

Copyright is owned by the Author of the thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only. The thesis may not be reproduced elsewhere without the permission of the Author.

**ENABLING PROMISE DELIVERY: THE INFLUENCE
OF INTERNAL MARKETING COMMUNICATION**

A collective case study within the
New Zealand Retail Electricity Sector

A thesis presented in partial fulfilment
of the requirements for the degree of
Doctor of Business Administration (DBA)
at Massey University, Albany, New Zealand.

Suzanne Flannagan

2010

ABSTRACT

This study explored how organisations in the retail electricity sector in New Zealand communicated their brand promises and associated marketing programmes to internal stakeholders, and with what effect, in order to enable employees to deliver on promises made. On the basis that keeping promises is a valuable marketing and organisational outcome, there is considerable value for organisations to understand the role of communication in informing employees of those promises, and identifying how enabled they are in fulfilling those same promises.

Four New Zealand electricity companies participated in a collective case study that included archival data and semi-structured interviews with senior managers, operational managers, marketing, and human resources personnel. Using a mixed-methods approach, thematic analysis of the interviews and a further review of the literature were used to develop an internal marketing (IM) communication survey. The self-completion questionnaire was distributed electronically to all staff within the retail divisions of each electricity company.

This study makes a contribution to the field of IM by providing empirical evidence of the influence of internal communication in enabling employees to deliver on the organisation's service promises to customers. The research reveals factors that influence channel effectiveness, demonstrates the importance of collegial relationships in organisational feedback, and assesses the significance of values commitment on employee perceptions of their company's ability to deliver on its promises. The findings are presented in an IM communication framework that exemplifies the relationship between the outcomes of IM communication and the extant literature on promise enablement.

ACKNOWLEDGEMENTS

This thesis would not have been completed without the support and assistance of a number of people throughout the duration of the research process.

First, my sincerest thanks to Dr Margaret Brunton, whose support, determination, and encouragement has been unwavering. Her advice, both personal and academic, has been invaluable. Thank you also to Sandy Bulmer for her constructive feedback. Also, thank you to the staff at Massey University who provided direction and assistance at various stages, and especially Dr Lynn Hunt for her advice on analysis of the data.

I would also like to thank the retail electricity companies that were kind enough to contribute to the research, and for allowing their employees to participate in the survey which provided an integral perspective to this study.

I would like to acknowledge the assistance of Julie Ashby for her ongoing encouragement and feedback, Greg Flannagan for illustration of the proposed IM communication framework, and Gaylene Clarke for her support and for trying her best to ensure I was uninterrupted during the final stages of writing.

Most of all, thank you to my family, friends, and work colleagues for their support and perseverance during the marathon of doing research part-time.

Finally, a very special thank you to my husband Rob, for his love, support, and encouragement towards completion of this thesis (and putting up with me throughout it).

TABLE OF CONTENTS

	Page
Abstract	i
Acknowledgements	ii
List of figures	v
List of tables	vi
Glossary of abbreviations and terms	vii
Chapter 1: Introduction	1
1.1 Purpose	2
1.2 Scope and Rationale	4
1.3 Industry context.....	6
1.4 Analysis.....	10
1.5 Research questions	11
1.6 Organisation of thesis.....	12
Chapter 2: Literature Review	14
2.1 The promise concept	15
2.2 Internal Marketing (IM)	22
2.3 Relationship marketing (RM)	43
2.4 Influence of organisational culture.....	53
2.5 The communication context.....	58
2.6 Conclusion	68
Chapter 3: Methodology	70
3.1 Research Paradigm.....	70
3.2 Collective case Study	74
3.3 Research Design.....	78
3.5 Analysis.....	86
3.6 Conclusion	91
Chapter 4: Method.....	92
4.1 Research Design.....	92
4.2 The Research Purpose	93
4.3 Ethical considerations	93
4.4 Case Selection	94
4.5 Theoretical framework	95
Phase 1	97
4.6 Review of Archival data.....	97
4.7 Interviews	98
Phase 2	104
4.8 Questionnaire	104
4.9 Limitations	118
4.1 Conclusion	120

Chapter 5: Results	121
Phase 1	122
5.1 Influencing brand promises.....	122
Phase 2	125
5.2 Addressing RQs 1 and 2:	125
5.3 Addressing RQs 3 and 4:	143
5.4 Summary of results RQs 1- 4.....	156
5.5 Addressing RQ5.....	157
5.6 Conclusion	159
Chapter 6: Discussion	161
6.1 Framework for IM communication.....	166
6.2 Relationship between IM communication and promise delivery.....	184
6.4 Conclusion	187
Chapter 7: Conclusions	190
7.1 Theoretical contribution and implications	192
7.2 Practical contribution and implications.....	193
7.3 Opportunities for future research	196
References	199
List of Appendices	214
Appendix 1: Interview guide.....	215
Appendix 2: Massey University ethical approval	218
Appendix 3: Participant information sheet	219
Appendix 4: Participant consent form.....	220
Appendix 5: Interview schedule	221
Appendix 6: Codebook	223
Appendix 7: Employee survey	229
Appendix 8: Development of instrument items	244

LIST OF FIGURES

Figure		Page
1	Overview to the New Zealand electricity industry structure	7
2	The role of promises in creating and delivering value (as adapted from Grönroos (2000) by Little et al., 2006, p. 26)	17
3	Multi-level model of internal marketing (Source: Ahmed & Rafiq, 2002, p. 37)	39
4	Model of communication for marketing channels (Source: Mohr & Nevin, 1990, p. 38)	61
5	Mixed-methods exploratory design: Instrument development model (Source: Creswell & Plano Clark, 2007, p. 76)	80
6	Research design: A focus on enabling promise delivery	95
7	Theoretical case study framework	96
8	Relationship with the theoretical case study framework	108
9	IM communication: Stage 1 - Information sources	143
10	IM Communication: Stage 2 - Enabling dynamic intra and inter-team feedback	154
11	IM communication: Stage 3 - Outcomes of enabling IM communication	155
12	Framework to illustrate the role of IM communication in enabling promise delivery	156
13	Framework to illustrate the role of IM communication in enabling promise delivery	166
14	Linkage between the IM communication framework and enabling promise delivery	185

LIST OF TABLES

Table		Page
1	Elements of enabling promise delivery and IM outcomes	37
2	Proposed approaches to implementing IM	42
3	Interview participants	99
4	Key themes resulting from interview analysis	102
5	Sample demographics	114
6	Key brand promises, cultural descriptors and stated organisational values	124
7	Communication channel usage	127
8	Communication channels used for employee feedback to managers	128
9	Employee perceptions of communication channel effectiveness	129
10	Amount of information received	145
11	Amount of information received for job role, company goals, values and service offering	145
12	Employee perceptions of their company's brand promise	147
13	Analysis of employee experiences of IM communication	149
14	Results for overall communication effectiveness	156
15	Bivariate correlation matrix	158

GLOSSARY OF ABBREVIATIONS AND TERMS

Bach	A New Zealand holiday home
B2B	Business to business
CAQDAS	Computer assisted qualitative data analysis software
CRM	Customer relationship management
HR	Human resources
HRM	Human resource management
IIMC	Integrated internal marketing communication
IM	Internal marketing
IMO	Internal market orientation
IRM	Internal relationship marketing
M	Mean
N	Number
NZ	New Zealand
PCA	Principal components analysis
RM	Relationship marketing
SD	Standard deviation
SME	Small medium enterprise
SOE	State owned enterprise
TQM	Total quality management
UK	United Kingdom
USA	United States of America