers [9]. Through the model, the relationship between IM, ES, SQ and CS was considered as the influencing chain. Ahmed and Rafiq [10] provided a complex model of 21 factors which included SQ, ES, and CS. In the same research, the researchers introduced another model which re-interprets the relationships between eight focal factors in which the role of IM is recognised as the starting point of the chain. Besides employee motivation and empowerment, the authors also added inter-functional coordination and integration as a new contribution to the IM scholar community [10]. However, considering factors such as employee motivation and empowerment out of IM as independent factors is unreasonable. Therefore, this paper is designed based on the service-profit chain [9] because of its strengths from a theoretical perspective.

Recently empirical research on the relationship between IM, ES, SQ, and CS has showed some typical gaps. Firstly, many studies have not been done from an IM approach such as, Yee, et al. [15], Auka [16], Ngo and Nguyen [17], Nguyen [18], Dinh and Pickler [19]. Obviously, these research studies did not show the root role of IM in the operation chain of a firm or a bank. Secondly, some research studies with an IM approach did not consider all 4 factors IM, ES, SQ, and CS at the same time in a research model such as Al-Makhadmah [20], Ghorbani and Mostafavi [11], Shazia [12], Ismaila and Sheriffb [21], Al-Hawary, et al. [22]. Thirdly, the components of IM mentioned in the prior studies did not comprehensively cover the main aspects of IM in enterprises generally and in banks particularly. For example, the study of Al-

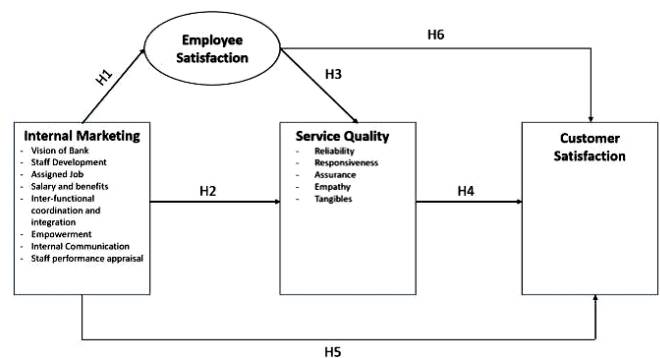
Makhadmah [20] covered 3 aspects of IM including reward, staff development and internal communication; Al-Hawary, et al. [22] examined 4 aspects of IM including empowerment, training, leadership and work motivation. The study of Kameswari and Rajyalakshmi [23] analysed assigned job, training, supportive activities from board of managers, support from colleagues, working conditions, recognition. Furthermore, there is a lack of consistency in the results of analysing direction and degree of impact of the 4 factors IM, ES, SQ, and CS among various studies. While most studies suggest there is a positive relations between ES and SQ, the research of Ariani [24] showed no relationship between these two factors. While most research showed that there is a positive relations between IM and ES, the study of Shazia [12] showed no relationship between IM, ES and CS. The impact level of each aspects of IM to ES was found differently in each study. The research of Al-Makhadmah [20] showed that internal communication has the strongest effectiveness on ES, followed by the development and reward system. Al-Hawary, et al. [22] pointed out that training and staff development have the strongest impact level, followed by work motivation, empowerment and internal communication. Fifth, the relevant studies about the relations among IM, ES, SQ, and CS in the context of Vietnamese banking sector are still limited. For example, Park and Tran [25] only studied the relationship between IM and the quality of customer. Nguyen [18] only referred to the relationship among internal and external market orientation, employee commitment, and employee satisfaction at commercial banks. Research studies by Ngo and Nguyen [17] and Dinh and Pickler [19] only focus on investigating the relationship among SQ, CS and customer loyalty in retail banking.

III. RESEARCH MODEL

This study was conducted based on the approach of Heskett, et al. [9] with the service-profit chain. However, to fill the existing research gaps, the number of factors contributed to Heskett's model and the elements of each factor were adjusted and compacted. Firstly, based on Heskett's model, the proposed model is established by omitting a few factors and focuses on analysing the relationship between 4 main factors including IM, ES, SQ and

CS in one compact model. The purpose is to examine the chain effect among these factors which play a decisive role in the banking business. Those factors are identified clearly from each other and have a close relationship in which IM is the premised factor. Secondly, the elements of each factor in the proposed research model are mainly selected and inherited from previous studies. Those elements all need to satisfy the following requirements: Present a comprehensive view of each factor, to be examined by empirical research with sustainable results, suit to the actual context of Vietnamese commercial banks. Based on above points, the proposed model is as follows:

Figure 1: Research model and hypothesised relationship



A. Internal Marketing (IM)

The elements of IM in the proposed research model were developed based on 3 main sources: (1) The concept of IM introduced by different researchers such as: Berry and Parasuraman [26], Kotler [27], Grönroos [28], Rafiq and Ahmed [29]; (2) Studies on factors affecting ES presented by various authors such as Weiss, et al. [30], Smith, et al. [31], Spector [32]; (3) Empirical research about the impact of IM by researchers such as Al-Makhadmah [20], Al-Hawary, et al. [22]. Based on previous research, 8 aspects of IM including Vision, Staff development, Assigned job, Salary and benefits, Inter-functional coordination and integration, Empowerment, Internal communication and Staff performance appraisal have been chosen to be put into the proposed research model.

B. Service Quality (SQ)

The elements of SQ in the proposed research model are inherited from 2 main sources: (1) the concepts and classification of service/product quality were

conducted by Parasuraman, et al. [33], Grönroos [14]; (2) Studies which examined the impact of SQ on CS and other related factors were conducted by Parasuraman, et al. [34], Auka [16], Dinh and Pickler [19]. From the results of the above studies, SQ in the banking area will be measured based on 5 well-known elements: Reliability, Responsiveness, Assurance, Empathy, and Tangibles. According to Cronin and Taylor [35] and Kotler [27], SQ is assessed only through customers' perceptions of service performance in other words "actual performance results" and is not assessed by customers' expectations.

C. Employee Satisfaction (ES)

Overall ES measurement in the proposed research model is inherited and developed from relevant theoretical research studies such as Maslow [36], McClelland [37], Vroom [38], Spector [32] and empirical researches such as Ismaila and Sheriffb [21], Ismail and Sheriff [39], and Al-Hawary, et al. [22]. From previous researches combined with the necessary adjustments and supplements to match the situation of Vietnam, this study used 9 criteria to measure the overall satisfaction of employees including:

- (1) I feel satisfied to work at this bank
- (2) At this bank, all my talents and skills are used
- (3) I am satisfied with my work at current bank
- (4) My good performance is recognised at current bank
- (5) I feel safe about my work
- (6) I have been provided with necessary facilities and comfort at work
- (7) I believe that the board of director care about me
- (8) I am determined to stick with current for a long time
- (9) If possible, I will recommend my friends and acquaintances to work at current bank.

The study also used a 5-score Likert scale to measure employee's opinion of each criterion.

D. Customer Satisfaction (CS)

There are two main bases that this study relies on to establish how to measure overall customer satisfaction are: (1) Concepts of customer satisfaction by Westbrook [40] and Zeithaml and Bitner [41]; (2) Empirical research by Cronin, et al. [42]. Inheriting the results of these studies, 5 criteria have been developed to measure overall satisfaction of customers including:

- (1) I feel satisfied because banking services have met my expectations
- (2) I feel satisfied because the bank has kept its commitment of service quality
- (3) Overall, I feel satisfied with the service quality;
- (4) I will continue to use the bank's services when needed;
- (5) I will recommend to my friends to use the bank's services

The 5-score Likert scale is also used to measure how customers perceive each criterion.

E. Hypotheses

This study has been conducted based on main hypotheses and branch hypotheses to analyse the nature of each relationships in the model.

The studies of Al-Makhadmah [20], Al-Hawary, et al. [22], and Ismaila and Sheriffb [21] has concluded IM has positively impacted to overall ES. Thus, the research offers the following hypotheses:

H1: There is a statistically significant relationship between IM and ES of the Bank.

The study of Ghorbani and Mostafavi [11] pointed out that there is a positive relation among IM, SQ, and CS. Therefore, the following hypotheses are proposed:

H2: There is a statistically significant relationship between IM and SQ of Bank.

Studies conducted by Yee, et al. [7], Piriyanthanalai and Muenjohn [43], Sorayaei, et al. [8] in different industries showed that ES has a positive impact on all aspects of SQ. From those scholars, the hypothesis below is proposed:

H3: There is a statistically significant relationship between ES and SQ of the Bank.

Empirical scholars have argued that the customer service of a bank has a positive relation with CS, and it brings customer loyalty to banks [16, 17, 22]. Therefore, hypothesis 4 was proposed:

H4: There is a statistically significant relationship between SQ and CS of the Bank.

There are several studies found out SQ plays role as mediating factors between IM and CS. Applying theory of three conditions by Baron and Kenny [44], it can argue that SQ plays role as a mediating factor on the relation between IM and CS: (a) IM has a relationship with CS, (b) IM has a relationship with SQ (H2), and (c) SQ has a relationship with CS (H4). From above arguments, the fifth hypothesis was created:

H5: SQ mediates the relationship between IM and CS

When employees feel satisfied, it leads to satisfied client by influencing client's appraisals of SQ [45, 46]. The reason is satisfied employees tend to work harder and offer better service [47]. Hence, the existing researches believe that quality of service is affected by satisfaction of employee [48]. Furthermore, Evans and Lindsay [49] believe that CS is decided by the provision of offerings that equal of over client's needs. To support the above opinion, Cronin and Taylor [35] and Gotlieb, et al. [50] gave the view that SQ should be assessed based on the real service offered to customers instead of guessing customer satisfaction. There are several studies have shown SQ plays role as mediating factor between ES and CS. Applying theory of three conditions by Baron and Kenny [44], it can argue that service quality plays roles as mediating factor on the relationship between ES and CS: (a) ES has a relationship with CS, (b) ES has a relationship with SQ (H3) and (c) SQ has a relationship with CS (H4). Thus, we believe that ES improve SQ, which leads to CS enhancing later. This forms the basis of the sixth hypothesis:

H6: SQ mediates the relationship between ES and CS

IV. IV.METHODOLOGY

A. Measurement

This research used the questionnaire as a measurement instrument. Variable was measured through multiple items. The scale was based on a 5-point Likert-type scale (1 = strongly disagree; 5 = strongly agree).

The criteria that are applied to measure the IM factor have been taken from the results of two main studies: (1) Study of Al-Hawary, et al. [22] introduced 20 criteria used to measure 4 items of IM; (2) Study of Ismail and Sheriff [39] proposed 28 criteria used to 5 items of IM. This study inherited 25 criteria from those scholars to measure 5 items of IM (vision, staff development, salary and benefits, empowerment, internal communication). In addition, to ensure the comprehensive measurement, the group of authors have developed 25 criteria to measure 3 additional items (Inter-functional coordination and integration, Assigned job, and Staff Performance Appraisal). In total, we have 50 criteria were used to measure 8 IM items (detail on Table 1).

Table 1: Factors and criteria of measurement

Factor	Items	Criteria
IM	Vision	4
	Staff development	7
	Assigned job	7
	Salary and Benefits	7
	Inter-functional coordination and integration	6
	Empowerment	7
	Internal communication	7
	Staff performance appraisal	5
SQ	Reliability	7
	Responsiveness	7
	Assurance	4
	Tangibles	6
	Empathy	4
ES		9
CS		5

The criteria used to measure SQ factor have been taken from the results of 3 main studies: (1) Parasuraman, et al. [34] showed 22 criteria to measure 5 items of SQ; (2) Cronin and Taylor [35] also used 22 criteria to measure 5 items of SQ; (3)

[52], [53]; [54]. This research used 28 criteria which were inherited from above research studies and adjusted to match the Vietnamese Banking context to measure 5 items of SQ (detail on Table 1).

The criteria used to measure ES have been taken from the shortlist of criteria measurement presented by Weiss, et al. [30], Spector [32], Smith, et al. [31]. In total, 9 items are used to measure ES.

In this study, CS is measured based on a combination of different studies shown in the Literature Review. In total, CS measurement is based on 5 items.

B. Sample and Data Collection

Survey methodology was used to collect data from banks' employees and their customers. A dyad sample of employees-customers within 10 of 38 Vietnamese banks was selected. Each bank's staff received a questionnaire asking about IM and his/her satisfaction. His/her customers received a customer questionnaire to evaluate the bank' SQ and CS. Data were analysed by SPSS – AMOS software to determine the impact of IM on ES and on CS with the mediating role of SQ. The questionnaire included 58 variables for bank staff and 33 variables for their customers. Therefore, with at least 5 observations for each variable [55], the minimum sample size is $58 * 5 = 290$ observation. However, to increase the quality of the research, 370 valid dyad questionnaires have been collected.

The socio-economic and demographic respondents' profiles of the staff sample is as follows: gender: 40.3% male and 59.7% female; age groups: 19.7% under 25 years old, 38.6% between 26 and 30, 23.8% between 31 and 39, and 17.9% over 40 years old; educational background: 10% of respondents with high school diploma; 65.7% with bachelor degree, 24.3% with post-graduate degree. The profile of customers is as follow: 47.8% male and 52.2% female; their profession: 13.5% student, 25.9% staff and officer, 50.3% self-business, 10.3% other; their banking service: 38.6% deposit, 16.8% credit, 22.4% money transfer and 22.2% card service.

C. Assessing the Reliability and Validity of Measures

SPSS 22 was used to analyse the collected information to enable univariate and bivariate analysis to be completed. The results indicated there are no important irregularities. Exploratory factor analysis (EFA) was then shown to confirm the unidimensionality of the latent factor, explicitly principal factor analysis (CFA) which caused the identification of factors. Resulting the offers of Anderson and Gerbing [56], earlier to inspecting the structural equation models (SEM), CFA by AMOS 21 was carried out to exam the discriminant and convergent validity of factors. Table 2 displays the outcomes of this analysis.

Table 2. EFA-CFA

	Internal Marketing (IMKF)*	Employee Satisfaction (ESAF)	Service Quality (SQAF)**	Customer Satisfaction (CSAF)
Cronbach's α	0.890	0.848	0.812	0.883
KMO	0.85	0.866	0.835	0.832
Bartlett	p < 0.01	p < 0.01	p < 0.01	p < 0.01
EFA explain	58.181%	59.385%	56.356%	62.630%
CFA Chi-square/Df	4.121	4.117	5.023	4.379
CFA- GFI	0.937	0.948	0.904	0.954
CFA- CFI	0.929	0.951	0.913	0.978
CFA- RMSEA	0.065	0.063	0.068	0.065

*Internal marketing is measured by eight components: The component (BVSF) is the vision of the bank captured through 4 questions; the PROF through 7 questions; the JOB through 7 questions; the SAW through 7 questions; the WREF through 6 questions; the EMP through 7 questions; the EVAF through 5 questions; the COM through 7 questions. These components were created by save factors as variables (regression) in EFA.

**Service Quality (SQAF) is measured by Parasuraman's SERVQUAL model with five components: the component (REAF) is the Reliability of the bank captured through 7 questions; the component (RESF) is Responsiveness of the bank through 7 questions; the component (ASSF) is Assurance of the bank through 4 questions; the component (EMPAF) is Empathy of the bank through 4 questions; the component (TAGF) is Tangibles of the bank through 6 questions. These components were created by save factors as variables (regression) in EFA.

The Cronbach's alpha of Internal Marketing Factor (IMKF), Employee Satisfaction Factor (ESAF), Service Quality Factor (SQAF) and Customer Satisfaction Factor (CSAF) in the table 2 were 0.812-0.890 confirming the reliability of the scale. Hair, et al. [57] believes that tools used in uncomplicated investigation with reliability of near 0.70 or above are reliable. EFA was used to discover independently the dimensions of four components. The KMO was high values (0.848-0.890 nearly 1.0), this normally indicates that EFA may be valuable by the statistics. Bartlett's test of sphericity values was less than 0.05 indicating that EFA may be valuable by the statistics. EFA result explained from 56.356 % (SQAF) to 62.630% (CSAF) of the variance, so they were selected.

According to Hair et al., (1998) with a big sufficient sample size, fit indices show the model fit with the resulting standards: Chi-square/Df < 5; GFI (Goodness of Fit Index) > .90; CFI (comparative fit index) > .90; RMSEA < 0.08. In this model, the indices in the table 2 display that the model fits fine with the investigation statistics. Hence, it can be decided that the four factors achieve convergent validity. In short, the model was in theory and empirically comprehensive. Following this approach, we verified the complete model with the effect of internal marketing (IMKF) on employee satisfaction (ESAF), and on customer satisfaction (CSAF) by mediating role of service quality (SQAF).

Table 3 presents correlations of the survey latent factors. As expected, Internal Marketing Factor (IMKF) is significantly correlated with Employee Satisfaction Factor (ESAF) ($r = 0.743$, $p < 0.01$) and slightly with Customer Satisfaction Factor (CSAF) ($r = 0.252$; $p < 0.069$) and Service Quality Factor (SQAF) ($r = 0.362$; $p < 0.048$). Moreover, Employee Satisfaction Factor (ESAF) was also positively correlated with Customer Satisfaction Factor (CSAF) ($r = 0.316$; $p < 0.1$) and Service Quality Factor (SQAF) ($r = 0.453$; $p < 0.01$). Service Quality Factor (SQAF) is significantly correlated with Customer Satisfaction Factor (CSAF) ($r = 0.773$; $p < 0.01$)

Table 3: Correlation matrix between the latent variables

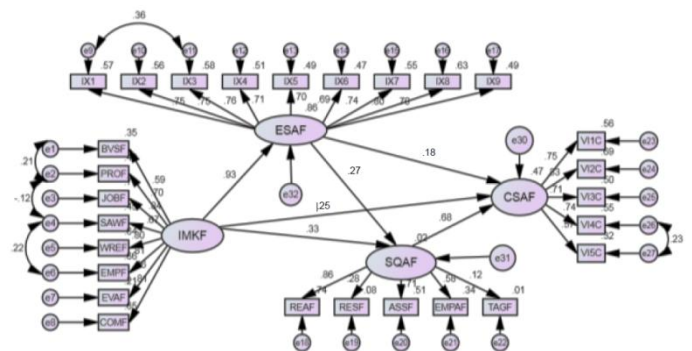
		ESAF	CSAF	IMKF	SQAF
ESAF	Pearson Correlation	1	.316	.743**	.453**
	Sig. (2-tailed)		.053	.000	.000
CSAF	Pearson Correlation	.316	1	.252	.773**
	Sig. (2-tailed)	.053		.069	.000
IMKF	Pearson Correlation	.743**	.252	1	.362
	Sig. (2-tailed)	.000	.069		.048
SQAF	Pearson Correlation	.453**	.773**	.362	1
	Sig. (2-tailed)	.000	.000	.048	

** . Correlation is significant at the 0.01 level (2-tailed).

D. Evaluating the Model Fit with Structure Equation Modelling (SEM)

The projected outcomes of structural model are exposed in Figure 2 as behind: Chi-square (522.511)/Df (315) = 1.659; GFI = 0.905; CFI = 0.959; RMSEA = 0.042

Figure 2: SEM



According to Hair, et al. [57], there is no absolute assessment for the numerous fit indices propose a good appropriate. The standards related with suitable models differ from state to state and be influenced by significantly on the sample size, number of variables, and the communalities of the factors. In this structural model, most of the appropriate indices are approached with good significance.

We now analyse the relations among the factors in structural model based on the outcomes by Maximum Likelihood Estimates as in Table 4 beneath:

Table 4: Regression Weights

			Unstandardized Estimate	Standardised Estimate	S.E.	C.R.	P	Label
ESAF	<---	IMKF	.584	.925	.039	15.010	***	
SQAF	<---	IMKF	.150	.332	.041	1.715	.024	
SQAF	<---	ESAF	.166	.274	.062	1.572	.034	
CSAF	<---	IMKF	.254	.246	.066	1.343	.032	
CSAF	<---	ESAF	.305	.183	.092	1.013	.050	
CSAF	<---	SQAF	3.835	.682	1.855	2.067	***	

Table 5: Hypothesis results

Hypotheses	Linkage	Unstandardized Estimate	Standardised Estimate	P-value	Result
H1	IMKF→ESAF	.584	.925	***	Supported
H2	IMKF→SQAF	.150	.332	.024	Supported
H3	ESAF→SQAF	.166	.274	.034	Supported
H4	SQAF→CSAF	3.835	.682	.009	Supported
H5*	IMKF→SQAF→CSAF	2.24 (.584x3.835)	.226 (.332x.682)		Supported
H6*	ESAF→SQAF→CSAF	.637 (.166x3.835)	.187 (.274x.682)		Supported

*Based on the prior work of Bohrnstedt, et al. [58] forestimating indirect effects

The results showing that Internal Marketing (IMKF) has a significant and positive impact on Employee Satisfaction (ESAF), the unstandardized regression weight is 0.584 (standardized regression weights: 0.925), so H1 is supported. Internal Marketing (IMKF) has a significant and positive impact on Service Quality (SQAF), the unstandardized regression weights are 0.150 (standardised regression weights: 0.332), so H2 is supported. Employee Satisfaction (ESAF) has a significant and positive impact on Service Quality (SQAF), the unstandardized regression weight is 0.166 (standardized regression weights: 0.274), so H3 is supported. Service Quality (SQAF) has a significant and positive impact with highest coefficient on Customer Satisfaction (CSAF), the unstandardized regression weight is 3.835 (standardized regression weights: 0.682), so H4 is supported. Service Quality (SQAF) mediates the relationship between Internal Marketing (IMKF) and Customer Satisfaction (CSAF), the indirect effects of unstandardized regression weight are 2.24 (standardized regression weights: 0.226), so H5 is supported. Service Quality (SQAF) mediates the relationship between Employee Satisfaction (ESAF) and Customer Satisfaction (CSAF), the indirect effects of unstandardized regression weight are 0.637 (standardized regression weights: 0.187), so H6 is supported.

V. DISCUSSION

The research explored IM, ES and SQ which comprise the trinity in the Vietnamese banking service marketing. In this trinity, IM has a significant and positive impact on the other two factors and ES has a significant and positive impact on SQ. The finding about this relationship between IM and ES is similar to almost research in this field for example Shazia [12], Ismail and Sheriff [39]. The findings about the relation between ES and SQ is similar to the research result in Aburoub, et al. [59], Ghorbani and Mostafavi [11]. However, the relationship IM and SQ has never been proved directly. Prior research has shown a direct and positive influence of some aspects belonging to IM such as employee powering and work design toward SQ. For example, Ahmed and Rafiq [10] showed the positive influence of employee powering toward service quality. It is the first time that research has shown the direct, significant and positive impact of IM on SQ. By this research, direct and indirect influencing of IM with broad aspects including Vision of the bank, Staff development, Assigned job, Salary and Benefits, Inter-functional coordination and integration, Empowerment, Internal Communication, and Staff Performance Appraisal toward SQ in Vietnamese banks have been confirmed.

The main contribution of the research is to show two interrelated relationship which have not been proposed before. H5 and H6 are supported by the research so we can conclude that service quality mediates both relationships: (1) IM and CS and (2) ES and CS. Firstly, the result of most researches supported the relationship between SQ and CS such as Auka [16] without mentioning IM. Other research studies referred to the statistical relation between IM in banking fields and CS [59] without mentioning about SQ. This research has clearly indicated that IM influences CS through SQ. Secondly, the research shows CS in banking service in Vietnam is the result of better banking service quality caused by better employee satisfaction and better internal marketing. In the past, there has been a conflict between the result of several researches. Shazia [12] even suggested that no relationship existed between IM and CS. Auka [16] suggested that there is a relation of statistical indication between IM and CS. The research affirmed the interrelated relationship

from IM, ES, SQ and CS so the logical relationship between IM and ES is proved. The reason may be that in the Vietnamese banking context credence plays the most importance role in the finance and banking services and the banking services tend to be people oriented. It means that when IM is done effectively, employees will be satisfied with the work, when employees are satisfied, SQ will be better, and customers will be satisfied with the banking brand.

Managerial Implications

The main findings of the research affirm that internal marketing has affected both ES and CS (through SQ). Therefore, service providers should invest effectively in internal marketing activities as it will bring positive result in both internal and external markets as well as employee and customer satisfaction. For practitioners, the findings of this study demonstrate that SQ is the focus of IM, ES and CS. SQ will mediate the relationship between IM & CS and ES & CS. Therefore, IM in banking services should be designed toward the better SQ.

VI. LIMITATIONS AND FUTURE RESEARCH

The first limitation of the research is the specific context of the study. These results are attached to the specific characteristics and resources of Vietnamese banks. Foreign banks and joint-venture banks are not referenced in the research. Moreover, the research was conducted in Hanoi. Therefore, the result of this research may be of limited generalisability for all kinds of banks in the whole Vietnam. The results, thus, may be different for different service industries and even for banking services related to foreign banks in Vietnam.

Therefore, future studies should consider the framework for foreign banks in Vietnam and different people-oriented service sectors such as education, medical services, consulting services, etc. From results of this research, we suggest the following propositions regarding the connection between IM, ES and CS as following:

- IM will have a positive effect on CS
- ES will have a positive effect on CS

The study urges researchers to elaborate further on the trinity relationship between IM, ES and CS and test hypotheses derived from these propositions with the communities of Vietnamese banks.

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