THE ROLE OF COMPETITIVENESS IN MEDIATING THE INFLUENCE OF CUSTOMER RELATIONSHIP MARKETING ON THE MARKETING PERFORMANCE OF THE FITNESS PLUS INDONESIA UBUD BRANCH

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Abstract:
This study aims to analyze the influence of customer relationship marketing on marketing performance, examine the impact of customer relationship marketing on competitiveness, explore the influence of competitiveness on marketing performance, and examine the role of competitiveness mediation in the relationship between customer relationship marketing and marketing performance. The sampling method used is accidental sampling. The population of this study consisted of 1,741 employees at Fitness Plus Indonesia Ubud Branch, with 95 people selected as respondents. The data used in this study is quantitative data obtained from primary data sources. Data analysis used the Partial Least Square (PLS) approach with SmartPLS software version 3.2.7. The results of the study showed that 1) customer relationship marketing had a positive and significant effect on marketing performance, 2) customer relationship marketing had a positive and significant effect on competitiveness, 3) competitiveness had a positive and significant effect on marketing performance, and 4) competitiveness was able to mediate the influence of customer relationship marketing on marketing performance.
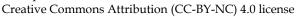**Keywords**: Competitiveness, Customer Relationship Marketing, Marketing Performance, Mediation, Fitness Plus Indonesia

INTRODUCTION

In the era of globalization, business competition is becoming increasingly fierce. This requires companies to continue innovating and improving their marketing performance to stay competitive (Cheng, 2013). One of the strategies used to improve marketing performance is customer relationship marketing or Customer Relationship Marketing (CRM) (Cvelbar & Dwyer, 2013). CRM assists companies in building and maintaining good relationships with customers, which can increase customer loyalty and competitiveness (Oliinyk et al., 2022).

This study aims to analyze the influence of customer relationship marketing on marketing performance and to test the impact of customer relationship marketing on competitiveness (Mata et al., 2021). In addition, this study also explores the influence of competitiveness on marketing performance and examines the role of competitiveness mediation in the relationship between customer relationship marketing and marketing performance (Dias et al., 2023). The research method used in this study is a quantitative method using the Partial Least Square (PLS) approach (Assaker, 2020). This study was conducted at Fitness Plus Indonesia Ubud Branch with a research population of 1,741 employees, and a sample of 95 people was taken. Data was collected through a questionnaire and then analyzed using SmartPLS software version 3.2.7.

The results of this research are expected to contribute to developing customer relationship and competitiveness marketing theory and provide practical recommendations for companies to

improve their marketing performance through effective CRM strategies and sustainable competitiveness improvement (Oklevik et al., 2022).

Marketing Performance. Marketing performance is aligning the marketing team's goals and objectives and actual results (Edeh et al., 2020). It is measured using metrics and key performance indicators (KPIs), including return on investment, cost per sale, cost per lead, conversion rate, and customer lifetime value. The planning and execution of marketing activities must happen simultaneously and come together under the umbrella label of marketing performance (Hasaballah et al., 2019). No matter what role you play on a marketing team, you must access marketing analytics to determine whether you are meeting your KPIs and those of the marketing department. In addition, marketing performance should be measured consistently and regularly (Dahooie et al., 2020). Marketing performance assessment is typically carried out annually before creating the upcoming annual budget and at the end of each campaign to determine their efficiency and effectiveness. This allows those engaged in marketing performance management to ensure that adjustments are made to future marketing plans to capitalize on past performance. It also allows the marketers executing those plans to identify the tweaks they can make to ensure more successful marketing activities (Alhadid & Abu-Rumman, 2014).

Customer Relationship. Customer relations refers to a company's ways of engaging with its customers and improving their experience (Lasarudin et al., 2022). This includes providing answers to short-term roadblocks and proactively creating long-term solutions for customer success. Developing a fantastic product is one of the most complex challenges a company can overcome and one of the most significant predictors of success (Lasarudin et al., 2022; Tran & Nguyen, 2022). However, strong customer relations will truly determine a business's success. Customer relations aims to create a mutually beneficial relationship with the customer that extends beyond the initial purchase. Customer relations are present in all aspects of a business, but they are most prevalent in the customer service department (Hellmeister & Richins, 2019). Customer service teams, customer support, customer success, and product development are essential in building a healthy customer relationship. Customer relations also extend to marketing and sales teams since these departments significantly influence the company's interactions with the customer (Chung, 2020).

METHODS

This study uses a quantitative method with the Partial Least Square (PLS) approach (Merli et al., 2019). The quantitative method was chosen because the observed phenomena have an objective reality that can be measured, the research variables can be identified and correlated, and the data used are quantitative. The advantage of this method is that it can test existing theories through multivariate analysis using a structural equation model (SEM) with a variance-based or component-based approach called PLS (Imran et al., 2018). The population in this study is all permanent employees at Yayasan Maha Bhoga Marga who have worked for more than five years, with a total of 50 people. The sampling technique used is incidental sampling, where anyone who meets the researcher and is considered suitable can be sampled (Saputra et al., 2023).

Data collection was carried out using a questionnaire with the Likert scale. Each variable is described as indicators that are measured based on respondents' answers to statements in the questionnaire. The Likert scale used is four levels: 1 (Strongly Disagree), 2 (Disagree), 3 (Agree), and 4 (Strongly Agree). Data analysis was carried out using two models: multiple regression analysis and path analysis (Saputra, 2019). Multiple regression analysis tests the direct influence of Customer Relationship Marketing (CRM) on marketing performance. Meanwhile, path analysis is used to see

the direct and indirect influence between CRM and competitiveness on marketing performance. Descriptive Statistics: Present information about the characteristics of research variables such as minimum, maximum, mean, and standard deviation. Validity and Reliability Test: Uses Pearson Correlation for validity and Cronbach's Alpha for reliability. The questionnaire is declared valid if the correlation between the scores of items with a total score of ≥ is 0.3 and reliable if Cronbach's Alpha ≥ 0.7. SEM Analysis with Mediation Effect: Testing the direct and indirect influence between variables with mediation analysis procedures using SmartPLS 3.0 software.

RESULT AND DISCUSSION

Evaluation of the outer model in SEM-PLS analysis is an evaluation of measurements performed to test instruments that assess the validity and reliability of the model. The outer model determines the relationship between the latent variable and its indicators, referred to as the outer relationship or measurement model. Convergent validity measures the validity criteria of an indicator, while reliability is measured by composite reliability and average variance extracted (AVE). The validity of convergence with reflective indicators can be seen from the correlation between indicator scores and variables. Individual indicators are considered valid if they have a correlation value of more than 0.50. The results of the correlation between indicators and variables are presented in the following table:

Table 1. The results of the correlation between indicators and variables

It	Variable	Indicators	Outer Loading
1	Employee Performance (Y2)	Working Quantity (Y2.1)	0.726
2	Quality of Work (Y2.2)	0.746	
3	Punctuality (Y2.3)	0.833	
4	Attendance (Y2.4)	0.836	
5	Collaboration Capabilities (Y2.5)	0.839	

The results of the convergence validity test showed that all the outer loading values of the indicators for each variable are more significant than 0.50, so all indicators are declared valid. The reliability of a construct is measured by two criteria: composite reliability and the Cronbach alpha of the indicator that measures the construct. A construct is declared reliable if the reliability value of the composite and Cronbach alpha is more significant than 0.70. The results of the construct reliability test are presented in the following table:

Table 2. The results of the construct reliability test

Variable	Composite Reliability	Cronbach's Alpha
Employee Performance (Y2)	0.897	0.856
OCB (Y1)	0.906	0.870
Organizational Culture (X1)	0.905	0.869
Leadership (X2)	0.905	0.876
Self-Efficacy (x3)	0.920	0.869

The results of the construct reliability test show that all composite and Cronbach alpha reliability values are more significant than 0.70, so all constructs in this study are declared reliable.

The inner model test was carried out by looking at the R-square value as a goodness of fit model test. The R-square value determines how well the model generates observation values and parameter estimates. The R-square value for the employee performance construct (Y2) is 0.751, which means that 75.1% of the variation in employee performance is influenced by organizational culture, leadership, and Organizational Citizenship Behavior (OCB). In comparison, other variables outside the model influence 24.9%.

Hypothesis testing shows that:

1. Organizational culture positively affects employee performance, with a t-statistical value of 2,381.
2. Leadership positively affects employee performance, with a t-statistic value of 5,824.
3. Self-efficacy positively affected employee performance, with a t-statistical value of 2,229.
4. Organizational culture positively affects OCB, with a t-statistical value of 3,992.
5. Leadership positively affected OCB, with a t-statistical value of 4,633.
6. Self-efficacy positively affected OCB, with a t-statistical value of 6,304.
7. OCB positively affects employee performance, with a t-statistical value of 5,446.

These results show that organizational culture, leadership, and self-efficacy not only have a direct effect on employee performance but also through OCB as an intervening variable, which strengthens the relationship (Karimi & Ataei, 2023; Khaer & Basuki, 2023; Lukito, 2020; Moktadir et al., 2020; Sihombing & Sitanggang, 2019).

CONCLUSION

Each company has its own goals and needs. Some companies run if they get revenue (self-funded). However, some companies have investors, so various other targets must be achieved according to the agreement. The task of performance marketing is to achieve these predetermined targets. Employee performance is how well a person executes their job duties and responsibilities. Many companies assess their employees' performance annually or quarterly to define specific areas that need improvement and encourage further success in areas that meet or exceed expectations (Hatidja et al., 2022). Performance is a critical factor in organizational success, helping also to improve overall productivity, profitability, and employee morale (Sari et al., 2024). By assessing employee performance regularly, companies can identify areas that need improvement, provide employee learning and development opportunities, and ensure that everyone is working towards the same goals (Lutfiyya & Akhirson, 2022).

Work quality is the standard of work that an employee or team delivers consistently. Some examples of work quality include time management, communication, and professional knowledge. Organizational culture is the values, beliefs, attitudes, systems, and rules that outline and influence employee behavior (Harwiki, 2016). The culture reflects how employees, customers, vendors, and stakeholders experience the organization and its brand. Leadership is the ability of an individual or a group of people to influence and guide followers or members of an organization, society or team. Leadership is often tied to a person's title, seniority or ranking in a hierarchy. Self-efficacy reflects confidence in the ability to exert control over one's own motivation, behavior, and social environment (Assaker, 2020; Chung, 2020). These cognitive self-evaluations influence all human experience, including the goals for which people strive, the amount of energy expended toward goal achievement, and the likelihood of attaining particular levels of behavioral performance.

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