ABSTRACT

The increasing importance of service industries in Western Societies is well documented. Deregulation, internationalization, changes in life styles, etc are some of its underlying driving forces. Competition increases and service companies grow in number and size. As a result of this marketing and customer satisfaction come into focus.

Internal marketing is frequently used in the service marketing and service management literature as an umbrella concept for a range of internal activities whose aim is to develop a service and customer orientation within companies. Grönroos (1990), for example, argues that if goods, services, and external communication campaigns, cannot be marketed to internal target groups, marketing to ultimate, external customers cannot be expected to be successful. A central part of the development of the service marketing literature has been the emergence of discussions on internal marketing practices, targeting key employee groups in companies. The basic goals of internal marketing is to motivate and organize for good interactive
performance with the customer, which often includes changing values and attitudes of the personnel. Further, timing of internal marketing in comparison to external often seem to play an important role.

As service companies increase in complexity and size, the interactions and relationships between formally "internal" actors (divisions, groups etc.) are changed and the division between internal and external marketing is less clear. However, the service marketing literature seldom discusses the links between "internal" and "external" marketing from the point of view of the problem to separate what can be perceived as internal and external to e.g. a focal organization.

The purpose of this paper is to discuss how changes in definitions and perceptions of internal and external relations between actors change as firms and network changes. The definitions will in some senses be arbitrary and open to different actors' perceptions and definitions. Various contextual changes will affect what is defined as internal and external relations and connected marketing practices. With a focus on aspects of changed internal-external definitions in and between organizations in industrial networks, aspects such as of relationship marketing are elaborated on.

After an introductory overview of the development of the service marketing literature linking it to a network perspective this paper sets out to discuss, from a change oriented perspective, shifts and interdependencies between internal and external relationships and the effects on service marketing. We exemplify by shorter illustrations of dynamics in industrial networks taken from a studies of changes in industrial services and service companies.