The influence of eleven Ps: An internal marketing and brand awareness perspective in a service environment

E.S. Conradie, M. Roberts-Lombard & H.B. Klopper

A B S T R A C T

Service organisations, of which car rental companies are an example, play a vital role in South Africa's economy, contributing 74% to the country's gross domestic product (GDP) (Department of Trade and Industry 2009) . Car rental companies, like many other service organisations, operate in a complex and extremely competitive environment. The employees of car rental companies are their most important asset. They require special attention to ensure their loyalty and commitment to deliver service excellence to customers. The brand's image depends on the role employees play in delivering the service (Wilson, Zeithaml, Bitner & Gremler 2012: 249). The aim of this research was to provide guidance to South African car rental companies to improve their respective brand awareness, enabling them to expand their customer bases whilst retaining existing customers. The influence of the 11 internal marketing mix elements (product, price, place, promotion, people, processes, physical evidence, personal relationships, packaging, positioning and performance) on South African car rental customers' perception of brand awareness (brand recognition, trustworthiness, overall evaluation and loyalty) was investigated using structural equation modelling. Recommendations emanating from the findings include continual training of employees, communication with employees, rewarding employees and participation of employees in strategic discussions.

Key words: service organisations, internal marketing mix elements, brand awareness, structural equation modelling, equivalence testing

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Introduction

Service organisations, such as car rental companies in South Africa, experience challenges since they focus on the same customers and provide the same car models. These factors enhance competitiveness in the car rental industry. Hence, it is imperative for car rental companies to provide excellent services to customers in order to grow their businesses and to retain existing customers. The employees of car rental companies are their most important asset, and therefore special attention is required to ensure loyalty and commitment from employees to deliver service excellence. Irrespective of the fact that the service organisation may have developed a well-conceived positioning for its brand, the brand's successful positioning and awareness depend on the role that employees play in delivering the service (Wilson et al. 2012: 249).

Literature review

The nature of the research problem and subsequent literature review necessitate a brief explanation of the interrelatedness of the domains within which this study falls, as well as the various theories that govern this study. The meta-theoretical approach applicable to this study is systems thinking within a systems approach.

The systems approach is an abstract perceptual framework that is an exceptionally good aid to understanding and practising internal marketing. The approach identifies the principles common to all systems, the most important of which are wholeness, hierarchy, self-regulation, openness and adaptability (Oxenham 2010: 232).

The development of the general systems theory is one manifestation of the fundamental changes in the nature of scientific analysis. Rather than investigating the universe in a cause-and-reaction frame of mind, researchers have realised that any cause-and-reaction relationship takes place in a more complex system of relationships. Nothing is analysed in isolation, but in terms of its relationship with others within a larger system. These systems of inter-influential happenings indicate that the whole is larger than the sum of its parts (Gummesson, Lusch & Vargo 2010: 13).

In a service-dominant environment, customers take their own initiatives and are active in creating for themselves and co-creating with others. In a viable systems approach, network and systems complexity is recognised (Gummesson et al. 2010: 13).

As depicted in Figure 1, the inputs represent synergy and a network entity with attributes that the parts alone do not possess; the issues and processes refer to the organisational processes, which include details, attributes of parts of the process and relations among them, as well as relations with the environment. The use of internal
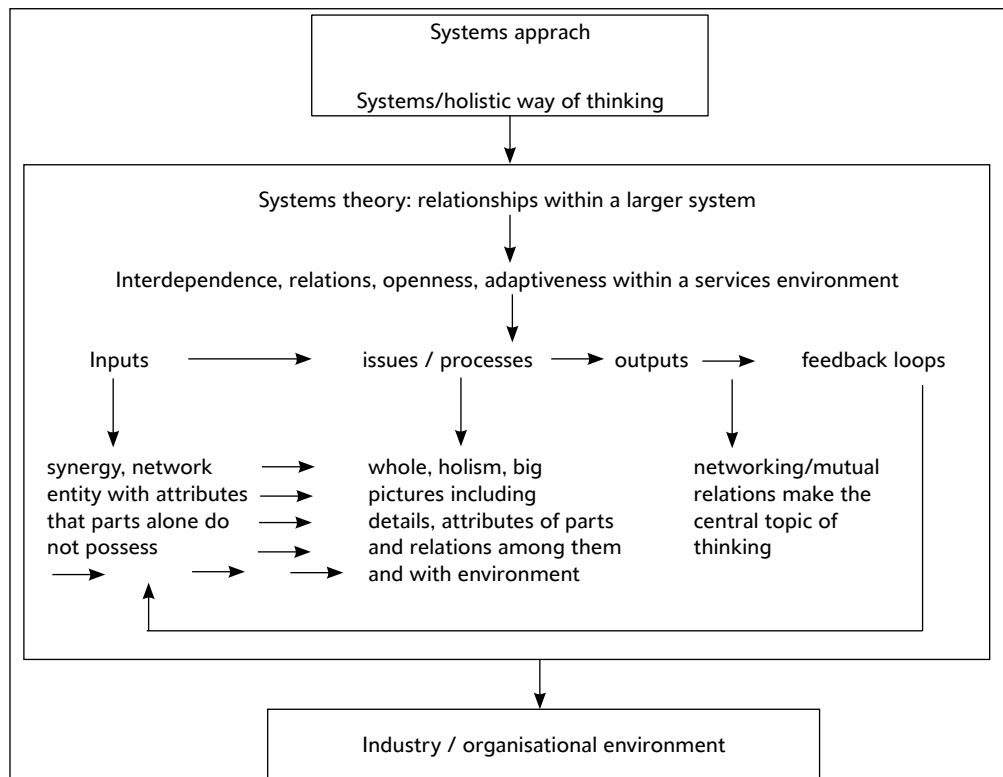
Source: Adapted from Rosi and Mulej (2006:1172)

Figure 1: Systems thinking and approach

marketing whereby brand awareness should be enhanced is part of the process, while the outputs refer to mutual relations that form a central topic of the thinking of the organisation. The feedback loops are required to amend inputs and subsequently improve outputs.

Since systems theory describes a complex system, referring to several parts that form part of the holistic view, it can also be applied to the car rental industry, where the internal marketing elements need to have a relationship with brand awareness dimensions, resulting in satisfied and loyal customers.

Services internal marketing mix

The services internal marketing mix elements are deployed to instil in customers the need for interdisciplinary creative cooperation as a tool towards holism, in order to enable and motivate them to develop and use their capacity to meet this need (Rosi &

Mulej 2006: 1171). This is a precondition for more sustained mastering of the modern turbulent business conditions, as described in the 'servuction system model', where the service delivery process is broken down into a visible and an invisible part (Palmer 2011: 61). The invisible part refers to the process element from the extended internal marketing mix, consisting of system, backroom procedures and the technology or equipment needed to produce the service. The visible part consists of the inanimate environment and the employees who interact with internal and external customers during the service experience. The inanimate environment contains the physical design elements that the internal and external customer comes into contact with (Wilson et al. 2012: 23). The 'servuction system model' is also applicable to car rental companies.

A key factor distinguishing services marketing from the marketing of physical products is the human element. The distinctive characteristics of services require the addition of three more Ps to overcome the limitations of the traditional marketing mix (product, price, place and promotion) (Wilson et al. 2012: 23; Mudie & Pirrie 2006: 6). The elements of the three additional Ps for the services marketing mix are:

- People: the appearance and behaviour of service personnel
- Process: how the service is delivered, the actual procedures and flow of activities
- Physical evidence: everything from the appearance, design, layout of the service setting, to brochures, signage and equipment.

The unique characteristics of services cause customers to search for evidence of the service in each of their interactions with the organisation. The additional elements of the service mix, namely people, process and physical evidence, provide customers with that evidence and allow them to form their own judgement (Chen, Chen & Huang 2012: 107). The additional components of the marketing mix focused on the services sector can be fully controlled by the service organisation and can play a vital role in ensuring that marketing is customer focused, rather than product focused. Booms and Bitner (1981) included people and physical evidence as important environmental factors influencing the quality packaging and process of service delivery as additional marketing mix elements in services marketing.

Communication and relationship building are fundamental elements of service organisations. These elements are not adequately addressed by the traditional four marketing Ps, and therefore personal relationships are included in the study. Beckwith (2001) claimed that the personal character of services makes the quality standardisation a difficult and challenging task, and packaging is thus an element that can assist with the standardisation of services. Furthermore, as suggested by the systems theory, namely that the behaviour of each element has an effect on

the behaviour of the whole (Gummesson et al. 2010: 13), the marketing mix can be broken down into parts and elements to include people or employees, who are critical for internal marketing to succeed, and process, which includes organisational process, personal relationships and packaging of the service offering. Since services marketing relies largely on people, personal relationships are important; relationships are formed in providing a service to a customer, especially with repeat services. Beckwith (2001) stated that due to changes in the marketing of services, previous product paradigms and marketing fallacies should be rejected, and the focus should be to increase customer satisfaction. One of these changes includes packaging of the service offering, which is therefore an internal marketing mix element on its own.

The contributions of Fryar (1991), who introduced positioning, which according to the systems theory refers to the environment in which the organisation operates, are also included in this study. Positioning is based on the segmentation and differentiation of target markets. Segmentation and differentiation of internal markets are important for organisations to ensure that employees in the various segments receive the correct training and support. Therefore, positioning of the internal market might have an influence on brand awareness. Grove, Fisk and John (2000: 74) added the performance of employees, since employees are a powerful element and tool in customer persuasion and a major parameter affecting the customers' perceptions of the quality of the delivered service (Constantinides 2006: 421).

Based on the arguments above, and supported by Simister (2009: 3), who claims that up to 22 additional Ps were recently introduced in the marketing environment, 11 services internal marketing mix elements were selected as the theoretical foundation for this study. These 11 elements are product, price, place (distribution), promotion, people, process, physical evidence, personal relationships, packaging, positioning and performance.

Brand awareness

Theories of marketing and branding support the idea that that there is a functional connection between the marketing of services and the awareness of the brand (Kotler & Keller 2009: 288; Papasolomou & Vrontis 2006: 39). Internal marketing, also known as internal branding or employee branding, is viewed as equally important to external brand building or the brand management of customers (O'Callaghan 2009: 4; Witt & Rode 2005: 278). Another factor that plays a role in business success is the establishment of favourable brand awareness (Park, Cho & Kandampully 2009: 134).

Brand awareness refers to the strength of a brand's presence in the customer's mind. Awareness is measured according to the different ways in which customers

remember a brand, ranging from recognition (exposure to the brand), to recall (what can be recalled about the brand), to first in the mind (the brand appearing first in the mind), and finally to dominant (the only brand recalled) (Chen et al. 2012: 106; Aaker 2004: 10). Brand awareness is created by increasing the familiarity of the brand through repeated exposure and strong associations with relevant cues, enabling the customer to recall the brand effectively. Brand associations are divided into three major categories, namely, attributes, benefits and attitudes (Keller 2009: 139). Brand associations are categorised into attributes, which for the purposes of this study refer to the trustworthiness of the vehicles, benefits and perceived quality. These translate into their overall evaluation of the service that customers receive, and their attitude, which refers to the customer's loyalty towards the brand (Kapferer 2005: 149).

In order to enhance the brand awareness of a service organisation, the organisation has to adapt its marketing activities to mix and match the internal marketing mix elements that will reinforce brand awareness (Song, Hur & Kim 2012: 332). Although the brands of most South African car rental companies are well known, formal research is required, as it is not evident that internal marketing programmes are implemented in these companies. Furthermore, it is also not clear what the influence of internal marketing is on the brand awareness of car rental customers in South Africa.

Car rental companies need to implement internal marketing programmes that include at least some of the internal marketing mix elements to ensure that employees deliver service excellence to customers, thereby improving the awareness of their brand among external customers. Customers who are aware of the brand of the car rental company, and who receive excellent services, are likely to become committed to a specific car rental company and to remain a long-term and loyal customer (Boshoff & Du Plessis 2009: 15). Since employees of car rental companies create customers' perceptions and awareness of the brand during the service encounter, it is important that they are exposed to internal marketing programmes. If the programmes are implemented effectively, customers have a satisfactory experience, and positive brand awareness is created.

Furthermore, the homogeneity and heightened competition in the car rental industry are forcing car rental companies to consider the connection between internal marketing and brand awareness to achieve competitive differentiation. Due to increased globalisation, most car rental companies in South Africa have to compete on both a local and international level. Company A, company B and company C are international car rental companies in South Africa that were willing to participate in the research. Due to their staff complement, number of branches and fleet sizes,

Company A (large), Company B (medium) and Company C (small) could be seen as a representative sample of the total population of car rental companies in the country.

Together with the 11 internal marketing mix elements, brand awareness forms the theoretical paradigm on which this study was based.

Problem investigated

Despite a strong interest in the subject among marketing researchers, little research has been conducted related to brand awareness in service brands (Song et al. 2012: 331; O'Cass & Grace 2003: 453). Although car rental companies in South Africa have internal programmes, such as loyalty and other incentive programmes to motivate employees, the success of these programmes has neither been researched nor linked to the internal marketing elements applicable to this study. This information was extracted from the websites of the three companies involved in the study. Furthermore, the researcher could not find any direct studies related to the influence of internal marketing elements on brand awareness in the car rental industry in South Africa. This is relevant, because a brand could receive reduced attention unless all elements contribute positively to the overall brand awareness of car rental companies in South Africa, which could damage the overall image of the brand. Additionally, if certain activities demonstrate ineffectiveness, they could be altered and improved, thereby creating more competitiveness for car rental companies. Customers in a services environment become aware of the brand through their experience during consumption of the service, which is created by employees of the organisation. This raises the question of whether the internal marketing elements (product, price, promotion, place, people, processes, physical evidence, personal relationships, packaging, positioning and performance) presented to employees have a positive influence on brand awareness (brand recognition, trustworthiness, overall evaluation and loyalty) as perceived by the external customers of car rental companies.

Research objectives

The primary research objective was to determine the perceived influence of the various elements of internal marketing on the brand awareness of selected car rental companies in South Africa.

The secondary research objectives were:

• To determine whether there is a difference between the perceived influences of the various elements of internal marketing on brand awareness of selected car rental companies in South Africa.

- To determine which elements of internal marketing have the largest influence on brand awareness of selected car rental companies in South Africa.

Hypotheses

H(1*a*): There is a difference in the influences of the traditional internal marketing elements on brand awareness of selected car rental companies in South Africa.

H(1*b*): There is a difference in the influences of the services internal marketing elements on brand awareness of selected car rental companies in South Africa.

H(1*c*): There is a difference in the influences of the recent internal marketing elements on brand awareness of selected car rental companies in South Africa.

H(2*a*): There is a difference between the level of influence of the traditional internal marketing elements on brand awareness of selected car rental companies in South Africa.

H(2*b*): There is a difference between the level of influence of the services internal marketing elements on brand awareness of selected car rental companies in South Africa.

H(2*c*): There is a difference between the level of influence of the recent internal marketing elements on brand awareness of selected car rental companies in South Africa.

Concepts and constructs

The purpose of academic research is either to develop a new theory, or to change or expand existing theory. In this study, services marketing and branding theories were used to apply existing theory to internal marketing. Empirical research was applied to measure the building blocks or concepts. Concepts are generally accepted as bundles of meanings or characteristics associated with certain events, objects, conditions, situations and behaviours (Cooper & Schindler 2007: 39). However, a bundle of meanings does not provide a clear framework for research. Therefore, constructs are used to turn these bundles of meaning into an image or idea specifically invented for a given research and/or theory-building purpose (Zikmund & Babin 2010: 39). In this study, the constructs derived from the concepts contributed to the

empirical investigation of the research objectives. Two concepts with their constructs were identified. The constructs were divided into tactical and strategic constructs. The tactical level refers to selling and supporting the organisation's services. The objective of the strategic level is to create an internal environment that supports sales-mindedness. For easy reference, these concepts and constructs are represented in graphic format in Figure 2 and discussed. Emphasis is placed on the internal marketing mix elements, since they are the core elements for influencing brand awareness.
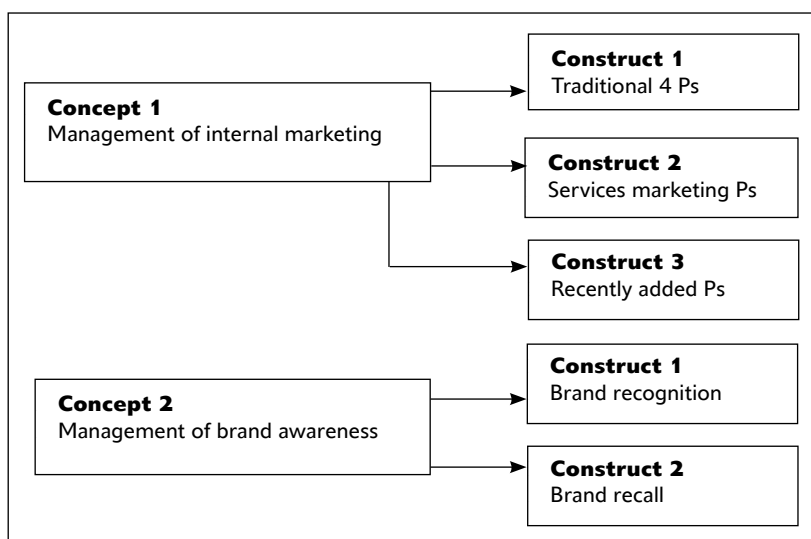

Figure 2: Conceptual framework underlying this study

Research constructs are described as unobservable abstract concepts that are measured indirectly by a group of related variables. Variables are described as latent variables (independent or exogenous) and observable variables (dependent or endogenous), which are measurable elements of an object and are measured directly (Hair, Bush & Ortinau 2009: 233). In practice, the term latent variable is used as a synonym for constructs or the property being studied. In this context, a variable is a symbol to which numerals or values are assigned (Cooper & Schindler 2007: 44). Therefore, the latent variables that will be measured in this study are the 11 internal marketing elements, which are both tactical (namely, product, price, place, promotion, people, process, physical evidence, personal relationships, packaging) and strategic (namely, positioning and performance). These elements are the independent (exogenous) variables or constructs, since they predict or explain the outcome variable of interest (Hair et al. 2009: 234).

Brand awareness can be measured as recognition of the brand and recall of the brand (Aaker 2004: 12). Brand recall represents brand associations, namely attributes, benefits and attitude towards the brand. For the purposes of this study, the dimensions of brand recall are trustworthiness of the vehicles (attribute), overall evaluation (benefit) and loyalty (attitude) to the brand. Brand recognition and brand recall are the dependent or endogenous variables or constructs, as they are the variables the researcher is seeking to explain (Hair et al. 2009: 234).

Relationship between constructs

As described by systems theory and in the formulated hypotheses, this study aimed to indicate that there is a relationship between the constructs being tested due to the influence of the constructs on one another. The relationship can be either positive or negative. A positive relationship between two constructs indicates that the two constructs increase or decrease together, compared to a negative relationship, which suggests that as one construct increases, the other decreases, or vice versa (Hair et al. 2009: 234).

If there is no relationship between the 11 internal marketing elements and the brand awareness of selected car rental companies in South Africa, the null hypothesis will be relevant. If the null hypothesis is accepted, it indicates that the constructs are not related in a meaningful way (Hair et al. 2009: 235). If the null hypothesis is rejected, however, the alternative hypothesis indicates that the two constructs are related in a way that might prove useful for the car rental companies.

Research methodology

The research study made use of a quantitative process to seek data that could be expressed in numbers and statistically analysed (Zikmund & Babin 2010: 58). Solomon, Marshall and Stuart (2006: 113) recommended that the research should include a descriptive survey design to gather the necessary data from a large sample size. The target population was car rental companies in South Africa. The sampling unit consisted of customers of companies A, B and C over a period of three months, from November 2010 to January 2011, while the sampling elements included customers of all three companies at OR Tambo, Port Elizabeth, Durban, Cape Town, George, Lanseria, Bloemfontein, East London, Kimberley and Nelspruit airports and branches in Johannesburg, Cape Town, Durban, Port Elizabeth, Bloemfontein, Kimberley, George, Nelspruit and East London.

Stratified sampling, a probability sampling technique, was used in this study because it improves the sampling efficiency by increasing the accuracy at a faster rate than the cost increase (Russell & Purcell 2009: 175). The subgroups are called strata and in the process of selecting a sample, a simple random sample is drawn independently from each stratum. It is often true of many populations in marketing that a small subset accounts for a large portion of the behaviour of interest, the well-known 80–20 rule, where 20% of the customers account for 80% of the purchase. This is very relevant in the case of car rental, because regular customers might use the company a number of times during the time of observation.

Directly proportionate stratified sampling was used in the study, as the goal was to draw a probabilistic sample from a population to describe the population's characteristics, or parameters, based on statistics calculated from the sample (Iacobucci & Churchill 2010: 303). In Table 1, the drawn sample is displayed.

Table 1: Direct proportionate stratified sample

Car rental company	Number of customers over a period of 3 months	20% of customers over 3-month period
Company A	18 000	3 600
Company B	9 500	1 500
Company C	2 500	500
Total	**30 000**	**5 600**

The sample size was 5 600 customers from the three companies, who were sent the questionnaire. The required sampling size to perform structural equation modelling was 375–750 respondents, and the actual sample size was 581 respondents.

The data collection was conducted by means of an online survey. A questionnaire was designed for the sample frame. The questionnaire included a demographic section to classify the respondents, who were customers of the car rental companies. In the second section of the questionnaire, the 11 internal marketing mix elements were tested, while the third section focused on brand awareness, namely recognition of the brand and brand recall. A five-point Likert scale, ranging from 'strongly disagree' to 'strongly agree', was used for all questions in the questionnaire (Vagias 2006: 1). Respondents had to indicate the current situation as well as how they would perceive an ideal situation.

Structural equation modelling

Structural equation modelling (SEM) was the statistical technique used for the study's empirical investigation, because this technique is well recognised as the most important statistical method for evaluating a series of simultaneous hypotheses about the impacts of latent variables and manifest variables on other variables, taking the measurement errors into account (Lee 2007: 1). Hair, Black, Babin and Anderson (2010: 634) describe SEM as a multivariate statistical technique for building and testing statistical models, sometimes called causal models. It is a hybrid technique that encompasses aspects of confirmatory factor analysis (CFA), path analysis and multiple regression to estimate a series of interrelated dependence relationships simultaneously (Hair et al. 2010: 634). SEM has the ability to assess relationships comprehensively and is therefore suited for theory testing, which focuses more on a systematic and holistic view of research problems than on theory development (Hair et al. 2010: 635). As stated by Hair, Anderson, Tatham and Black (2006: 705), SEM allows multiple and interrelated dependence relationships to be estimated simultaneously and is particularly useful when a dependent variable becomes an independent variable in subsequent dependence relationships. Furthermore, SEMs are suitable for incorporating latent variables into the analysis and accounting for measurement error in the estimation process (Cooper & Schindler 2007: 583; Lee 2007: 2).

The data were analysed by following various procedures. The data analysis consisted of conducting descriptive statistics, such as calculating frequency distributions and means, in order to summarise the sample data. SEM was conducted to determine the model fitness. Goodness-of-fit tests determine whether the structural framework being tested should be accepted or rejected. It is imperative to examine several fit indices when evaluating a framework, and never to rely solely on a single index (Lee 2007: 14). Goodness-of-fit information included, for example, the Chi-square test, the Root Mean Square Error of Approximation (RMSEA), the Chi-square test of model fit (CFI/TLI) and the Standardised Root Mean Square Residual (SRMR). The validity of the questionnaire as the measuring instrument was considered by evaluating the validity of its constructs. Construct validity was verified by considering the factor loadings in the CFA. This is part of the SEM procedure using a comparison of the variance figures. SEM also has a built-in testing of reliability, but in addition, the Cronbach's alpha (α) coefficients were computed to assess the internal consistency reliability of the measuring instrument and items that were used in the study. The hypothesised relationships were tested by evaluating the point and interval estimates of the parameters provided during the SEM procedure. This allows the researcher to reject or accept hypotheses based on the results. SEM, as used to examine a series

of interrelated dependence relationships simultaneously, was therefore applied to test and estimate relationships between the independent (exogenous) and dependent (endogenous) variables.

Finally, statistical analysis was performed to compare the current situation and ideal situation as perceived by the customers of the car rental companies. Equivalence measurement was used to perform the comparison. Three levels of equivalence are possible, namely measurement/unit equivalence, construct/structural equivalence and full-scale equivalence (Byrne & Van de Vijver 2010: 108). The steps followed to measure equivalence in this study included an omnibus test of equality of covariance matrices across groups (measurement invariance), configural (factor structures) invariance, structural or functional invariance, and confirmation of functional invariance by applying factor loading and path coefficients.

Results and findings

Descriptive statistics, namely frequency and percentage, provide information on the demographics of respondents.

The majority of respondents were in the age category 56 years or older (22%; n = 122), followed by respondents between the ages 36 and 40 years (15.9%, n = 88). Only 11 (2.0%) of the respondents were between 18 and 25 years old. The majority of respondents were male (69.4%, n = 385), while females were represented by 170 (30.6%). The highest number of respondents were white customers (66.7%, n = 370), followed by black customers (24.3%, n = 130). The lowest number of respondents, 4 (0.7%) were 'other' (referring to Middle Eastern customers, and next were coloured customers with 16 (2.9%) respondents.

The majority of respondents hired vehicles most often from Company A with 225 (40.5%) respondents, and Company B with 207 (37.3%) respondents. Most respondents use car rental for business travel, as indicated by 343 (61.8%) respondents, while 212 (38.2%) respondents indicated that they use car rental for leisure purposes. The survey was done covering both business months and the December holiday season, but still the majority of customers 316 (56.9%) were travelling for business purposes.

It was assumed that business customers did not have a choice with respect to the car rental company that they use, since the company they work for would normally have an agreement with a particular car rental company. Therefore, respondents were requested to indicate whether they would choose the same car rental company if they had a choice, to which the majority of respondents (80.5%, n = 447) answered positively. Only 38 (6.9%) respondents indicated that the question was not applicable.

All Cronbach's alphas for the internal marketing and brand awareness variables were higher than 0.7, providing evidence that the constructs and scale items had a satisfactory reliability.

Structural equation modelling results

Hair et al. (2010: 672) indicate that for a sample size larger than 250, as in the case of this study, the x^2 normally results in insignificant p values, even with a good fit. Therefore, more emphasis was placed on the other goodness-of-fit indices. Generally accepted values are as follows: normed Chi-square (x^2/df): < 3; RMSEA: between 0.05 and 0.08; CFI: > 0.9; TLI: > 0.9; and SRMR: < 0.05. The exogenous variables demonstrated goodness-of-fit, because three of the values, namely CFI, TLI and SRMR, were within the stipulated norms for all the constructs. The only value that might raise a concern was personal relationships. However, since the TLI value was close to 0.9, it was still acceptable to maintain the construct for further analysis. The estimated values, which were also within the norms, provided further evidence of well-constructed items, indicating valid construct validity.

The endogenous constructs indicated a moderate goodness-of-fit. Recognition and trustworthiness especially did not provide a good fit, but since the TLI value for both was close to 0.9, it was still acceptable to maintain the constructs for further analysis.

In order to improve the goodness-of-fit of the final structural model, the researcher also examined the paths between the constructs. The paths with factors significant at the 0.05 level or less were trustworthiness on process (0.009); trustworthiness on performance (0.001); and loyalty on performance (0.006).

The traditional marketing mix elements had no significant paths with any of the endogenous constructs. Interestingly, no paths were found between the endogenous constructs and place. A possible reason could be that the four traditional Ps, namely product, price, promotion and place, are more important in a product market environment, while marketing mix elements, such as process, have a more important role to play in a services environment, like the car rental industry.

To improve the fitness of the model, the traditional marketing mix elements, namely product, price, promotion and place, which seemed to be insignificant, were omitted for further analysis. After omission of the traditional four marketing mix elements, the goodness-of-fit of the exogenous latent variables had clearly improved. According to the criteria stated by Hair et al. (2010: 672), the RMSEA (0.056) in the refined data was still within the parameter of the recommended < 0.07 value. The CFI and TLI improved, moving closer to the recommended 0.9 level (0.096 and

0.896 respectively), and the SRMR value of 0.056 was very close to the recommended 0.05 value.

The SEM results indicated a standard scaled Chi-square measure of 2877.632. The normed Chi-square (x^2/df) for the hypothesised SEM model was 2.359. Since the normed Chi-square was within the recommended value of 3 or less as recommended by Hair et al. (2010: 672), it can be concluded that the data had a reasonable fit with the model. As can be seen from the results, the RMSEA equalling 0.055 indicated a good fit for the model as it was well within the recommended value of less than 0.07. The CFI (0.865) and TLI (0.860) were very close to the recommended 0.9 level and were regarded as indications of a satisfactory model fit. Although the SRMR was slightly above the 0.05 recommended value at 0.086, the goodness-of-fit of the model still proved to be satisfactory.

The estimated parameters of hypothesised relationships were not all positive and therefore indicated that not all the independent variables had a positive influence on, and a positive relationship with, the dependent variables. The positive estimated parameters indicated that the customers of car rental companies regarded these factors as satisfactory when they were utilising the services of the car rental company. Since the traditional marketing mix elements, namely product, price, promotion and place, did not have any significant relationships with or influence on brand awareness constructs, the null hypothesis was accepted, while the alternative hypothesis was accepted for people, processes, physical evidence, personal relationships, packaging, positioning and performance.

Equivalence testing

Equivalence refers to the measurement level at which scores can be compared across groups. In this study, the status quo (current situation) was compared with the ideal situation as perceived by customers of car rental companies. The comparison consists of tests to determine measurement invariance, configural invariance, structural invariance, and confirmation of functional invariance.

Testing for the validity and equivalence of factorial structure

The fit of the status quo model yielded a fairly well-fitting model as indicated by the RMSEA = 0.053; CFI = 0.879; TLI = 0.869 and SRMR = 0.064. These results supported the validity of the status quo model. The ideal situation model tested even better with RMSEA = 0.045; CFI = 0.906; TLI = 0.897 and SRMR = 0.058. The results also supported the validity of the ideal model.

According to Diefendorff, Silverman and Greguras (2005: 405), the measurement invariance test is the most restrictive model, and is conducted first to determine any differences between groups. Although the results of the SEM testing indicated small differences between the two models, the differences certainly justified further testing.

Configural (factor structures) invariance

Since the ideal situation was only tested on the internal marketing mix elements, in other words the exogenous latent variables (people, process and physical evidence, personal relationships, packaging, positioning and performance), the assumption was made that the results for the endogenous latent variables (brand recognition, trustworthiness, overall evaluation and loyalty) would be similar.

The normed Chi-square (x^2/df) was 2.12, which was within the required parameters of < 3. The contribution of each group, namely status quo and ideal situation, was 1089.167 (status quo) and 917.840 (ideal situation). The model demonstrated a good fit, suggesting that a unidimensional congeneric measurement model is plausible across all measurement occasions, and that additional tests may proceed.

Structural or functional testing

The results indicated that there were no significant differences between the status quo and the ideal situation. This was an indication that the perceptions of respondents were the same for the status quo and the ideal situation. Therefore, functional equivalence was demonstrated.

Confirmation of functional invariance

In the last step, the goodness-of-fit indices of the configural invariance, also called the Becker model, and the path coefficients or Byrne model were considered (Vandenberg & Lance 2000: 20).

The Becker model indicted that the normed Chi-square (x^2/df) for the configural invariance was 2.075, which was within the required parameters of < 3. The contribution of the status quo group was 2 611.954 and the ideal situation group was 2 240.558. According to the Byrne model, the normed Chi-square (x^2/df) for the path coefficients was 2.085, which was within the required parameters of < 3. The contribution of the status quo group was 2 643.279 and the ideal situation group was 2 290.889. The RMSEA, CFI, TLI and SRMR values were also close to the required parameters. Since the goodness-of-fit indices indicated a reasonable fit, this

further confirmed functional equivalence. Therefore, the developed SEM model can be applied in both the status quo as well as the ideal situation.

The results of the equivalence testing demonstrated that the developed SEM model was well-fitted to be used by car rental companies as a guideline in their current situation. The model indicates to car rental companies which internal marketing elements have the most influence to create positive brand awareness among their customers. In order to strive towards a perfect and ideal car rental company, the same model can be used. Therefore, if car rental companies use the model as a guideline to improve their internal marketing programmes, they should experience a positive attitude among existing customers towards their brand.

Figure 3 displays the final SEM model applicable in the current and an ideal situation.

Managerial implications for car rental companies

The findings of the study indicated some areas where car rental companies could improve their internal marketing efforts to enhance the overall brand awareness of the company as experienced by customers.

The findings indicated that the processes of car rental companies influence customers' perception of brand recognition, trustworthiness, overall evaluation and loyalty. Car rental companies should therefore ensure that their processes are of high standard to retain existing customers and to build their reputation to attract new customers. Car rental companies provide accessibility through numerous branches nationally and some internationally, thereby increasing the accessibility of their services and products to customers. However, all branches have to ensure that their processes are well planned, consistently implemented and coordinated throughout the organisation. The internal process has to be reliable and must have integrity to provide a satisfying experience to the external customer in delivering the service or product. Car rental companies should review their internal processes from time to time and make improvements where required. Feedback from customers is also very valuable for assessing whether existing internal processes have a positive effect on the service delivery to customers. If car rental companies ensure that their processes are functioning optimally, customers regard them as trustworthy.

Customers of car rental companies regarded the performance of the company as very important. This implies that if car rental companies improve their performance and ensure that such performance is of a high standard, customers will trust the car rental company. Customers that trust their car rental company result in loyalty towards the car rental company.
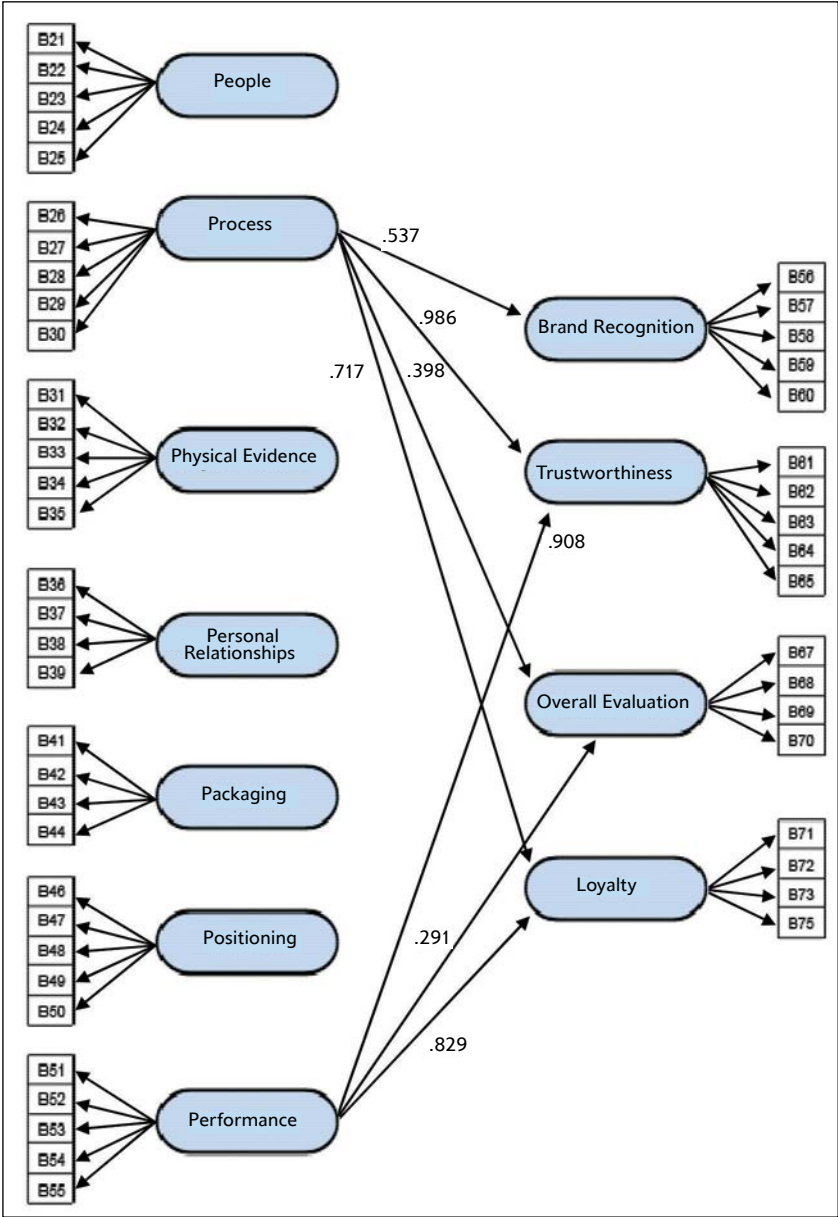
Figure 3: SEM model

Employees of car rental companies play a significant role in the performance of the organisation, and car rental companies will only be able to perform well if their internal performance is managed effectively. Employees should have the same values as the company and should be able to adopt the culture of the car rental company. Performance cannot be sustained if there is no measurement in place. Therefore, car rental companies have to measure employee performance, as well as the overall performance of the organisation.

Constructive feedback from employees should be encouraged, and management and employees should be committed to one another. They should also have fun together, be helpful and compassionate about one another. Employees who are satisfied tend to make more effort to ensure that the organisation performs better, and therefore continuous training and performance measurement are imperative for increasing the car rental company's overall performance. Furthermore, satisfied employees, who are motivated to perform well, create satisfied and loyal customers who have trust in the organisation.

Conclusion

Car rental companies function in a very competitive industry and should therefore recognise the importance of the brand awareness they create with customers. They should be aware that the organisation's efforts to attract and retain customers are influenced by their internal marketing programmes. Furthermore, they need to realise that the 11 marketing mix elements have an influence on the perceptions of the brand awareness of their customers. Thus car rental companies need to consider the importance of internal marketing in attracting and maintaining talented and knowledgeable employees. Internal marketing influences the excellence and consistency of service delivery provided by employees and experienced by customers, which ultimately results in positive brand awareness. Successful implementation of internal marketing programmes further ensures that positive relationships are built with customers, resulting in the establishment of trust between the car rental company and its customers. A relationship of trust ultimately creates loyalty towards the car rental company, which leads to positive brand recognition and recall. Car rental companies that succeed in sustaining positive and strong brand awareness, experience economic growth and competitiveness.

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