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Do Relationship Marketing And Service Quality Improve Marketing Performance? The Moderating Role Of Team Competence In Indonesian Rural Banks

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Abstract
Marketing performance has become a critical indicator of competitiveness for Indonesian Rural Banks (Bank Perkreditan Rakyat/BPR) amid increasing competition, digital transformation, and evolving customer expectations. This study examines the effects of relationship marketing and service quality on marketing performance while investigating the moderating role of team competence. A quantitative explanatory research design was employed using survey data collected from customers of PT BPR Hari Depan, Indonesia. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). Relationship marketing was measured through trust, commitment, communication, and conflict handling, whereas service quality was assessed using the SERVQUAL dimensions of tangibles, reliability, responsiveness, assurance, and empathy. The findings reveal that relationship marketing has a positive and significant effect on marketing performance, indicating that strong customer relationships contribute to customer loyalty and sustainable organizational performance. In contrast, service quality does not have a significant effect on marketing performance. Furthermore, team competence has a positive direct effect on marketing performance but does not moderate the relationships between relationship marketing and marketing performance or between service quality and marketing performance. These findings suggest that customer relationship strategies are more influential than service quality in improving marketing performance within the rural banking sector. This study contributes to the literature by integrating relationship marketing, service quality, and team competence into a single research framework and provides practical implications for rural bank managers in strengthening customer relationships and developing competent marketing teams to achieve sustainable competitive advantage.

Keywords: *Relationship marketing; Service quality; Team competence; Marketing performance; Rural banks*

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I. Introduction

The banking industry has experienced significant transformation due to digitalization, financial technology (FinTech), increasing competition, and rapidly evolving customer expectations. These changes have compelled financial institutions to strengthen their competitiveness by enhancing marketing performance. In Indonesia, Rural Banks (*Bank Perkreditan Rakyat/BPR*) play a strategic role in supporting financial inclusion, particularly for micro, small, and medium-sized enterprises (MSMEs). However, BPRs face increasing competition not only from commercial banks but also from digital banks and other financial service providers. Consequently, improving marketing performance has become essential for ensuring customer retention, business sustainability, and long-term competitive advantage [1]. Marketing performance reflects an organization's ability to achieve its marketing objectives through customer acquisition, customer loyalty, market growth, and sustainable profitability [2].

Previous studies have identified relationship marketing and service quality as critical determinants of marketing performance. Relationship marketing emphasizes the development of long-term relationships through trust, commitment, effective communication, and conflict handling, which ultimately strengthens customer loyalty and organizational performance [3]. Likewise, service quality, reflected in tangibles, reliability, responsiveness, assurance, and empathy, enhances customer satisfaction and encourages repeat patronage [4]; [5]. Nevertheless, empirical findings regarding the influence of service quality on marketing performance remain inconsistent, particularly in relationship-based financial institutions such as rural banks.

Despite extensive research on relationship marketing and service quality, several research gaps remain. Most previous studies have focused on the direct effects of these variables, while limited attention has been given to the moderating role of organizational capabilities. Drawing upon the Resource-Based View [6] and Dynamic Capabilities Theory [7], team competence is expected to enhance the effectiveness of marketing strategies through superior knowledge, communication, collaboration, customer orientation, and problem-solving capabilities. Therefore, the novelty of this study lies in integrating relationship marketing, service quality, and team competence into a single conceptual framework to explain marketing performance in Indonesian rural banks.

Accordingly, this study aims to examine the effects of relationship marketing and service quality on marketing performance while investigating the moderating role of team competence. Theoretically, this study extends the Commitment-Trust Theory by incorporating organizational capabilities as a boundary condition affecting marketing performance. Practically, the findings provide valuable insights for rural bank managers in developing customer relationship strategies, improving service quality, and strengthening team competencies to achieve sustainable marketing performance in an increasingly competitive banking environment.

II. Theory, Empirical, And Research Hypotheses

Marketing Performance

Definition of Marketing Performance

Marketing performance is a fundamental construct in marketing and strategic management that reflects an organization's ability to achieve its marketing objectives through the effective implementation of marketing strategies and the creation of superior customer value. It serves as an important indicator of organizational success by measuring how well marketing activities contribute to customer acquisition, customer retention, market share growth, sales growth, profitability, and long-term competitive advantage [1]. Unlike financial performance, which focuses primarily on economic outcomes, marketing performance emphasizes customer-oriented outcomes that determine the sustainability of organizational success.

According to Kotler et al. [1], marketing performance refers to the extent to which marketing strategies and programs successfully achieve organizational objectives by creating, communicating, and delivering value to customers. Similarly, Ferdinand [2] defines marketing performance as the achievement of marketing activities reflected in sales growth, customer growth, and market expansion, indicating an organization's ability to compete effectively in dynamic markets. These definitions suggest that marketing performance is a multidimensional concept encompassing both financial and non-financial indicators.

In service industries, particularly banking, marketing performance is strongly associated with customer behavioral outcomes. Zeithaml et al. [5] argue that superior marketing performance is demonstrated by increased customer satisfaction, customer loyalty, repeat purchases, cross-buying behavior, positive word-of-mouth, and customer retention. These indicators reflect customers' willingness to maintain long-term relationships with service providers and contribute to sustainable organizational growth. Likewise, [3], through the Commitment-Trust Theory, emphasize that trust and commitment established between organizations and customers foster stronger relationships, which ultimately enhance marketing performance.

From a strategic management perspective, marketing performance is also influenced by organizational capabilities. The Resource-Based View (RBV) suggests that firms possessing valuable, rare, inimitable, and well-organized resources are more likely to achieve superior marketing performance [6]. Furthermore, the Dynamic Capabilities Theory argues that organizations capable of integrating, developing, and reconfiguring internal competencies in response to changing market conditions can sustain competitive advantage and improve marketing outcomes [7]. Therefore, marketing performance should be viewed not only as the result of effective marketing strategies but also as the outcome of organizational capabilities in creating customer value and maintaining long-term customer relationships.

Indicators of Marketing Performance

Marketing performance is commonly assessed using a combination of financial and customer-based indicators that reflect the effectiveness of an organization's marketing strategies. In service industries, particularly banking, customer-oriented indicators are considered more appropriate because they capture long-term relationship outcomes rather than short-term financial results. According to [2], marketing performance can be evaluated through sales growth, customer growth, and market share growth, reflecting the organization's success in achieving its marketing objectives.

More recent marketing literature emphasizes customer behavioral indicators as key measures of marketing performance. [1] state that marketing performance should be assessed by an organization's ability to acquire new customers, retain existing customers, increase customer lifetime value, and improve profitability. Similarly, [5] argue that superior marketing performance is reflected in customer loyalty, repeat purchases, positive word-of-mouth, and customers' willingness to purchase additional products or services. These indicators demonstrate that customers perceive value and are committed to maintaining long-term relationships with the organization.

In the context of Indonesian Rural Banks (Bank Perkreditan Rakyat/BPR), marketing performance is more accurately reflected through customer loyalty behaviors than purely financial outcomes. Therefore, this study measures marketing performance using four customer-based indicators: (1) customers continue using the bank's products and services (repeat usage), (2) customers recommend the bank to others (positive word-of-mouth), (3) customers purchase or use other products offered by the bank (cross-buying behavior), and (4) customers do not switch to competing banks (customer retention). These indicators are consistent with the relationship marketing perspective, which emphasizes sustainable customer relationships as the foundation of long-term organizational performance [3]; [5].

Factors Influencing Marketing Performance

Marketing performance is influenced by a combination of internal organizational capabilities and external market conditions that determine an organization's ability to create customer value and achieve sustainable competitive advantage. In contemporary marketing literature, superior marketing performance is no longer viewed solely as the outcome of promotional activities or sales efforts, but as the result of integrated marketing strategies, organizational resources, and customer-oriented capabilities [1].

One of the most influential factors is relationship marketing, which emphasizes building long-term relationships with customers through trust, commitment, communication, and effective conflict handling. According to [3], organizations that successfully establish strong customer relationships are more likely to enhance customer loyalty, customer retention, and repeat purchasing, thereby improving marketing performance. Recent evidence also confirms that relationship marketing contributes significantly to customer lifetime value and sustainable organizational growth [8].

Another important determinant is service quality. The SERVQUAL model proposed by [4] identifies five dimensions—tangibles, reliability, responsiveness, assurance, and empathy—that influence customers' perceptions of service excellence. High service quality increases customer satisfaction, strengthens loyalty, and encourages positive word-of-mouth, all of which contribute to improved marketing performance [5]. In highly competitive service industries such as banking, consistent service quality is essential for maintaining long-term customer relationships.

Marketing performance is also shaped by organizational capabilities, particularly team competence. From the perspective of the Resource-Based View [6], competent human resources represent valuable and difficult-to-imitate assets that create sustainable competitive advantage. Team competence includes collective knowledge, communication skills, collaboration, customer orientation, and problem-solving capabilities that enable organizations to implement marketing strategies effectively. Likewise, Dynamic Capabilities Theory suggests that organizations capable of continuously developing and reconfiguring employee competencies can better respond to market changes and sustain superior performance [7]. [9] emphasizes that multidisciplinary marketing teams with strong analytical, digital, and interpersonal competencies are critical for achieving marketing excellence in today's rapidly changing business environment.

Overall, marketing performance results from the interaction between effective relationship marketing, superior service quality, and strong organizational capabilities. Organizations that successfully integrate these factors are more likely to strengthen customer loyalty, improve competitive positioning, and achieve sustainable business growth.

Relationship Marketing

Definition of Relationship Marketing

Relationship marketing is a strategic marketing approach that emphasizes the development, maintenance, and enhancement of long-term relationships between organizations and customers rather than focusing solely on individual transactions. Unlike transactional marketing, which primarily seeks to maximize short-term sales, relationship marketing aims to build customer trust, commitment, satisfaction, and loyalty, thereby creating mutual value and sustainable competitive advantage [3]. This approach has become increasingly important in service industries, particularly banking, where customer relationships represent valuable intangible assets that influence organizational performance.

According to [3], relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges. Their Commitment-Trust Theory argues that trust and commitment are the two fundamental variables that determine the success of long-term customer relationships. When customers perceive an organization as trustworthy and committed to their interests, they are more likely to maintain long-term relationships, make repeat purchases, and recommend the organization to others. Consequently, relationship marketing contributes directly to customer retention and improved marketing performance.

[1] define relationship marketing as the process of creating long-term, mutually beneficial relationships with customers by consistently delivering superior value and customer satisfaction. In the banking industry, this involves maintaining continuous communication, understanding customers' financial needs, providing personalized services, and resolving customer complaints effectively. Such relationship-building activities enhance customer loyalty and reduce customer switching behavior.

Recent literature further highlights the strategic importance of relationship marketing in achieving sustainable business performance. [8], in their systematic literature review, conclude that relationship marketing positively influences customer satisfaction, customer loyalty, customer retention, and organizational performance across various service industries. Similarly, [10] argue that relationship marketing has evolved into a customer-centric strategy supported by customer relationship management (CRM), enabling organizations to build stronger and more profitable customer relationships through data-driven interactions.

In the context of Indonesian Rural Banks (Bank Perkreditan Rakyat/BPR), relationship marketing is particularly important because banking services rely heavily on customer trust and long-term interactions. BPRs primarily compete through personalized services, close community engagement, and strong interpersonal relationships rather than large-scale technological capabilities. Therefore, strengthening relationship marketing through trust, commitment, communication, and effective conflict handling is expected to improve customer loyalty, encourage repeat transactions, and ultimately enhance marketing performance.

Indicators of Relationship Marketing

Relationship marketing is commonly measured through several dimensions that reflect the quality and sustainability of interactions between an organization and its customers. The most widely accepted framework was proposed by [3], who identified trust and commitment as the core dimensions of successful relationship marketing. Trust refers to customers' confidence in the reliability, integrity, and credibility of an organization, whereas commitment reflects customers' willingness to maintain a valued long-term relationship. These two dimensions foster customer loyalty and reduce the likelihood of switching to competitors.

Building on the Commitment-Trust Theory, [11] expanded the measurement of relationship marketing by incorporating communication and conflict handling. Communication refers to the timely, accurate, and meaningful exchange of information between an organization and its customers, enabling transparency and mutual understanding. Conflict handling represents an organization's ability to resolve customer complaints and service failures fairly, promptly, and effectively, thereby preserving customer satisfaction and trust.

Accordingly, this study adopts four indicators of relationship marketing: (1) trust, (2) commitment, (3) communication, and (4) conflict handling. These indicators have been widely validated in relationship marketing research and are particularly relevant in the banking industry, where long-term customer relationships, personalized services, and customer confidence are critical determinants of marketing success [3]; [11]; [8]. Collectively, these dimensions enable banks to strengthen customer loyalty, encourage repeat transactions, and improve overall marketing performance.

Relationship Marketing and Marketing Performance

Relationship marketing has been widely recognized as one of the most influential strategic approaches for improving marketing performance, particularly in service industries where long-term customer relationships are critical for organizational success. Unlike transactional marketing, which focuses primarily on short-term sales, relationship marketing emphasizes the development of enduring relationships through trust, commitment, effective communication, and conflict handling [3]. These relational elements encourage customer loyalty, repeat purchases, positive word-of-mouth, and customer retention, all of which contribute directly to superior marketing performance.

The theoretical foundation for the relationship between relationship marketing and marketing performance is provided by the Commitment-Trust Theory [3]. The theory posits that trust and commitment are the key mediating variables that foster successful relational exchanges between organizations and customers. When customers perceive an organization as trustworthy and committed to maintaining long-term relationships, they are more likely to continue purchasing, recommend the organization to others, and resist competitors' offerings. Consequently, organizations can improve customer lifetime value and achieve sustainable marketing performance.

Empirical evidence consistently supports the positive effect of relationship marketing on marketing performance. [8], in their systematic literature review, concluded that relationship marketing significantly enhances customer satisfaction, customer loyalty, customer retention, and overall organizational performance across various service sectors. Similarly, [11] found that trust, commitment, communication, and conflict handling positively influence customer loyalty, which subsequently improves organizational performance. [1] also argue that organizations focusing on long-term customer relationships achieve superior marketing outcomes because retaining existing customers is generally more cost-effective than continuously acquiring new ones.

In the context of Indonesian Rural Banks (Bank Perkreditan Rakyat/BPR), relationship marketing plays an even more strategic role because banking services depend heavily on customer confidence and personalized interactions. Strong relationships enable rural banks to strengthen customer loyalty, encourage repeat transactions, increase cross-buying behavior, and reduce customer switching. Therefore, effective implementation of relationship marketing is expected to significantly improve marketing performance by creating sustainable customer relationships and enhancing competitive advantage.

Based on the theoretical arguments and previous empirical findings, the following hypothesis is proposed:
H1: Relationship marketing has a positive and significant effect on marketing performance.

Service Quality

Definition: Service Quality

Service quality is one of the most important determinants of organizational success in service industries because it directly influences customer satisfaction, customer loyalty, and long-term business performance. Unlike tangible products, services are characterized by intangibility, inseparability, heterogeneity, and perishability, making customers' perceptions of service quality a critical factor in evaluating organizational performance [4]. In the banking industry, where customer interactions occur continuously, delivering high-quality service is essential for building trust, maintaining long-term relationships, and achieving superior marketing performance.

[4] define service quality as the gap between customers' expectations of a service and their perceptions of the actual service received. According to this perspective, service quality is achieved when perceived performance meets or exceeds customer expectations. To measure service quality, [4] developed the SERVQUAL model, which consists of five dimensions: tangibles (physical facilities and equipment), reliability (the ability to perform promised services accurately and dependably), responsiveness (willingness to help customers promptly), assurance (employees' knowledge, courtesy, and ability to inspire trust), and empathy (individualized attention and care provided to customers). The SERVQUAL model remains one of the most widely used frameworks for assessing service quality across various industries, including banking.

[1] describe service quality as an organization's ability to consistently deliver services that satisfy or exceed customer expectations. They argue that superior service quality not only enhances customer satisfaction but also strengthens customer loyalty, encourages repeat purchases, and creates sustainable competitive advantage. Likewise, [5] emphasize that customers evaluate service quality by comparing their expectations with their actual service experiences. Organizations that consistently deliver reliable, responsive, and customer-oriented services are more likely to retain customers and improve marketing performance.

In the context of Indonesian Rural Banks (Bank Perkreditan Rakyat/BPR), service quality plays a strategic role because banking services are built on trust, personal interactions, and customer confidence. Customers expect banks to provide accurate transactions, responsive service, secure financial management, and personalized attention. Consequently, improving service quality is essential for strengthening customer relationships, enhancing customer satisfaction, and supporting sustainable marketing performance in an increasingly competitive banking environment.

Indicators of Service Quality

Service quality is commonly measured using the SERVQUAL model developed by [4], which remains the most widely accepted framework for assessing customers' perceptions of service excellence. The SERVQUAL model consists of five dimensions that comprehensively evaluate how customers perceive service delivery across various service industries, including banking.

The first dimension is tangibles, which refer to the physical appearance of facilities, equipment, technology, and personnel that create customers' first impressions of service quality. The second dimension is reliability, defined as the organization's ability to perform promised services accurately, consistently, and dependably. The third dimension, responsiveness, reflects employees' willingness to assist customers promptly and provide timely services. The fourth dimension is assurance, which encompasses employees' knowledge, courtesy, professionalism, and ability to inspire customer confidence and trust. Finally, empathy refers to providing individualized attention, understanding customers' specific needs, and demonstrating genuine care for customers [4].

These five dimensions have been extensively validated in service marketing research. [5] argue that organizations delivering superior performance across these dimensions are more likely to achieve higher customer satisfaction, stronger customer loyalty, and sustainable competitive advantage. Likewise, [1] emphasize that service quality should be evaluated based on customers' perceptions of the entire service experience rather than on technical performance alone. Therefore, this study adopts the five SERVQUAL dimensions—tangibles, reliability, responsiveness, assurance, and empathy—as indicators of service quality because they comprehensively capture customers' evaluations of banking services and have been widely applied in banking research.

Service Quality and Marketing Performance

Service quality has long been recognized as one of the primary determinants of marketing performance, particularly in service industries where customer satisfaction and long-term relationships are critical for organizational success. In the banking sector, service quality influences customers' perceptions of value, satisfaction, trust, and loyalty, which subsequently affect marketing outcomes such as customer retention, repeat transactions, positive word-of-mouth, and market growth [1]. Therefore, organizations that consistently deliver superior service quality are more likely to achieve sustainable marketing performance.

The theoretical foundation for the relationship between service quality and marketing performance is largely derived from the SERVQUAL theory proposed by [4]. According to this theory, customers evaluate service quality by comparing their expectations with their perceptions of the actual service received. When perceived service exceeds expectations, customers experience higher satisfaction, leading to stronger loyalty and long-term relationships. The SERVQUAL model identifies five dimensions of service quality—tangibles, reliability, responsiveness, assurance, and empathy—that collectively shape customers' evaluations of service excellence.

Empirical studies consistently demonstrate that high service quality contributes to improved marketing performance. [5] argue that organizations delivering reliable, responsive, and customer-oriented services achieve higher customer satisfaction, stronger customer loyalty, and increased customer lifetime value, all of which enhance marketing performance. Similarly, [1] emphasize that excellent service quality creates superior customer value, enabling firms to strengthen their competitive position and improve market performance. More recent evidence by [12] indicates that service quality significantly enhances customer satisfaction and loyalty in the banking industry, while [13] found that superior service quality strengthens customer relationships and contributes positively to organizational performance.

In the context of Indonesian Rural Banks (Bank Perkreditan Rakyat/BPR), service quality plays a strategic role because banking services are highly dependent on direct customer interactions and trust. Customers expect accurate financial transactions, prompt responses, secure services, and personalized attention. Banks that consistently deliver these service attributes are more likely to retain customers, encourage cross-buying behavior, and generate positive recommendations, thereby improving marketing performance. Accordingly, high-quality service should be viewed as a strategic capability that enables rural banks to strengthen customer relationships and achieve sustainable competitive advantage. Based on the theoretical arguments and empirical findings, the following hypothesis is proposed:

H2: Service quality has a positive and significant effect on marketing performance.

Team Competence

Definition: Team Competence

Team competence refers to the collective knowledge, skills, abilities, and behavioral capabilities possessed by members of a work team that enable them to perform tasks effectively and achieve organizational objectives. Unlike individual competence, team competence emphasizes the integration of complementary expertise, collaboration, communication, customer orientation, and collective problem-solving that allow teams to generate superior organizational outcomes. In service organizations such as banks, where customer interactions are largely delivered through teams, team competence is regarded as a strategic organizational capability that contributes to service excellence and sustainable competitive advantage [6].

From the perspective of the Resource-Based View (RBV), competence is considered a valuable, rare, inimitable, and non-substitutable organizational resource that enables firms to achieve superior performance [6]. Human capital with high competence allows organizations to implement strategies more effectively, respond to market changes, and deliver greater customer value than competitors. Complementing this view, the Dynamic Capabilities Theory argues that organizations must continuously develop, integrate, and reconfigure employees' competencies to adapt to rapidly changing business environments [7]. Therefore, team competence is not merely a collection of individual capabilities but a dynamic organizational capability that supports sustainable organizational performance.

[9] emphasize that modern marketing organizations require multidisciplinary teams possessing technical expertise, analytical capability, digital literacy, collaboration, and customer-centric thinking. Teams capable of combining these competencies can better understand customer needs, coordinate marketing activities, solve customer problems, and execute marketing strategies effectively. Similarly, [14] argues that organizational competencies enhance firms' capability to utilize knowledge and technology, thereby improving marketing effectiveness and business performance.

In the context of Indonesian Rural Banks (Bank Perkreditan Rakyat/BPR), team competence is particularly important because banking services depend heavily on direct interactions between employees and customers. Marketing teams are expected to possess adequate product knowledge, effective communication skills, teamwork capability, customer orientation, and problem-solving ability to build customer trust and maintain long-term relationships. Consequently, competent marketing teams can improve service delivery, strengthen relationship marketing initiatives, and ultimately enhance marketing performance. Therefore, team competence is considered a strategic organizational capability that not only directly influences marketing performance but may also strengthen the effectiveness of relationship marketing and service quality in achieving superior marketing outcomes.

Indicators of Team Competence

Team competence is generally measured through the collective capabilities of team members in performing tasks effectively and achieving organizational objectives. Rather than emphasizing individual expertise, team competence reflects the integration of knowledge, skills, collaboration, and customer-oriented behaviors that enable teams to execute organizational strategies successfully. Based on the Resource-Based View [6] and Dynamic Capabilities Theory [7], competent teams constitute valuable organizational resources that enhance service quality and organizational performance.

In this study, team competence is measured using five indicators. The first is marketing knowledge, which refers to employees' understanding of products, markets, competitors, and customer needs. The second is marketing skills, reflecting employees' ability to communicate, negotiate, and implement effective marketing strategies. The third is teamwork ability, defined as the capability to collaborate, coordinate, and share knowledge among team members to achieve common goals. The fourth is problem-solving ability, which represents the team's capacity to identify customer problems, make appropriate decisions, and provide effective solutions. The final indicator is customer orientation, referring to the team's commitment to understanding customer expectations and delivering superior value through personalized services [9]; [14].

These five indicators comprehensively capture the multidimensional nature of team competence and are particularly relevant in the banking industry, where successful marketing performance depends on employees' collective ability to build customer relationships, deliver high-quality services, and respond effectively to changing customer needs.

The Moderating Role of Team Competence in the Relationship Between Relationship Marketing, Service Quality, and Marketing Performance

Team competence plays a strategic role in enhancing the effectiveness of organizational resources and marketing strategies in achieving superior marketing performance. From the perspective of the Resource-Based View (RBV), competent teams represent valuable, rare, inimitable, and well-organized resources that enable organizations to create a sustainable competitive advantage [6]. Likewise, the Dynamic Capabilities Theory suggests that organizations with highly competent teams are better able to integrate, develop, and reconfigure their capabilities in response to changing customer needs and market dynamics [7]. Consequently, team competence is expected not only to directly improve organizational performance but also to strengthen the effectiveness of relationship marketing and service quality.

In the context of relationship marketing, competent teams are more capable of establishing customer trust, maintaining long-term commitment, communicating effectively, and resolving customer complaints promptly. Employees with strong marketing knowledge, communication skills, teamwork, customer orientation, and problem-solving abilities can implement relationship marketing strategies more effectively, resulting in stronger customer loyalty and improved marketing performance [3]; [14]. Therefore, the positive effect of relationship marketing on marketing performance is expected to become stronger when team competence is high.

Similarly, team competence enhances the effectiveness of service quality. Although service quality depends on organizational systems and procedures, its successful implementation relies heavily on employees' competencies in delivering reliable, responsive, and customer-oriented services. Competent teams are more capable of understanding customer expectations, providing personalized services, and handling service failures effectively, thereby increasing customer satisfaction and loyalty [5]. [9] further emphasize that multidisciplinary marketing teams equipped with analytical, digital, and interpersonal competencies significantly improve organizations' ability to deliver superior customer experiences and marketing outcomes.

Accordingly, team competence is expected to function as a moderating variable that strengthens the positive relationships between relationship marketing and marketing performance, as well as between service quality and marketing performance. Organizations with highly competent teams can leverage relationship-building activities and service quality more effectively than organizations with lower team competence, resulting in superior marketing performance and sustainable competitive advantage. Based on these theoretical arguments, the following hypotheses are proposed:

H3: Team competence positively moderates the relationship between relationship marketing and marketing performance, such that the relationship becomes stronger when team competence is high.
H4: Team competence positively moderates the relationship between service quality and marketing performance, such that the relationship becomes stronger when team competence is high.

III. Research Method

Research Design

This study employed a quantitative research approach with an explanatory research design to examine the relationships among relationship marketing, service quality, team competence, and marketing performance in Indonesian Rural Banks (Bank Perkreditan Rakyat/BPR). The explanatory design was selected because it enables the testing of causal relationships among variables based on established theories and empirical evidence [15]. Data were collected through a structured questionnaire administered to customers of PT BPR Hari Depan. The proposed research model was analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM), which is appropriate for testing complex structural relationships, including moderating effects, and for prediction-oriented research [16].

Research Object

The object of this study is PT BPR Hari Depan, an Indonesian Rural Bank (Bank Perkreditan Rakyat/BPR) operating in Bali, Indonesia. The bank was selected because it actively provides financial services to micro, small, and medium-sized enterprises (MSMEs) and local communities, where maintaining long-term customer relationships and delivering high-quality services are essential for sustaining competitiveness. The study focuses on examining customers' perceptions of relationship marketing, service quality, team competence, and marketing performance. These constructs are considered highly relevant to understanding how rural banks can enhance customer loyalty and improve sustainable marketing performance in an increasingly competitive banking environment [1]; [17].

Population and Sample

The population of this study consisted of all customers of PT BPR Hari Depan, an Indonesian Rural Bank (Bank Perkreditan Rakyat/BPR). Since the exact number of active customers was large and continuously changing, a sample was selected using a accidental sampling technique. Respondents were required to meet the following criteria: (1) they had been customers of PT BPR Hari Depan for at least one year, (2) they had actively used the bank's products or services, and (3) they were at least 18 years old. A total of 180 respondents participated in the study, which satisfies the minimum sample size requirement for Partial Least Squares Structural Equation Modeling (PLS-SEM), as recommended by [16], for prediction-oriented research involving multiple latent constructs.

Data Collection and Data Analysis

This study utilized primary data collected through a structured questionnaire administered to customers of PT BPR Hari Depan. The questionnaire employed a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree), to measure respondents' perceptions of relationship marketing, service quality, team competence, and marketing performance. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS software. The analysis involved two stages: assessment of the measurement model (validity and reliability) and evaluation of the structural model, including hypothesis testing and moderation analysis. PLS-SEM was selected because it is suitable for prediction-oriented research, complex models, and relatively small sample sizes [16]; [18].

IV. Result And Discussion

Based on the results of the SEM-PLS 3.2.9 analysis, the findings are presented in Figure 1 and Table 1 below.

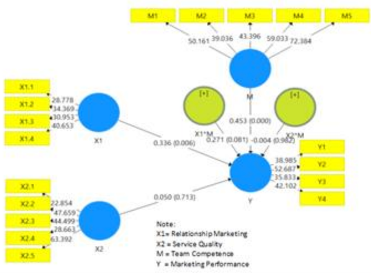

Figure 1. Results of the SEM-PLS Analysis Using SmartPLS 3.2.9.

In addition to Figure 1, the analysis results also reveal the relationships among the research variables, as presented in Table 1.

Table 1. The Effects of Relationship Marketing and Service Quality on Marketing Performance, with Team Competence as a Moderating Variable

Relationships Between Variables	Path Coefficient	T-Statistics	P-Value	Information
Relationship marketing (X1) → Marketing Performance (Y)	0,336	2,748	0,000	significant
Service Quality (X2) → Marketing Performance (Y)	0,050	0,368	0,713	Not significant
Team Competence (M) → Marketing Performance (Y)	0,453	3,797	0,000	significant
Relationship Marketing (X1)*Team Competence (M) → Marketing Performance (Y)	0,271	1,768	0,081	Not significant
Service Quality (X2)*Team Competence (M) → Marketing Performance (Y)	-0,004	0,022	0,982	Not significant

Source: Processed Data, 2026

Referring to Figure 1 and Table 1, the findings can be explained in detail as follows:

The Effect of Relationship Marketing on Marketing Performance

The results of this study demonstrate that relationship marketing has a positive and significant effect on marketing performance, indicating that stronger customer relationships contribute to better marketing outcomes in Indonesian Rural Banks (Bank Perkreditan Rakyat/BPR). This finding suggests that relationship marketing practices, including trust, commitment, communication, and effective conflict handling, encourage customers to maintain long-term relationships with the bank, continue using its products and services, recommend the bank to others, and purchase additional financial products. Consequently, relationship marketing serves as a strategic mechanism for enhancing customer loyalty and achieving sustainable marketing performance.

This finding is consistent with the Commitment-Trust Theory proposed by [3], which argues that trust and commitment are the fundamental drivers of successful relational exchanges. When customers perceive a bank as reliable, honest, and committed to maintaining mutually beneficial relationships, they become more willing to continue their interactions and resist competitors' offerings. As a result, organizations can strengthen customer retention, increase customer lifetime value, and improve overall marketing performance.

The findings also support previous empirical studies. [11] reported that trust, commitment, communication, and conflict handling significantly enhance customer loyalty, which subsequently improves organizational performance. Likewise, [8], through a systematic literature review, concluded that relationship marketing positively affects customer satisfaction, customer retention, and organizational performance across various service industries. [1] further argue that retaining existing customers through strong relationship-building strategies is considerably more cost-effective than continuously acquiring new customers, thereby improving long-term marketing performance.

In the context of Indonesian Rural Banks, these findings indicate that relationship marketing represents a critical competitive advantage. Unlike large commercial or digital banks that primarily compete through technological innovation, rural banks rely heavily on personalized interactions, community engagement, and customer trust. Therefore, strengthening relationship marketing enables rural banks to develop sustainable customer relationships and achieve superior marketing performance in an increasingly competitive financial services market.

The Effect of Service Quality on Marketing Performance

The results of this study indicate that service quality has a positive but statistically insignificant effect on marketing performance in Indonesian Rural Banks (Bank Perkreditan Rakyat/BPR). Therefore, Hypothesis 2 is not supported. Although customers generally perceive the quality of banking services positively, improvements in service quality alone do not necessarily translate into higher marketing performance. This finding suggests that customers consider high-quality service as a basic expectation rather than a unique competitive advantage. Consequently, other factors, particularly long-term customer relationships, may play a more influential role in shaping marketing performance within rural banking institutions.

From a theoretical perspective, the SERVQUAL Theory developed by [4] explains that customers evaluate service quality by comparing their expectations with the actual services received. High-quality service is expected to increase customer satisfaction and loyalty, which subsequently enhance organizational performance. Likewise, [5] argue that superior performance in the dimensions of tangibles, reliability, responsiveness, assurance, and empathy creates positive customer experiences that contribute to long-term business success. However, the findings of the present study suggest that, in the context of BPRs, these service quality dimensions may not independently drive customers' decisions to continue using banking services or recommend the bank to others.

This result differs from previous studies. [12], [19] found that service quality significantly improves customer satisfaction and loyalty in the banking industry, while [13] reported that superior service quality positively influences relationship quality and organizational performance. The inconsistency may be explained by the unique characteristics of Indonesian Rural Banks, where customers often prioritize personal trust, familiarity, accessibility, and long-term interpersonal relationships over standardized service quality. Thus, while maintaining high service quality remains essential, rural banks should complement it with stronger relationship marketing strategies to achieve superior marketing performance.

The Moderating Role of Team Competence in the Relationship between Relationship Marketing and Marketing Performance

The results of this study reveal that team competence does not significantly moderate the relationship between relationship marketing and marketing performance. Therefore, Hypothesis 3 is not supported. Although team competence positively contributes to organizational performance, it does not strengthen the effect of relationship marketing on marketing performance in Indonesian Rural Banks (Bank Perkreditan Rakyat/BPR). This finding indicates that the effectiveness of relationship marketing is primarily determined by the quality of customer relationships themselves rather than by variations in employees' competencies.

From the perspective of Commitment-Trust Theory, relationship marketing creates superior marketing performance through the development of customer trust, commitment, effective communication, and conflict resolution [3]. These relational elements encourage customer loyalty, repeat transactions, and customer retention regardless of differences in team competence. In other words, customers of rural banks tend to value interpersonal trust and long-term relationships more than employees' technical or marketing competencies.

This finding is not fully consistent with the Resource-Based View (RBV) [6] and Dynamic Capabilities Theory [7], which suggest that organizational competencies enhance the effectiveness of strategic resources and improve organizational performance. One possible explanation is that the level of team competence among employees of PT BPR Hari Depan is relatively homogeneous, reducing its ability to create a significant moderating effect. Another explanation is that relationship marketing practices have become standardized within the organization, enabling employees to build customer relationships consistently regardless of differences in competence levels.

Although the moderating effect is insignificant, team competence remains an important organizational capability. [9] emphasize that multidisciplinary teams possessing strong communication, analytical, and customer-oriented capabilities contribute directly to organizational effectiveness and customer experience. Similarly, [14] argue that organizational competencies strengthen firms' capabilities to respond to environmental changes and improve business performance. Accordingly, in this study, team competence appears to function more effectively as an independent strategic resource that directly supports marketing performance rather than as a contingency factor that strengthens the relationship between relationship marketing and marketing performance.

The Moderating Role of Team Competence in the Relationship between Service Quality and Marketing Performance

The results of this study indicate that team competence does not significantly moderate the relationship between service quality and marketing performance. Therefore, Hypothesis 4 is not supported. Although service quality and team competence are both important organizational resources, the interaction between these two variables does not significantly strengthen marketing performance in Indonesian Rural Banks (Bank Perkreditan Rakyat/BPR). This finding suggests that improvements in service quality contribute to customer perceptions independently of employees' competence levels, while team competence functions more as a direct organizational capability than as a moderating factor.

From the perspective of SERVQUAL Theory, customers evaluate service quality based on the dimensions of tangibles, reliability, responsiveness, assurance, and empathy [4]. Superior performance in these dimensions is expected to improve customer satisfaction and loyalty, thereby enhancing marketing performance [5]. However, the findings of this study indicate that even highly competent teams do not necessarily strengthen the influence of service quality on marketing performance. One possible explanation is that customers perceive service quality as a minimum standard that every bank should consistently provide. Consequently, additional employee competencies do not substantially amplify customers' evaluations of service quality.

This finding also differs from the expectations of the Resource-Based View (RBV) and Dynamic Capabilities Theory, which argue that organizational competencies enhance the effectiveness of strategic resources and organizational capabilities [6]; [7]. A possible explanation is that the competence levels of employees at PT BPR Hari Depan are relatively uniform, thereby limiting the variability required to produce a significant moderating effect. Furthermore, the standardized operating procedures and service protocols implemented by the bank may reduce the extent to which individual or team competence influences customers' perceptions of service quality.

Despite the insignificant moderating effect, team competence remains an essential organizational asset. [9] emphasize that multidisciplinary teams with strong communication, customer orientation, and problem-solving capabilities contribute directly to organizational effectiveness and customer experience. Likewise, [14] argue that competent human resources strengthen organizational capabilities and improve business performance through more effective knowledge utilization and decision-making. Therefore, the findings suggest that team competence contributes more directly to marketing performance than indirectly by strengthening the relationship between service quality and marketing performance.

V. Conclusion And Recommendation

This study concludes that relationship marketing has a positive and significant effect on marketing performance, confirming that trust, commitment, communication, and effective conflict handling are essential for strengthening customer loyalty and improving marketing outcomes in Indonesian rural banks (BPRs). In contrast, service quality does not have a significant direct effect on marketing performance, suggesting that customers perceive high-quality service as a basic requirement rather than a competitive differentiator. Furthermore, team competence does not significantly moderate the relationships between relationship marketing and marketing performance or between service quality and marketing performance. These findings support the Commitment–Trust Theory [3], while indicating that team competence functions more effectively as a direct organizational capability rather than as a moderating variable.

From a practical perspective, BPR managers should prioritize strengthening long-term customer relationships through trust-building, personalized communication, and effective complaint handling. At the same time, banks should continuously invest in employee training and competency development to improve marketing knowledge, customer orientation, and problem-solving skills. Future studies are encouraged to include additional variables, such as customer satisfaction, customer loyalty, digital banking adoption, or organizational innovation, and to examine larger samples across different regions to improve the generalizability of the findings.

VI. Limitation And Future Research

This study has several limitations that should be considered when interpreting the findings. First, the research was conducted using data collected from customers of a single Indonesian Rural Bank (PT BPR Hari Depan), which may limit the generalizability of the results to other banking institutions or financial service sectors. Second, the study employed a cross-sectional research design, which prevented the observation of changes in customer perceptions and marketing performance over time [15]. Third, the research focused only on relationship marketing, service quality, and team competence, while other variables that may influence marketing performance, such as customer satisfaction, customer loyalty, digital banking adoption, organizational innovation, and customer engagement, were not included.

Future research is encouraged to involve larger and more diverse samples from multiple Rural Banks or commercial banks across different regions of Indonesia. Longitudinal research designs are also recommended to better capture the dynamic relationships among the variables. Furthermore, future studies should consider incorporating mediating and moderating variables, such as customer satisfaction, customer trust, digital transformation capability, or organizational innovation, to provide a more comprehensive understanding of the factors influencing marketing performance. Such extensions would contribute to the further development of the Commitment–Trust Theory, the Resource-Based View, and Dynamic Capabilities Theory within the context of the banking industry.

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