

A Service of



Leibniz-Informationszentrum Wirtschaft Leibniz Information Centre for Economics

Burin, C.; Roberts-Lombard, M.; Klopper, H. B.

#### Article

# The perceived influence of the elements of internal marketing on the brand image of a staffing agency group

South African Journal of Business Management

**Provided in Cooperation with:** University of Stellenbosch Business School (USB), Bellville, South Africa

*Suggested Citation:* Burin, C.; Roberts-Lombard, M.; Klopper, H. B. (2015) : The perceived influence of the elements of internal marketing on the brand image of a staffing agency group, South African Journal of Business Management, ISSN 2078-5976, African Online Scientific Information Systems (AOSIS), Cape Town, Vol. 46, Iss. 1, pp. 71-81, https://doi.org/10.4102/sajbm.v46i1.84

This Version is available at: https://hdl.handle.net/10419/218567

#### Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.



WWW.ECONSTOR.EU

https://creativecommons.org/licenses/by/4.0/

#### Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



## The perceived influence of the elements of internal marketing on the brand image of a staffing agency group

#### C. Burin, M. Roberts-Lombard\* and H.B. Klopper

Department of Marketing Management. University of Johannesburg, Auckland Park Campus, PO Box 524, Auckland Park, 2006, +27 011 559 3031 and +27 11 559 3143

> \*To whom all correspondence should be addressed mornayrl@uj.ac.za

The main purpose of the study on which this article is based was to determine the influence of internal marketing on service quality as a means of improving the brand image of staffing agencies. The population of the study was the public staffing industry in South Africa. The sampling unit was the clients of a selected staffing brand. The selected sample of respondents was surveyed through an online self-administered survey distributed via a link in an email. The data was analysed using multivariate regression statistics. The application of an internal marketing approach enables staffing agencies to minimise employee turnover and increase service quality and performance, aiding staffing agencies to gain strong brand images that result in higher levels of competitiveness and profitability. Successful internal marketing should have a positive influence on employee attitudes and actions and therefore enhance customer satisfaction and service quality. The integration of internal marketing into the organisation's overall marketing strategy is therefore critical. The purpose of such a strategy can be to ensure that the organisation recruits and trains employees to deliver on the values of the brand in order to ensure that staffing agencies strengthen their brand images.

#### Introduction

Modern-day organisations are increasingly finding that in order to remain competitive, they require the most talented employees available on the market and need to satisfy two kinds of consumer markets: the internal customer and the external client (Farrelly & Greyser, 2012:507). This means that the need for an internal market orientation is widely recognised. Therefore, if the organisation wants to implement an internal marketing strategy, it has to ensure that management is committed to employees being empowered (Gounaris, 2008:72). The empowerment of employees through an internal marketing strategy can enhance the levels of service quality within the realm of a customer-conscious service culture (Samen & Alshurideh, 2012:86).

High levels of service quality result in more satisfied clients and consequently in an improved brand image of the service organisation within the marketplace (Lehmuskallio, 2008:96).

For the reasons stated, staffing agencies need to have a clear understanding of the link between internal marketing, service quality and brand image. Staffing agencies have various challenges. One of these is high employee turnover, particularly amongst recruitment consultants who are the main client-facing employees (Hasgall & Shoham, 2008:52). High employee turnover may be due to employee empowerment problems which may stem from communication or training problems within staffing agencies. Such challenges could lead to low staff motivation and job stress due to staff not knowing how to perform their jobs efficiently. Low employee motivation may result in lower levels of service quality offered to the client by the employee, which in turn would negatively affect a staffing agency's brand image (Bowers & Martin, 2007:88; Ndubisi & Ndubisi, 2013:530-531).

In terms of focusing on service businesses, staffing agencies are highly underresearched considering the various obstacles they face. Essentially, staffing agencies provide the service of matching candidates to their client's human resource needs and organisational culture (Thomas, 2009). The demand for staffing agencies has evolved beyond connecting the correct people in positions that fit their skills, to that of partnering with clients to provide the correct talent mix for their business (Czakan, 2010). Bellou and Andronikidis (2008:245) identify a service as "any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product". Therefore it would be fair to argue that a staffing agency's clients are continuously exposed to the agency's services, which includes its service promises, and the employees who deliver - or in some cases do not deliver - on these promises (Czakan, 2010).

According to the Association of Personnel Service Organisations (APSO, 2012) there is a lack of research available concerning staffing agencies in general. This could be due to various reasons, including a lack of regulation that pushes for the collation of statistics and information, a general lack of resources, and the common disinclination of members within staffing agencies to offer information to those attempting to carry out research. Due to increased globalisation, South African organisations have competition both locally and on a global level, and therefore need to empower themselves with a wealth of information in order to compete with First World nations (Mokopanele, 2010).

Against this background, formal research is currently of great importance for staffing agencies as it still seems to be unclear whether internal marketing changes do in fact influence the brand image of staffing agencies. In order to address the aspects highlighted above, this article includes a literature review of internal marketing, service quality and brand image, as related to a prominent staffing agency in South Africa. The problem investigated in the study that informed this article is specified, followed by a discussion on the research objectives, hypotheses and methodology employed. Thereafter, the empirical results are discussed, followed by a discussion of the implications they might hold for management.

#### Literature review

For the purpose of this article, the following definitions will apply for internal marketing, service quality and brand image:

Internal marketing: A planned effort using a marketing-like approach to overcome organisational resistance to change, and to align, motivate and interfunctionally coordinate and integrate employees towards the effective implementation of corporate and functional strategies in order to deliver customer satisfaction through a process of creating motivated and customer orientated employees.

Service quality: The propensity of an organisation to meet or surpass external client expectations.

Brand image: The external market's perception of the complete product; the way in which the market observes the total experience of the brand.

Internal customer: The employees and departments (internal customers) of the organisation that consume job-products. These employees are both internal customers of the organisation and internal suppliers of internal services to others within the organisation, and are organised in a way that they can have control and accountability over their performance.

External client: An organisation to which the staffing agency renders a service.

A review of the literature on internal marketing, service quality and brand image reveals that the underlying principle of internal marketing is that effective service delivery requires motivated and client-conscious employees (Kuo & Kuo, 2010:629). Therefore, if a staffing agency utilises marketing tactics, such as the marketing mix of product, price, promotion, distribution, people, processes and physical evidence within the organisation rather than only outside the organisation, it could contribute towards fulfilling the needs of employees better, thereby creating employees who are passionate and motivated to provide high levels of service to clients (Czakan, 2010). This is due to the fact that satisfied employees have been linked to satisfied clients. Satisfied clients then appear to be happier and have higher levels of loyalty towards the organisation (Aburoub, Amman, Hersh & Aladwan, 2011:110).

It is important for organisations to have excellent service delivery as brands in general have become the single most recognisable representation of an organisation, leading to the creation of wealth, whilst representing powerfully compressed symbols of purpose, meaning and promise (Read, 2009:26-27). Brands reflect signs of trust and distrust as well as the political, economic, social and environmental standing of organisations. Matanda and Ndubisi (2013:1033) agree by suggesting that building strong brands has become one of the most vital objectives of product and brand management as strong brands result in the growth of both short and long-term income generation.

The link between the elements of the internal marketing mix and the dimensions of service quality

The discussion that follows will explore how each element of the internal marketing mix is linked to the dimensions of service quality.

#### The link between the internal product and the dimensions of service quality

Employees with longer tenures tend to have more knowledge about the organisation and the service they are offering than employees with shorter tenures (Luna-Arocas & Camps, 2008:40). Thus employees who remain with the organisation longer will be able to offer higher levels of empathy, assurance, reliability, responsiveness and professionalism to clients, as they would have a better relationship with the client and understand the client's needs and expectations and how to deliver on them, based on past experiences (Azizi, Ghytasivand & Fakharmanesh, 2012:123).

#### The link between internal price and the dimensions of service quality

Ward and Dagger (2007:282-283) and Chen and Lin (2013:47) have indicated that the internal price paid by employees can contribute to both the effectiveness and ineffectiveness of the components of service quality. The internal price allows employees to gain new knowledge and skills which will ultimately provide higher levels of reliability, assurance, empathy and responsiveness to client needs (Ali, 2012:244). However, the additional energy and time required by employees to learn new processes or skills might cause them to become less satisfied and ultimately less motivated to provide high levels of service quality to the client. Therefore, learning should be integrated into the

format of the job product in order to continuously keep employees' skills up to date (Meszaros, 2009).

### The link between internal promotion and the dimensions of service quality

Internal promotion provides employees with information on what the organisation is doing to meet their needs as well as clients' feedback on their service excellence, which allows employees to become more satisfied by the work they do. This ultimately leads to employees providing better service to clients as they feel appreciated (Lucas & Kline, 2008:279).

### The link between internal distribution and the dimensions of service quality

Delivering excellent service to a client is a team effort. If there is a lack of synergy amongst different departments within the staffing agency, then the service offered to the client will not be as reliable and responsive as it could be (Papasolomou, Kountouros & Kitchen, 2013:111).

### The link between people and the dimensions of service quality

By empowering employees, they are given the discretion to solve the client's problem in their own way. This not only creates higher levels of employee satisfaction as they feel they have control of their work, but also allows for higher levels of service quality (Samen & Alshurideh, 2012:85). Should employees not be required to consult their manager for everyday decisions they are able to solve a client's problem quickly. This allows them to be responsive to client needs (Kale & De, 2012:35-36).

### The link between internal processes and the dimensions of service quality

Effective internal processes contribute to higher levels of employee confidence as they are able to perform their jobs more effectively as they are familiar with the actions required to deliver excellent service to the client; thus allowing employees to provide higher levels of empathy and assurance to the external client (Gupta, McDaniel & Herath, 2005:293; Steyn, Steyn & Van Rooyen, 2011:131).

### The link between physical evidence and tangibles and the dimensions of service quality

Physical evidence affects service quality through creating a level of tangibility and identity for the service which aids in assuring clients that they are receiving a professional service. The physical evidence such as the manner in which employees are dressed, brochures and other physical marketing materials aid in creating an experience for the client that, if carried out correctly, can allow the staffing agency to be perceived as a high quality service provider (Tsai, Tsai & Chang, 2010:730-731).

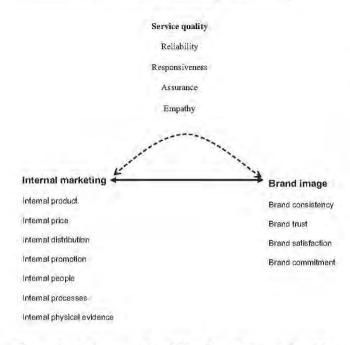
#### The impact of internal marketing on brand image

Success of service businesses is dependent on people. People require management and guidance in order to know what to do, how to do it, and how to do it well time and time again (Mieres, Sánchez & Vijande, 2012:410). The issue of how management controls employees to act in a clientconscious way is relevant here. Both formal and informal models of control need to be considered as a means of achieving and implementing shared vision, and goals to deliver a consistent brand experience (Henkel, Tomczak, Heitmann & Herrmann, 2007:311). Managers need to define a brand's values and then ensure that their interpersonal interactions with employees' values and behaviour are consistent with these values (Holtzhausen & Fourie, 2008:81-82; Matanda & Ndubisi, 2013:1032). For employees to be proactively responsive to client-conscious conduct requires much individual consideration, flexibility and originality in the delivery of service brands. Therefore, employee empowerment mechanisms need to be considered as they allow employees to make everyday decisions freely in order to ensure that the brand's promise is adhered to during client-employee interactions (Ali, 2012:246; Henkel et al., 2007:312).

Interfunctional coordination needs to be harnessed in order to allow for effective co-ordination between front-line staff and back-office staff in order for knowledge between functions to be shared. The belief here is that each internal client becomes someone else's supplier. This approach would allow each employee to become alert as to how they individually contribute to the work of others, which would then assist in total quality management in terms of the service (Botha & Van Rensburg, 2010:47-48). Employees need to become prepared to perform, therefore knowledge management tactics should be initiated as a means of recruiting skilled employees and keeping employees educated, informed and capable of acting in a clientconscious way. Knowledgeable, empowered employees contribute to consistent brand experiences as employees act in a way that is consistent with the brand's identity and respond instantly to change which contributes to high quality individual client experiences (Ma, Ding & Hong, 2010:133).

#### Problem statement

An important focus of internal marketing should be to improve the brand identity among the employees of an organisation. Improved brand identity amongst employees should result in an improved brand image amongst clients (Matanda & Ndubisi, 2013:1036; Otubanjo & Melewar, 2007:421). However, the researcher could not find any studies on how the elements of the internal marketing mix of product, price, promotion, distribution, people, processes and physical evidence, influence service levels of staffing agencies, which is ultimately linked to brand image. This raises the question as to whether or not internal marketing has a positive influence on the brand image of staffing agencies amongst their clients. Figure 1 provides an illustration of the three key relationships in the study.



### Figure 1: A framework of the three key relationships explored in the study

From the literature (Azizi *et al.*, 2012: 123-124; Krell, 2006:50; Lowell & Hahn, 2007:6; Rafiq & Ahmed, 2000:453) it is evident that there is a lack of information on the relationship between the internal marketing mix and the brand image dimensions of brand consistency, trust, satisfaction and commitment. Furthermore, the influence of the elements of internal marketing on the dimensions of service quality (reliability, responsiveness, assurance and empathy) and the dimensions of service quality's influence on the dimensions of brand image within the staffing industry in South Africa, have not been explored before. In this article these three relationships are explored as they could provide a means of reducing employee turnover and enhancing the performance and profitability of staffing agencies.

The problem statement therefore is:

The relationship between the elements of internal marketing, the dimensions of service quality and brand image among staffing agencies tends to be unexplored.

#### Objectives

The primary objective of the study was to determine the influence of internal marketing on the brand image of South African staffing brands and staffing subsidiaries as measured through service quality.

The primary objective is supported by the following secondary objectives, categorised into three relationships, namely:

- Relationship 1: To determine the relationship between the seven elements of internal marketing and the four dimensions of service quality at a selected staffing brand and its subsidiaries.
- Relationship 2: To establish the relationship between the four dimensions of service quality and the four dimensions of brand image at a selected staffing brand and its subsidiaries.
- Relationship 3: To determine the relationship between the seven elements of internal marketing and the four dimensions of brand image at a selected staffing brand and its subsidiaries.

#### Hypotheses

Following the primary and secondary objectives listed, the study set out to prove the following hypotheses:

H1: There is a significant difference between the perceived influence of the different elements of internal marketing on the dimensions of service quality at a selected South African staffing brand.

H2: There is a significant difference between the perceived influence of the dimensions of service quality on the dimensions of brand image at the selected South African staffing brand.

H3: There is a significant difference between the perceived influence of the elements of internal marketing on the dimensions of brand image at a selected South African staffing brand.

#### Research methodology

The study was quantitative in nature and descriptive in design. A quantitative approach was followed in order to produce clear data results that are easily generalised and statistically calculated (Hair, Bush & Ortinau, 2006:171). This study also applied a descriptive research design, the reason being that descriptive studies usually accommodate large sample sizes and make use of survey and questionnaire techniques to gather the necessary data required by a specific study (Solomon, Marshall & Stuart, 2006:113). The target population for this study was drawn from all registered staffing agencies listed under the Association of Personnel Services Organisations (APSO). Public staffing agencies registered with the Johannesburg Securities Exchange (JSE) were considered since they are the largest in size and income, and the most regulated and among the more sustainable staffing agencies within South Africa. A non-probability sampling design was implemented in this study to extract a representative sample of clients of the staffing brands and staffing subsidiaries of one of the market leaders in the staffing industry in South Africa as a sample representation of the entire staffing industry in the country. Non-probability sampling in the form of judgement sampling was used to select public staffing agencies registered with the JSE. Therefore, the sample was based on the staffing brands and staffing subsidiaries of a prominent

staffing agency group - a large, national, regulated, listed public organisation that focuses on white and blue-collar workforces and is a market leader in the staffing industry conducting business with many private and JSE listed bluechip organisations in South Africa. The sampling units for the sample frame were all the current clients of the staffing agency divisions and subsidiaries within the selected staffing group. A total of 1 123 questionnaires were completed.

An online self-administered survey was used to collect data from respondents. Online survey methods allow for no interviewer bias and for data to be gained quickly, from a large sample, and at a relatively low cost (Churchill & Brown, 2007:114; Solomon et al., 2006:116). Structured questions were used to elicit responses. The questionnaire was prepared in an electronic format and consisted of three sections. Section A was in the form of fixed-alternative questions to obtain demographic descriptions of the respondents of the study. Sections B, C and D were in the format of a five-point Likert scale. The statements' response continuum ranged from 1-5, where 1 = strongly agree to 5 =strongly disagree. Section B covered aspects pertaining to the seven elements of internal marketing, section C contained aspects pertaining to the four dimensions of brand image, and section D contained aspects pertaining to the four dimensions of service quality. Suitable scale items were developed from the literature. The questionnaire was pretested before it was fielded among the target population of the study.

The data on the questionnaires was coded, entered and edited for analysis using the Statistical Package for Social Sciences (SPSS version 18). The data analysis firstly involved the examination of the frequency distribution of the results for each of the scale items included so as to determine whether the data was normally distributed. The normality of the distribution of results of each scale item was determined in order to determine whether parametric or non-parametric tests should be used to test the hypotheses formulated for the study. The distribution of results can be considered normal if it exhibits a skewness of less than an absolute value of 2.00 and a kurtosis of the distribution of less than 7.00 (Field, 2009:127). All scale items used fell within these parameters. Based on this fact and as well as that the sample size was large (n = 1123), parametric tests were considered suitable for hypotheses testing. Multivariate regression analysis was used to determine the perceived relationship between the elements of internal marketing, the dimensions of brand image and service quality for the staffing agency group in the study.

#### RESULTS

#### Construct validity

The Kaiser-Meyer-Olkin (KMO) statistics ranged between being average (KMO = 0.603) to great (KMO = 0.888). The Bartlett test of sphericity had p-values all equal to 0 indicating that the values were significant (p < 0.05) for the factors created from the questionnaire. Most of the cumulative percentages ranged between 52% and 88% and were therefore considered to explain a sizable amount of the variance.

#### Reliability

Cronbach alpha values for the sample in the study ranged between highly reliable (the values were between 0.8 and 0.95) concerning some constructs, to fairly reliable (the values were between 0.6 and 0.7) following Zikmund and Babin (2007: 322). Except for the construct Internal Processes, all constructs were found to be reliable (no values were below 0.6), as indicated in Table 1.

Table 1:	Results	of the	Cronbach	alpha test

Construct	Sub-construct	Cronbach alpha (α)
Internal	Internal product (6 items)	0.927
marketing	Internal price (8 items)	0.668
	Internal distribution (2 items)	0.728
	Internal promotion (8 items)	0.825
	People (5 items)	0.609
	Physical evidence and tangibles (4 items)	0.816
Service quality	Responsiveness (5 items)	0.900
	Assurance (5 items)	0.858
	Empathy (5 items)	0.930
Brand	Consistency (7 items)	0.944
image	Trust (7 items)	0.888
	Satisfaction (5 items)	0.858
	Commitment (3 items)	0.786

#### Discussion of the results

The multivariate F-test, which is based on a statistic called Wilks' Lambda explains whether or not the independent variable explains significant variation among the dependent elements within the study. Eta squared plays a similar role to  $R^2$  as it acts to define the strength of association or depicts the proportion of total variation attributable to an element and ranges from 0-1. Both the Wilks' Lambda and the partial Eta squared are discussed in this section to explain the results.

Relationship 1: The relationship between the elements of internal marketing and service quality using multivariate regression

 Table 2: Multivariate regression for four dependent
 elements of service quality and seven independent

 elements of internal marketing
 Internal

Sample		
Independent elements	Wilks' Lambda Sig (p)	Wilks' Lambda Partial η <sup>2</sup>
Internal product	.000	.199
Internal price	.000	.050
Internal promotion	.008	.024
Internal distribution	.000	.100
People	.002	.030
Physical evidence and tangibles	.000	.061

The data displayed in Table 2 shows that all elements of internal marketing were found to be statistically significant (p-value < 0.05) for influencing service quality in the sample. Internal product showed the strongest variation to service quality ( $\eta^2 = .199$ ), followed by internal distribution  $(\eta^2 = .100)$ , and then the physical evidence and tangibles  $(\eta^2$ = .061) for the sample in the study. The internal promotion was considered the least influential ( $\eta^2 = .0.24$ ), followed by people ( $\eta^2 = .030$ ) and the internal price ( $\eta^2 = .050$ ). However, since partial eta squared is reported on in a similar way to  $\mathbb{R}^2$ , it can be noted that the internal product only influences service quality by 19.9%, the internal distribution only influence service quality by 10%, and the physical evidence and tangibles only influence service quality by 6%. Based on the partial Eta squared values observed for the data in Table 2, the following finding was considered.

#### Finding 1: Clients perceived service quality to be most influenced by internal marketing through the internal product.

Finding 1 tends to agree with the literature (Bowers & Martin, 2007:91; Kale, 2007:5; Yao, Chen & Cai, 2013:531) which identified that through providing internal products that meet employee needs, the staffing agency would have more satisfied employees with longer tenures. The organisation does well. The more involved and connected employees feel in their job, the more job satisfaction they will experience which should create higher levels of loyalty towards the organisation. Employee loyalty allows for employees to believe in the values and goals of the organisation, motivates them to put more effort into their jobs, and gets employees to remain with the organisation for longer periods of time. Based on the multivariate regression findings stated, hypothesis 1 is accepted and the mult hypothesis rejected.

Relationship 2: The relationship between the dimensions of service quality and brand image using multivariate regression

Table 3: Multivariate regression for the four dependent elements of brand image and four independent elements of service quality

Sample	and the second sec	
Independent elements	Wilks' Lambda Sig (p)	Wilks' Lambda Partial η <sup>2</sup>
Responsiveness	,007	.025
Assurance	.000	.206
Émpathy	.000.	.147

According to Table 3, all elements of service quality were found to be statistically significant (p-value < 0.05) for influencing brand image in the sample. The sample perceived assurance ( $\eta^2 = .206$ ) to have the largest influence on brand image. This was followed by empathy ( $\eta^2 = .147$ ), while responsiveness ( $\eta^2 = .025$ ) was found to be significant, but it exhibited the smallest degree of influence on brand image. However, since partial Eta squared is reported on in a similar way to  $R^2$ , it can be noted that assurance influences brand image by only 20.6%, while empathy influences brand image by only 14.7% and the responsiveness of the service influences brand image by 2.5%. Furthermore, assurance needs to be considered with caution as it was identified as having a kurtosis value over 1. Based on the partial Eta squared values observed for the data in Table 3, the following findings were considered.

#### Finding 2: Clients perceived brand image to be most influenced by the service quality dimension of assurance.

Finding 2 shows some agreement with the literature (Dunmore, 2002:94; Little & Marandi, 2003:46; Gupta et al., 2005:391; ELSamen & Alshurideh, 2012:87) which identified that assurance originates from employee knowledge, professionalism and their capacity to encourage faith and confidence in the client to whom they deliver service. This links to employees having knowledge concerning the brand and its values, which contributes to consistent brand behaviour. More consistent brand behaviour leads to higher levels of service quality, which directly links to the clients' attitudes towards the brand. Employees are responsible for converting brand identity into brand image; therefore the more employees internalise the brand identity and its values, the more consistently they are likely to deliver the brand effectively. Employees who feel adequately rewarded are more inclined to remain with the organisation in the long-term, which will contribute to higher levels of service quality as they have a better understanding of the client and their role in delivering service to the client (Aburoub et al., 2011:113). Based on the multivariate regression findings in Table 3, hypothesis 2 is accepted and the null hypothesis rejected. It was furthermore established that assurance was the most influential service quality dimension influencing the entire construct of brand image. This is in comparison to the influence of responsiveness and empathy which were shown to be the most influential service quality dimensions influencing the four dimensions of brand image when analysed individually.

Relationship 3: The relationship between the elements of internal marketing and brand image using multivariate regression

 Table 4: Multivariate regression for four dependent

 elements of brand image and seven independent

 elements of internal marketing

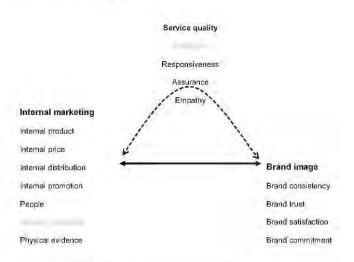
Independent elements	Wilks' Lambda Sig (p)	Wilks' Lambda Partial $\eta^2$	
Internal product	.680	No value	
Internal price	.000	.076	
Internal promotion	.373	No value	
Internal distribution	.000	.054	
People	.000	.045	
Physical evidence and tangibles	.000	.096	

For the data displayed in Table 4, only the internal marketing elements of internal price, distribution, people and physical evidence and tangibles were found to be statistically significant (p-value < 0.05) for influencing brand image. Respondents perceived physical evidence and tangibles ( $\eta^2 = .096$ ) to have the largest influence on brand image. This was followed by the internal price ( $\eta^2 = .076$ ), then internal distribution ( $\eta^2 = .054$ ) and finally people ( $\eta^2 = .045$ ). However, since partial Eta squared is reported on in a similar way to  $\mathbb{R}^2$ , it can be noted that physical evidence and tangibles influence brand image by only 9.6%, the internal price influences brand image by only 5.4%. Based on the partial Eta squared values observed for the data in Table 4, the following finding was considered.

#### Finding 3: Clients perceived brand image to be most influenced by internal marketing through the physical evidence and tangibles.

Due to the intangible nature of services, clients seek unspoken indications to determine their expectations and assessment of service quality. Most service organisations have no tangible products to display and to sell, but do have employees who are frequently considered by the clients as being representatives of the brand. Lovelock and Wirtz (2008:16) and Biedenbach and Marell (2010:447) argue that due to the intangible nature of services, clients will seek implicit cues to formulate their expectations and evaluation of service quality. Service uniforms and employee dress codes are a component of the 'implicit cues' that clients draw on as a means of determining an impression of the staffing agency. An employee's appearance can create an indication of the organisation's identity. When employees identify with their organisations, they tend to display similar attributes to describe their own behaviour, to those of the staffing agency's identity. Clients experience a corporate brand's identity through all points of contact throughout the organisation. Based on the multivariate results shown in Table 4, hypothesis 3 was accepted and the null hypothesis

rejected. Considering the results, the following final model was therefore proposed.



#### Figure 2: Proposed final statistical model

The managerial implications of the study are listed next and are discussed according to the recommendations made for the influence of internal marketing on brand through service quality.

#### Managerial implications

From an internal marketing perspective, staffing agencies should ensure that the internal product that they offer to potential and existing employees creates employee satisfaction and loyalty. This should create a workforce of employees who have longer tenures and more knowledge in staffing, leading to higher levels of service quality. This can be achieved through effective training and by offering employees careers that will enable them to grow and enhance their skills. Therefore, jobs or internal products should be designed for different employee segments, based on their different needs and competencies.

Clients seemed to find the internal distribution element of internal marketing to be relatively influential towards the responsiveness, assurance and empathy dimensions of service quality. To ensure that service quality matches client requirements, employees must be flexible and responsive to client needs in order to satisfy them. The internal marketing concept emphasises that teamwork between the employees of a business is a key factor in the development and application of a successful business strategy. Teamwork is required for effective knowledge renewal, as information is shared across the business which allows for new ideas to form and for the culture of the organisation to be maintained.

Physical evidence and tangibles were found to be relatively influential towards the assurance and empathy dimensions of service quality. Therefore, it is important that staffing agencies ensure that they have a modern environment and attractive marketing brochures so that clients will be assured that the staffing agency is a market-leading and innovative staffing provider. A staffing agency's physical environment, design and layout may have an influence on employee behaviour. Therefore, staffing agencies should consider designing the physical layout of their organisations around employee needs in order to maximise both productivity and employee satisfaction. Staffing agencies need to implement open-plan office designs in order to ensure a more collaborative work environment that can react to change quickly. Furthermore, due to many of the interactions between a staffing agency and the client taking place at the client's premises, it is essential that staffing agencies ensure that their employees follow a specific and professional dress code. This will allow the staffing agency to be perceived as professional and assure clients that they are receiving a high level of service quality.

Internal promotion was found to influence the responsiveness of the service, and therefore in order for staffing agencies to provide more responsive service to clients, they need to focus on their internal promotion tactics. Staffing organisations need to begin by segmenting their employees, based on the level of client interaction they have. This will allow the organisation to determine how much information needs to be communicated to each group of employees and how frequently this should happen. Furthermore, staffing agencies can determine which types of communication methods would be most effective to reach certain employees, as many staffing agency employees often conduct services on the clients' premises and will therefore need to be well versed in different modes of communication. Staffing organisations should consider utilising various internal communication mechanisms such as internal advertising, personal selling, sales promotion, public relations and new media technologies in order to communicate activities, circulate knowledge, and create shared values and brand values amongst their employees. Many staffing agency employees frequently work out of their offices at the clients' premises; therefore special attention should be given to new media as this would allow employees to remain connected to the organisation, its communications and culture via virtual or online communities. New media is frequently used both externally and internally by modern-day organisations in the form of the intranet, social networking and wikis.

Brand consistency is critical in obtaining brand trust, satisfaction and ultimately commitment. The clients agreed that brand consistency is highly influenced by the service quality offered by a staffing agency. Staffing agencies need to ensure that they offer consistent services, as this assures clients that they are working with a high quality staffing provider. The first level of internal marketing is that of maintaining consistency. Consistency can be achieved through attracting, hiring and training the correct type of employees to be consistent with the organisation's values. Creating a matrix-structured organisation and a social environment that allow for effective internal relationships between employees to be fostered, enables employees to provide high levels of internal service quality to each other. Service consistency can also be achieved by management providing effective scripted and technological processes that aid employees in understanding their work and doing it more effectively. Effective processes lead to better, more effective strategies, and subsequently to better more consistent performance of a staffing agency. Through empowering and rewarding employees for performing their jobs correctly, staffing agencies are able to have higher levels of consistent service quality, as employees will be more productive and motivated to behave in accordance with the organisation's goals and values.

It is important for staffing agencies to ensure that their employees are responsive to client needs, because if clients do not trust a brand, they are unlikely to be loyal. Clients want to purchase services from an organisation they can trust. This trust is based on how an organisation continuously delivers on clients' expectations of the organisation's service promises. Employees can considerably influence a brand's relationship with its clients through the way they interact with clients. Shared values are the foundation of what the organisation is, and are required for an organisation to achieve its strategic goals. A shared service culture provides a form of identity to employees, creates a sense of group obligation and develops an established community orientation where service standards are adhered to. Staffing agencies can ensure that their employees deliver services consistently by having a clientconscious service culture based on the values of the brand, and through communicating the importance of consistency to employees in order to ensure that they understand the brand identity of the organisation, and how their role fits within that context. Staffing agencies should also communicate with their employees regularly to ensure that employees understand that their personal success is linked to the success of the organisation and its brand reputation, and should encourage employees to be motivated and committed organisation's goals and brand to an values. Communications should aid as an enhancer of service quality, as an understanding of the client's expectations and needs is communicated throughout the organisation.

Assurance was seen to be the most influential service quality dimension influencing brand image. Assurance originates from employee knowledge, professionalism and their capacity to encourage faith and confidence in the client to whom they deliver service. This links to employees having knowledge concerning the brand and its values, contributing to consistent brand behaviour, and more consistent brand behaviour leads to higher levels of service quality. This directly links to the client's attitudes towards the brand. Staffing agencies need to consider an internal marketing approach as a means of curbing employee churn that will lead to higher levels of assurance. Internal marketing aids in decreasing employee churn, increasing employee engagement and increasing external service quality, thereby satisfying the external client. By satisfying the external client better than competitors, a staffing agency will be able to differentiate itself by having a superior offer in comparison to competitors. Staffing agencies need to ensure there is continuous knowledge renewal amongst employees by providing an environment that promotes teamwork and allows for information to be shared across the business. An

internal distribution of skills and services within the organisation is important, as when there is a lack of internal service quality, front-line employees will be unprepared to deliver effective services. In order to create enthusiastic employee behaviour, staffing agency managers need to recognise the supremacy of training as a marketing instrument. Middle managers should be used as trainers and motivators who build their employees' capabilities and confidence, as this will increase employee confidence, ultimately leading the employee to be more assured of their role.

Employees are responsible for converting brand identity into brand image. The more employees internalise the brand identity and its values, the more consistently they will be to deliver the brand effectively. Staffing agencies need to reward employees on merit for their efforts, as employees will strive to be more efficient, reliable, professional and empathetic to client needs as they desire to be rewarded for service excellence. In addition, employees who feel adequately rewarded are more inclined to remain with the organisation in the long term, contributing to higher levels of service quality as they have a better understanding of the client and their role in delivering service to the client.

#### Conclusion

This article reported on research conducted on the influence of the elements of internal marketing on the dimensions of service quality, namely reliability, responsiveness, assurance and empathy, and the dimensions of service quality's influence on the dimensions of brand image within the staffing industry in South Africa. These three relationships were explored as it is believed that they could provide a means to reducing employee turnover and enhancing the performance and profitability of staffing agencies. It was found that internal marketing influences the superiority and consistency of the service quality provided by employees and experienced by clients. It was further established that if this is the case, the staffing agency will ultimately have a stronger brand image, which ensure future economic performance and the sustainability of the staffing brand over the long term.

#### Limitations and suggestions for future research

Only selected staffing agencies within the Kelly Group were included within the study. Therefore, the information provided does not represent the entire industry. Further research regarding this topic could be extended to include other geographical areas and additional staffing agencies or service businesses.

#### References

Aburoub, A.S. Amman, A., Hersh, A.M. & Aladwan, K. 2011. Relationship between Internal Marketing and Service Quality with Customers' Satisfaction. *International Journal of Marketing Studies*, **3**(2):107-118.

Ali, N. 2012. An exploratory study into the implementation of internal marketing in small insurance brokers in the United Kingdom. *Journal of Financial Services Marketing*, 17:242-254.

APSO. 2012. *About APSO*. [Online] Available from: http://www.apso.co.za [Accessed: 2013-03-10].

Azizi, S. Ghytasivand, F. & Fakharmanesh, S. 2012. Impact of Brand Orientation, Internal Marketing and Job Satisfaction on the Internal Brand Equity: The Case of Iranian's Food and Pharmaceutical. *International Review of Management and Marketing*, **2**(2):122-129.

Bellou, V. & Andronikidis, A. 2008. The impact of internal service quality on customer service behavior – Evidence from the banking sector. *International Journal of Quality and Reliability Management*, **25**(9):944-946.

Biedenbach, G. & Marell, A. 2010. The impact of customer experience on brand equity in a business-to-business services setting. *Brand Management*, **17**(6):446-458.

Botha, G.J. & Van Rensburg, A.C. 2010. Proposed business process improvement model with integrated customer experience management. *South African Journal of Industrial Engineering*, **2**(1): 45-57.

Bowers, M.R. & Martin, C.L. 2007. Trading places redux: employees as customers, customers as employees. *Journal* of Services Marketing, **21**(2):88-92.

Chen, Y. & Lin, S. 2013. Applying Importance-Performance Analysis for Improving Internal Marketing of Hospital Management in Taiwan. *International Business Research*, **6**(4):45-54.

Churchill, G.A. & Brown, T.J. 2007. *Basic Marketing Research*. 6th Edition. Ohio, USA: Thomson South-Western.

Czakan, T. 2010. Verbal communication with the Marketing Director of the Kelly Group. Gauteng, South Africa (Notes in possession of author).

Dunmore M. 2002. Inside-Out Marketing: How to Create an Internal Marketing Strategy. London, Great Britain: Kogan Page

ELSamen, A. & Alshurideh, M. 2012. The Impact of Internal Marketing on Internal Service Quality: A Case Study in a Jordanian Pharmaceutical Company. *International Journal of Business and Management*, 7(19): 84-95.

Farrelly, F. & Greyser, S. 2012. Sponsorship Linked Internal Marketing (SLIM): A Strategic Platform for Employee Engagement and Business Performance. *Journal of Sport Management*, **26**:506-520.

Field, A. 2009. *Discovering Statistics Using SPSS. 3rd Ed.* London: Sage Publications.

Gounaris, S. 2008. The notion of internal market orientation and employee satisfaction: some preliminary evidence. *Journal of Services Marketing*, **22**(1):69-72.

Gupta, A., McDaniel, J.C. & Herath, S.K. 2005. Quality management in service firms: sustaining structures of total quality management. *Managing Service Quality*, **15**(4):393.

Hair, J., Bush, R. & Ortinau, D. 2006. *Marketing Research: Within a Changing Environment.* 3rd Edition. New York, USA: McGraw-Hill.

Hasgall, A. & Shoham, S. 2008. Knowledge processes: from managing people to managing processes. *Journal of Knowledge Management*, **12**(1):52.

Henkel, S., Tomczak, T., Heitmann, M. & Herrmann, A. 2007. Managing brand consistent employee behaviour: relevance and managerial control of behavioural branding. *Journal of Product and Brand Management*, 16(5):310 – 316.

Holtzhausen, L. & Fourie, L. 2008. Communicating to a diverse workforce: employees' perceptions of symbolic corporate identity elements. *Corporate Communications: An International Journal*, **13**(1):81-82.

Kale, S.H. 2007. Internal Marketing: An Antidote for Macau's Labor Shortage. UNLV Gaming Research & Review Journal, 11(1):4-9.

Kale, S.H. & De, S. 2012. A Diagnosis of Inherent Problems in Enhancing Service Quality through Internal Marketing and Organizational Identification in Macau and Singapore Casinos. UNLV Gaming Research & Review Journal, 17(1):31-42.

Krell, E. 2006. Branding Together. HR Magazine, 51(10):50,52.

Kuo, T.H. & Kuo, Y.L. 2010. The effect of corporate culture and total quality management on construction project performance in Taiwan. *Total Quality Management*, **21**(6):617-632.

Lehmuskallio, S. 2008. Intranet editors as corporate gatekeepers and agenda seekers. *Corporate Communications: An International Journal*, **13**(1):96.

Little E & Marandi E. 2003. *Relationship Marketing Management*. Singapore: Thomson Learning

Lovelock, C. & Wirtz, J. 2008. *Services Marketing: People, Technology, Strategy.* 6th ed. United States of America: Pearson Prentice Hall.

Lowell, D. & Hahn, D. 2007. Give them Something to Believe In: The Value of Brand Culture. Interbrand Whitepaper [Online] Available from: http://www.brandchannel.com [Accessed: 2008-01-28].

Lucas, C. & Kline, T. 2008. Understanding the influence of organisational culture and group dynamics on organisational change and learning. *Learn. Organ.* **15**(3): 277-287.

Luna-Arocas, R. & Camps, J. 2008. A model of high performance work practices and turnover intentions. *Personnel Review*, **37**(1):27.

Ma, Y., Ding, J. & Hong, W. 2010. Delivering customer value based on service process: The example of Tesco.com. *International Business Research*, **3**(2):131-135.

Matanda, M.J. & Ndubisi, N.O. 2013. Internal marketing, internal branding, and organisational outcomes: The moderating role of perceived goal congruence. *Journal of Marketing Management*, **29**(9-10):1030-1055.

Meszaros K. 2009. Verbal communication with the Marketing Manager of Kelly and Kelly Industrial. Gauteng, South Africa. (Notes in possession of author).

Mieres, C.G., Sánchez, J.A.L. & Vijande, M.L.S. 2012. Internal Marketing, Innovation and Performance in Business Services Firms: The Role of Organizational Unlearning. *International Journal of Management*, **29**(4):403-429.

Mokopanele, T. 2010. Estate agencies forced to adapt to tough times. *Business Day:* 20 January.

Ndubisi, N.O. & Ndubisi, G.C. 2013. Sustainable Internal Marketing and Internal Customer Motivation Model: An African Small- and Medium-sized Enterprise Perspective. Journal of Asian and African Studies, **48**(4):521-538.

Otubanjo, B.O. & Melewar, T.C. 2007. Understanding the meaning of corporate identity: a conceptual and semiological approach. *Corporate Communications: An International Journal*, **12**(4):421 - 422.

Papasolomou, I., Kountouros, H. & Kitchen, P.J. 2013. Developing a framework for successful symbiosis of corporate social responsibility, internal marketing and labour law in a European context. *The Marketing Review*, **12**(2):109-123.

Rafiq, M. & Ahmed, P.K. 2000. Advances in the internal marketing concept: definition, synthesis and extension. *Journal of Services Marketing*, **14**(6):451-453,450.

Read, B. 2009. Top Tips To Build and Keep Customer Loyalty With CRM. *Customer Inter@ction Solutions*, 27(9): 26-28.

Samen, A.A. & Alshurideh, M. 2012. The Impact of Internal Marketing on Internal Service Quality: A Case Study in a Jordanian Pharmaceutical Company. *International Journal* of Business and Management, 7(19):84-95. Solomon, M.R., Marshall, G.W. & Stuart, E.W. 2006. *Marketing: Real People, Real Choices.* Upper Saddle River, New Jersey, USA: Pearson Prentice Hall.

Steyn, E., Steyn, T.F.J. & Van Rooyen, M. 2011. Internal Communication at DaimlerChrysler South Africa: A Qualitative Perspective on Two-Way Symmetrical Communication and Internal Marketing. *Journal of Marketing Development and Competitiveness*, **5**(4): 2011 131.

Thomas, D. 2009. Verbal communication with the Executive of Strategic Projects at Kelly. Gauteng, South Africa (Notes in possession of author).

Tsai, M.T., Tsai, C.L. & Chang, H.C. 2010. The effect of customer value, customer satisfaction, and switching costs on customer loyalty: An empirical study of hypermarkets in Taiwan. *Social Behaviour and Personality Journal*, **38**(6):729-740.

Ward, T. & Dagger, T.S. 2007. The complexity of relationship marketing for service customers. *Journal of Services Marketing*. **21**(4): 281-290.

Yao, Q., Chen, R. & Cai, G. 2013. How Internal Marketing can cultivate psychological empowerment and enhance employee performance. *Social Behaviour and Personality*, **41**(4), 529-538.

Zikmund, W.G. & Babin, B.J. 2007. *Exploring marketing research*. 9th Edition. USA: Thomson South-Western.