

The Impact of Applying Digital Internal Marketing on the Quality of Banking Services in Jordanian Banks

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Abstract:

This study aimed to determine the effect of digital internal marketing on the quality of service in Jordanian Banks. The study population consists of all employees in Jordanian banks. A convenience sample of 500 employees was selected to distribute questionnaires to, and 412 valid questionnaires were retrieved for analysis. Descriptive statistical methods were employed in conjunction with regression analysis, utilizing the SPSS program to analyze the sample characteristics and test the study hypotheses. The independent variable includes digital internal marketing, and the dependent variable is the quality of service. Data were collected by designing a questionnaire that was distributed to workers in Jordanian Banks. The main result of the study was that there is a statistically significant effect of internal marketing applications on the quality of service in Jordanian Banks and that all internal marketing methods are highly applied. The study recommended developing a promotion system based on employees' actual efforts, allowing the incentives system to be applied fairly among Jordanian bank employees. The Jordanian bank management should provide the workers with sufficient information about the service objectives.

Keywords: *Digital Internal Marketing, Internal Training, Information Distributions, Service Culture, Motivations, Quality of Service.*

1. Introduction

The banking industry is going through a digital revolution. More and more banks are using technology to make their operations more efficient and improve the client experience (Kotler et al., 2025). Internal marketing, which used to be about keeping employees happy and engaged, has changed into digital internal marketing (DIM), which uses

digital tools to make communication, training, and service better (Gummesson, 2011).

Digital platforms including intranets, mobile apps, and AI-driven training modules work together in DIM to make sure that employees act in ways that are in line with the aims of the firm (Hashem, 2023). In the banking sector, where service quality is a key differentiator, DIM is very important for making sure that personnel can meet client needs.

Even though DIM has a lot of potential, many banks have trouble putting it into practice because they don't want to change, they don't have the right technology, or they don't get enough training (Chaffey & Ellis-Chadwick, 2022).

Digital transformation has changed how banks work, making them more efficient and improving client happiness. Internal marketing, especially in digital media, has become an important way to connect employee engagement with service quality. With the quick rise of digital technology in the financial services industry, banks need to focus on both customer-focused digital strategies and internal marketing tactics that get workers involved (Huang & Rundle-Thiele, 2015).

Digital internal marketing (DIM) keeps staff up to date, motivated, and skilled enough to give great financial services. Banks may make their employees work more efficiently and provide better service by using digital tools like AI-powered training programs, interactive employee portals, and internal communication platforms (Kotler & Keller, 2016). Also, good internal marketing makes employees happier, which in turn makes customers happier (Lings & Greenley, 2005).

Changes in client expectations, more regulations, and new technologies are all having a big impact on the worldwide banking industry. As fintech technologies and digital banking become more popular, traditional banks need to spend money on digital internal marketing tactics to stay ahead of the competition (Verčič et al., 2012). A well-organized DIM strategy helps businesses build a customer-focused culture by making sure that all workers are focused on providing great service. This leads to business success (Hashem & Al-Nsour, 2012).

This study examines the impact of DIM on banking service quality, filling gaps in the current literature and offering practical advice for professionals.

2. Problem Statement:

The banking industry has a hard time keeping up with digital advancements while yet providing good service. Customers aren't happy

because of poor communication within the company, a lack of staff engagement, and uneven service delivery. Banks have focused on customer-facing technology like mobile applications and AI chatbots as they have moved to digital, but they haven't paid enough attention to developments in their own. A lot of banks don't know that training their employees for the digital age is the best way to improve service. The key problems are:

- Old systems that make it hard for people at the bank to talk to each other.
- Staff that aren't motivated because they don't know how to use digital tools.
- Service quality is not consistent since marketing inside and outside the company don't match up.

This study examines how DIM can reconcile the disparity between employee capabilities and customer expectations.

3. Importance of the study:

This study has significance as it examines Digital Internal Marketing (DIM) in the banking sector at a crucial moment. This field undergoes rapid changes due to emerging digital technologies rising customer demands, and heightened competition from fintech startups. Much focus has been placed on customer-facing digital solutions such as mobile banking apps, AI-powered chatbots, and online service platforms. Yet internal digital capabilities have received insufficient attention those that support and empower staff members. This research addresses this critical gap by exploring how DIM enhances service quality through improvements in internal communication, training, engagement, knowledge sharing, and performance tracking.

As banks shift to more flexible, tech-driven models, their staff must adapt to these new working methods too. The study highlights that service excellence depends not just on external digital transformation but also on internal digital preparedness. It points out how crucial it is to equip employees with the digital tools, abilities, and communication channels they need to deliver value to customers . This suggests that DIM isn't an HR or communication issue; it's a strategic must-have that has a direct impact on customer contentment operational productivity, and market standing.

The research adds to existing knowledge by examining DIM in Middle Eastern banking in Jordan. Here digital methods are becoming more common, but there's not much concrete research on internal digital practices yet. This study also contributes by focusing on an area often left out in worldwide marketing and management studies. It offers valuable data and insights that could help shape policy, guide investments, and inform management choices in similar developing economies.

4. Literature Review:

Digital Internal Marketing (DIM) is an improvement on traditional internal marketing that uses digital resources to improve employee engagement, communication, and service delivery (Kotler & Keller, 2016). DIM includes digital tools and platforms that help people talk to each other, stay motivated, and learn new things. Researchers say that it makes employees more involved and makes sure that services are always the same.

Kotler and Keller (2016) say that internal marketing is a strategic tool that companies use to improve communication within the company and make sure that employees' work is in line with the company's goals. The transition to digital platforms has enhanced this methodology, utilizing resources such as intranet systems, AI-driven training programs, and interactive employee portals (Huang & Rundle-Thiele, 2015; Hashem et al., 2023).

4.1 Dimensions of Digital Internal Marketing

Digital internal marketing has a number of different aspects, each of which helps to improve service quality:

1. **Internal Communication:** Emails, chat rooms, and internal social networks are all good digital channels that help people communicate clearly (Verčič et al., 2012).
2. **Training and Development**—Online learning platforms, webinars, and AI-driven training programs make sure that employees are always improving their skills (Jong & Hartog, 2010).
3. **staff Engagement and Motivation** — Gamification, digital rewards, and real-time feedback boost staff morale and productivity (Gagne & Deci, 2005).

4. **Sharing Knowledge:** Digital repositories, discussion forums, and AI-powered knowledge management systems make it easier for information to flow and for organizations to learn (Nonaka, 2009; Al-Duwailah & Hashem, 2019).

5. **Monitoring performance and giving feedback—** Real-time performance dashboards and feedback based on analytics make people more responsible and improve service delivery (Kaplan & Norton, 1996).

4.2 The Relationship Between DIM and Service Quality

Studies show that personnel who are well-informed and motivated give better service. Digital platforms make it easy to communicate and train in real time, which makes sure that services meet client expectations. Parasuraman et al. (1988) created the SERVQUAL model, which shows how important it is for employees to know a lot and be quick to respond to customers in order to shape their impressions of service. Lings and Greenley (2005) contend that internal marketing directly influences customer satisfaction by enhancing employee motivation and knowledge. Digital internal marketing enhances these impacts by facilitating ongoing interaction and feedback mechanisms (Hashem & Al-Nsour, 2012; Hashem, 2022).

4.3 Empirical Evidence on DIM in Banking

Studies of banks around the world show that banks that use DIM have happier employees, lower turnover, and better service. According to a study by Mishra, Boynton, and Mishra (2014), banks that offered digital training programs and online communication channels saw their employees become more engaged and productive.

According to a study by Ahmed and Rafiq (2003), banks that implemented internal marketing tactics showed a direct rise in service quality scores. Verma & Singh (2017) also observed that digital marketing techniques made for internal stakeholders made retail banking more efficient and increased service delivery.

5. Hypotheses

1. H1: Jordanian banks are engaged in the implementation of DIM..
2. H2: There is an effect of applying digital internal marketing on the quality of service in Jordanian Banks.

6. Methodology

Quantitative methodology was used in the study. This study aims to solve real-world problems and to improve how things work and get made in internal marketing. It uses a method that describes what's happening, gathers facts and details, explains the situation, and finds out what's going on. It also tries to figure out what things should look like based on certain values or rules, and then suggests ways to make that happen. The researcher conducted the statistical analysis by using SPSS 27 software. They used different ways to understand the numbers, like finding averages seeing how spread out the data was counting things putting them in order, seeing how important they were, checking if the questionnaire is reliable (using something called Cronbach's alpha), and testing the hypotheses by using one sample t test and Multiple Regression.

7. Population and sample:

The study population consists of all employees in Jordanian banks. A convenience sample of 500 employees was selected to distribute questionnaires to them and retrieve 412 valid questionnaires for analysis.

8. Results and Discussion

8.1 Demographics

The majority of respondents were male, at 57.8% of the total. The data indicated that the highest percentage of respondents have a bachelor's degree (85%) and had over 15 years of experience (38.3%)..

8.2 Questionnaire Analysis

Table 1 shows survey statement data, mean, and standard deviation. All participants scored 3.00 or higher on each survey item, indicating a positive attitude. Statistics confirm the positive reactions. Additionally, the people had a positive attitude about the variables evaluated. I must underline that all variables in this study scored above 3.00. Also, I found that alpha value for each variable is greater than 0.7 that means the tool is reliable.

Table 1. Questionnaire Analysis

Variable	μ	σ	Alpha
Internal Communication	3.286	.844	0.934
Training and Development	3.492	1.034	0.933
staff Engagement and Motivation	3.092	1.051	0.939
Sharing Knowledge	3.710	.918	0.925
Monitoring performance and giving feedback	3.298	1.010	0.937
quality of service	3.260	1.000	0.933

8.3 Multicolleniarity test

In order to evaluate multicollinearity, the independent variables were subjected to VIF and Tolerance analysis. The ensuing imminent developments are the result of these calculations. The data does not demonstrate multicollinearity, as evidenced by the fact that all Variance Inflation Factor (VIF) values are less than 10 and all Tolerance values are greater than 0.10.

Table 2. Multicolleniarity

variable	Tolerance	VIF
Internal Communication	.604	1.657
Training and Development	.350	2.857
staff Engagement and Motivation	.464	2.153
Sharing Knowledge	.365	2.738
Monitoring performance and giving feedback	.676	1.478

8.4 Hypotheses Testing

1. H1: Jordanian banks are engaged in the implementation of DIM.

Table 3. Hypothesis1 Testing

	N	Mean	Std. Deviation	Std. Error Mean		
DIM	412	3.3756	.77055	.03796		
	Test Value = 3					
	t	df	Sig. (2- tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
DIM	9.895	411	.000	.37563	.3010	.4503

One sample t test is used to test above hypothesis. It is found that t value= 9.895 is significant at 0.05 level. That means Jordanian banks are engaged in the implementation of DIM.

2. H2: There is an effect of applying digital internal marketing on the quality of service in Jordanian Banks

The hypotheses of the investigation are tested using multiple regression. Table 4 indicated Digital internal marketing initiatives have an impact on Jordanian service quality. A strong relationship is suggested by a R value of 0.877. Additionally, the independent variables account for 76.8% of the variation observed in the dependent variable..

Table 4. Hypothesis2 Testing

Coefficients									
Model		Unstandar dized Coefficients		Standardi zed Coefficien ts	t	Sig .			
		B	Std. Err or	Beta			R	R Squa re	F
1	(Constant)	-.536	.119		-4.500	.000	.877	.768	269.493**
	Internal Communication	.334	.036	.282	9.159	.000			
	Training and Development	.090	.039	.093	2.307	.022			
	staff Engagement and Motivation	.266	.033	.279	7.970	.000			
	Sharing Knowledge	.124	.043	.114	2.888	.004			
	Monitoring performance and giving feedback	.334	.029	.337	11.617	.000			
H: There is an effect of applying digital internal marketing on the quality of service in Jordanian									

9. Discussion:

The research results show Jordanian banks are engaged in the implementation of DIM . Also. DIM plays a key part in improving banking services. The numbers point to a strong link between internal digital marketing efforts and employee engagement. Workers who can access digital training, communication tools, and chances to give and receive feedback feel more satisfied at work, which helps them connect better with customers.

The study also notes that banks using good DIM tactics see less staff turnover and run their operations more. Digital communication tools help ensure all employees understand the rules and expectations for financial services. This leads to fewer mistakes and more consistent service.

Another key finding is that knowledge-sharing platforms help employees to learn and improve their skills, which enables banks to tackle issues better and meet customer needs more . This backs up earlier studies showing that engaged staff provide better service and boost customer loyalty (Lings &Greenley 2005).

The research shows that DIM has an impact on service quality by building a team that's well-informed, engaged, and driven to succeed.

10. Conclusion:

The study's conclusions attest to the importance of Digital Internal Marketing (DIM) in Jordan's banking industry. Jordanian banks are actively implementing DIM practices. The way banks train staff, communicate internally, and cultivate a digital organizational culture has changed, and this engagement reflects that change. DIM factors like internal communication, training and development, engagement and motivation, knowledge sharing, and performance monitoring account for about 76.8% of the variation in service quality. The standardized coefficients show that staff engagement and motivation ($\beta = 0.279$), internal communication ($\beta = 0.282$), and performance monitoring and feedback ($\beta = 0.337$) are the most important dimensions. These findings are consistent with earlier research (e.g., Ahmed & Rafiq, 2003; Lings &Greenley, 2005), which highlights the importance of internal marketing in improving organizational performance, employee satisfaction, and service quality.

11. Recommendations:

Jordanian banks need to upgrade their digital communication systems to maximize the benefits of Digital Internal Marketing (DIM). They should invest in tools like enterprise social media mobile apps, and dashboards to boost interdepartmental collaboration and enable real-time information exchange and feedback. , they ought to integrate ongoing digital training into the company's fabric by offering structured, role-specific e-learning platforms to all staff members. This will enhance individual skills and service quality. Creating a culture of engagement and recognition is also crucial. Banks can achieve this by using digital platforms that allow employees to provide input, celebrate their achievements, and participate in decision-making, which will boost morale and retain staff. Enhancing internal wikis and forums as knowledge-sharing hubs allows employees to exchange best practices and problem-solving techniques fostering organizational learning. digital performance dashboards enable workers to monitor key performance indicators in real time and provide managers with tools to offer continuous constructive feedback to staff. It's vital that DIM initiatives align with broader service objectives such as customer satisfaction and regulatory compliance. This will improve overall business cohesion. , banks should benchmark their DIM practices against top-performing banks to identify areas for improvement and innovation gaps.

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