

Rethinking Competitive Advantage in Customer Loyalty Models: The Roles of Service Excellence and Complaint Resolution

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Abstract: Increasing operational complexity within port and logistics industries has intensified the importance of operational responsiveness, service recovery, and Customer retention. Nevertheless, the mechanisms through which service excellence and complaint resolution influence competitive advantage and Customer loyalty within operational service environments remain insufficiently explored. This study examines the relationships among service excellence, complaint resolution, competitive advantage, and Customer loyalty in the operational context of PT Pelindo Regional 2. Drawing upon Relationship Marketing Theory and the Resource-Based View, the study positions complaint responsiveness and operational recovery capability as strategic determinants of organizational competitiveness and Customer retention. Using survey data collected from 316 companies utilizing PT Pelindo Regional 2 services and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM), the findings reveal that complaint resolution significantly strengthens both competitive advantage and Customer loyalty. Service excellence also positively influences Customer loyalty; however, it unexpectedly exerts a negative effect on competitive advantage. Furthermore, competitive advantage does not significantly influence Customer loyalty and fails to mediate the relationships among the examined variables. These findings reveal the existence of a service-performance paradox within highly operational and infrastructure-based industries, where Customers prioritize operational responsiveness and recovery capability over symbolic organizational superiority. The study contributes to service management literature by emphasizing complaint responsiveness as a more strategically relevant capability in sustaining Customer loyalty and organizational competitiveness within port service industries.

Keywords: Competitive Advantage; Customer Loyalty; Complaint Resolution; Port Service Industry; Service Excellence

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INTRODUCTION

Increasingly intense competition in the service and logistics industry has compelled organizations to continuously improve service performance while simultaneously maintaining sustainable relationships with customers (Yee et al., 2010). In highly competitive business environments, customer loyalty represents a critical strategic asset because loyal customers tend to maintain long-term business relationships, engage in repeat transactions, and provide positive

recommendations that contribute to organizational sustainability and profitability (Ghali, 2021; III et al., 2020; Kartika et al., 2020; Lee et al., 2012). The growing complexity of customer expectations further requires service organizations to strengthen operational responsiveness, service quality, and customer-oriented strategies in order to sustain competitiveness (Hunt, 2009; Whiteley & Hessian, 1996).

Within the port service industry, customer evaluations are not determined solely by operational performance but also by the organization's ability to provide reliable services and effectively resolve customer complaints. Port service users, particularly shipping, container, and logistics companies, demand efficient service processes, responsiveness, and operational reliability because delays and service disruptions may significantly affect supply chain performance and operational costs. Consequently, service excellence and complaint resolution have become increasingly important strategic mechanisms in maintaining customer relationships and organizational competitiveness (Alsuwaidi, 2023; Garg & Sharma, 2024).

The service management literature identifies service excellence as an organizational capability to consistently deliver reliable, responsive, and customer-oriented services that meet or exceed customer expectations. (Parasuraman & Zinkhan, 2002) explained that service quality is evaluated based on the gap between customer expectations and perceived service performance. Expanding this perspective, (Rust et al., 2004) demonstrated that superior service quality significantly influences customer satisfaction, trust, repurchase intention, and customer loyalty. Organizations capable of maintaining high service standards are therefore more likely to strengthen customer retention and long-term organizational sustainability.

Alongside service excellence, complaint resolution also plays a strategic role in preserving customer relationships, particularly within operational service industries where service failures are often unavoidable. Delays, administrative issues, operational inefficiencies, and technical disruptions may generate customer dissatisfaction, making responsive complaint handling increasingly important. (Gupta et al., 2023; Mohamed, 2024; Tzavlopoulos et al., 2019) emphasized that effective complaint handling contributes significantly to relationship recovery and customer satisfaction following service failures. Similarly, (Afrijannah & Saputra, 2026; Murad, 2021; Syafitri & Nainggolan, 2023) found that responsive complaint resolution positively influences customer loyalty because customers tend to maintain relationships with organizations that demonstrate fairness, accountability, and responsiveness during service recovery processes.

The strategic importance of service excellence and complaint resolution can also be explained through Relationship Marketing Theory, which emphasizes trust, commitment, communication, and long-term relational exchanges as essential components in developing sustainable customer relationships (Morgan, 2012). Strong relational interactions encourage customers to maintain long-term engagement with organizations, particularly in industries characterized by high operational dependency such as port and logistics services. Consequently, organizations increasingly rely on superior service experiences and effective complaint handling mechanisms to strengthen customer trust and relational continuity.

From a strategic management perspective, the Resource-Based View (RBV) explains that organizational capabilities such as service quality, operational responsiveness, and complaint management may function as valuable strategic resources capable of generating sustainable competitive advantage (Nayak et al., 2022; Tollin & Jones, 2009). (Cenamor, 2021; M. Porter, 1989; M. E. Porter, 1985) further argued that competitive advantage reflects an organization's ability to create superior value through differentiation, innovation, operational performance, and strategic

positioning compared to competitors. Organizations possessing superior service capabilities are therefore expected to strengthen both organizational competitiveness and customer loyalty.

Despite the growing body of literature examining customer loyalty, empirical findings regarding the relationships among service excellence, complaint resolution, competitive advantage, and customer loyalty remain inconsistent. Several previous studies reported that service quality positively influences competitive advantage and customer loyalty. Nevertheless, other studies indicate that superior service performance does not always translate into stronger competitive positioning, particularly in operational service industries where customers prioritize functional efficiency, responsiveness, and problem resolution over organizational image or market differentiation. Under such conditions, customers may perceive Service Excellent as a standard operational obligation rather than a unique organizational capability capable of strengthening competitive advantage.

This condition becomes increasingly relevant within the port service industry, where operational reliability and complaint responsiveness frequently exert stronger influence on customer evaluations than broader competitive positioning. Customers operating in logistics and shipping sectors generally prioritize operational continuity, timeliness, and responsiveness because disruptions directly affect business operations and supply chain efficiency. Consequently, superior service performance may not necessarily strengthen perceived competitive advantage or directly influence customer loyalty. Such inconsistencies indicate the existence of a potential service-performance paradox in which investments in service excellence do not always generate stronger competitive positioning or relational outcomes.

Previous studies have also predominantly focused on the direct effects of service quality on customer loyalty while providing limited attention to the mediating role of competitive advantage. In practice, organizations frequently assume that stronger competitive advantage automatically leads to greater customer loyalty. However, customers within highly operational service industries may place greater emphasis on direct service experiences and responsive complaint handling than on broader organizational positioning. This condition suggests that the role of competitive advantage as a mediating mechanism requires further empirical investigation, particularly within the context of port and logistics services.

Addressing these gaps, the present study develops and tests a structural model examining the relationships among service excellence, complaint resolution, competitive advantage, and customer loyalty at PT Pelindo Regional 2. More specifically, this study investigates whether competitive advantage mediates the effects of service excellence and complaint resolution on customer loyalty. Using Partial Least Squares Structural Equation Modeling (PLS-SEM), this study analyzes survey data collected from shipping, container, and non-container companies utilizing the services of PT Pelindo Regional 2. PLS-SEM was selected because it is considered appropriate for predictive and exploratory research involving complex structural relationships and latent variables (Hair, 2014; Hair et al., 2022)

The findings of this study are expected to contribute both theoretically and practically to the service management and relationship marketing literature. From a theoretical perspective, this study extends prior research by clarifying the complex role of competitive advantage in shaping customer loyalty within operational service industries. The study also contributes to the growing discussion regarding the service-performance paradox in service organizations. From a practical perspective, the findings provide strategic implications for PT Pelindo Regional 2 and similar organizations in designing customer-oriented service systems, strengthening complaint

management mechanisms, and improving long-term relationship strategies aimed at enhancing customer loyalty and organizational competitiveness.

LITERATURE REVIEW

Service Excellence

Service excellence represents an organization's capability to consistently deliver superior services that meet or exceed customer expectations through reliability, responsiveness, assurance, empathy, and operational effectiveness. Within service-oriented industries, service excellence constitutes one of the most important organizational capabilities because customer evaluations are largely formed through direct service interactions and operational experiences. (Berry et al., 1988) conceptualized service quality through the SERVQUAL model, which evaluates service performance based on five dimensions: tangibility, reliability, responsiveness, assurance, and empathy. These dimensions collectively reflect the organization's ability to provide customer-oriented services consistently.

The strategic importance of service excellence becomes increasingly significant in operational industries such as port and logistics services, where customers rely heavily on efficiency, timeliness, and service reliability. Superior service performance enables organizations to reduce operational disruptions, improve customer satisfaction, and strengthen long-term customer relationships. (Zeithaml, 2002) demonstrated that superior service quality significantly influences customer satisfaction, trust, repurchase intention, and customer loyalty. Customers who perceive higher service quality are more likely to maintain long-term relationships because positive service experiences strengthen trust and organizational credibility.

Beyond its direct influence on customers, service excellence also functions as a strategic organizational capability that supports competitive positioning. The Resource-Based View explains that intangible organizational resources such as service capability, operational responsiveness, and organizational knowledge may generate sustainable competitive advantage when they are valuable, difficult to imitate, and strategically managed (Ali & Anwar, 2021; Xiao et al., 2024). Organizations capable of consistently delivering superior services therefore possess stronger opportunities to differentiate themselves from competitors and strengthen market positioning.

Nevertheless, the relationship between service excellence and competitive advantage may vary across industrial contexts. Within highly operational service industries, customers may perceive service quality as a standard operational requirement rather than a unique organizational capability. Consequently, superior service performance does not always translate into stronger competitive positioning because customers prioritize operational continuity and efficiency over organizational differentiation.

Based on these arguments, the following hypotheses are proposed:

H1 : Service excellence significantly affects competitive advantage.

H2 : Service excellence significantly affects customer loyalty.

Complaint Resolution

Complaint resolution refers to an organization's capability to respond to, manage, and resolve customer complaints effectively following service failures or operational disruptions. Within operational service industries, complaint handling becomes increasingly important because service failures may directly affect customer business activities, operational continuity, and supply chain performance. Consequently, organizations are required to maintain responsive

and customer-oriented complaint management systems to preserve customer trust and relationship continuity.

(Hansen et al., 1996) emphasized that effective complaint handling significantly influences customer evaluations regarding organizational fairness, responsiveness, and relationship quality. Customers generally evaluate complaint resolution processes not only based on final outcomes but also on organizational responsiveness, transparency, and professionalism during service recovery processes. Effective complaint handling therefore functions as an important mechanism for restoring customer confidence following service failures.

The importance of complaint resolution can also be explained through Relationship Marketing Theory, which highlights trust, communication, commitment, and long-term interaction as critical elements in maintaining sustainable customer relationships (Alhathal et al., 2019; Al-Hawari, 2018). Responsive complaint handling demonstrates organizational commitment toward customer satisfaction and relationship maintenance. Customers who perceive complaint recovery as fair and responsive are more likely to maintain positive evaluations toward organizations despite previous service failures.

Previous studies further indicate that complaint resolution significantly influences customer satisfaction, trust recovery, and customer loyalty. (Morgeson III et al., 2020) found that responsive complaint handling positively affects customer loyalty because customers appreciate organizations that demonstrate accountability and fairness during service recovery processes. Effective complaint management therefore functions not only as a corrective mechanism but also as a strategic organizational capability capable of strengthening customer retention and organizational credibility.

From a strategic perspective, organizations capable of managing customer complaints effectively may also strengthen competitive advantage. Responsive complaint handling reflects organizational professionalism, customer orientation, and operational responsiveness, all of which contribute to stronger organizational reputation and differentiation. Customers are more likely to evaluate organizations positively when they experience transparent and efficient complaint resolution processes.

Accordingly, the following hypotheses are proposed:

H3 : Complaint resolution significantly affects competitive advantage.

H4: Complaint resolution significantly affects customer loyalty.

Competitive Advantage

Competitive advantage reflects an organization's ability to create superior value compared to competitors through differentiation, innovation, operational capability, service quality, and strategic positioning (Badwan, 2025; Farhikhteh et al., 2020). Organizations possessing stronger competitive advantage are generally more capable of maintaining market sustainability, improving organizational performance, and strengthening customer relationships.

The (Hossain et al., 2021; Moderno et al., 2024; Ofori & Appiah-Nimo, 2021) explains that competitive advantage emerges when organizations possess valuable, rare, inimitable, and non-substitutable resources (Donnelly et al., 2020; Gani et al., 2021). In service industries, competitive advantage frequently originates from intangible organizational capabilities such as service excellence, customer responsiveness, operational efficiency, and complaint management effectiveness. These capabilities enable organizations to create service experiences and operational performance that are difficult for competitors to replicate.

Previous studies indicate that organizations with stronger competitive positioning tend to achieve higher customer trust, customer satisfaction, and customer retention. Customers

generally prefer organizations perceived as reliable, responsive, and capable of delivering superior operational performance. Strong competitive advantage therefore contributes to positive customer evaluations regarding organizational credibility and service reliability.

However, empirical findings regarding the relationship between competitive advantage and customer loyalty remain inconsistent, particularly in highly operational industries such as port and logistics services. Customers within these industries frequently prioritize direct operational performance, responsiveness, and problem resolution over broader organizational positioning or corporate image. Consequently, competitive advantage may not always directly influence customer loyalty because customer evaluations are more strongly shaped by operational experiences and service responsiveness.

Despite these inconsistencies, organizations possessing stronger competitive capabilities are generally expected to maintain higher customer loyalty because customers perceive greater organizational value and reliability.

Accordingly, the following hypothesis is proposed:

H5 : Competitive advantage significantly affects customer loyalty.

Mediating Role of Competitive Advantage

Competitive advantage may function as a mediating mechanism linking service excellence and complaint resolution to customer loyalty. Organizations capable of delivering Service Excellents and managing customer complaints effectively are expected to strengthen organizational competitiveness, which subsequently influences customer loyalty. Superior organizational capabilities contribute to customers' perceptions regarding organizational differentiation, credibility, and overall service value.

The mediating role of competitive advantage becomes increasingly relevant within service industries because customer evaluations are influenced not only by direct service experiences but also by organizational reputation and operational capability. Organizations possessing strong competitive positioning are generally more capable of maintaining sustainable customer relationships because customers perceive higher organizational reliability and service consistency.

Nevertheless, the mediating role of competitive advantage remains relatively underexplored within customer loyalty literature, particularly in the context of operational service industries. Previous studies have predominantly focused on direct relationships among service quality, complaint handling, and customer loyalty while providing limited empirical evidence regarding the indirect role of organizational competitiveness.

Accordingly, the following hypotheses are proposed:

H6 : Competitive advantage mediates the relationship between service excellence and customer loyalty.

H7 : Competitive advantage mediates the relationship between complaint resolution and customer loyalty.

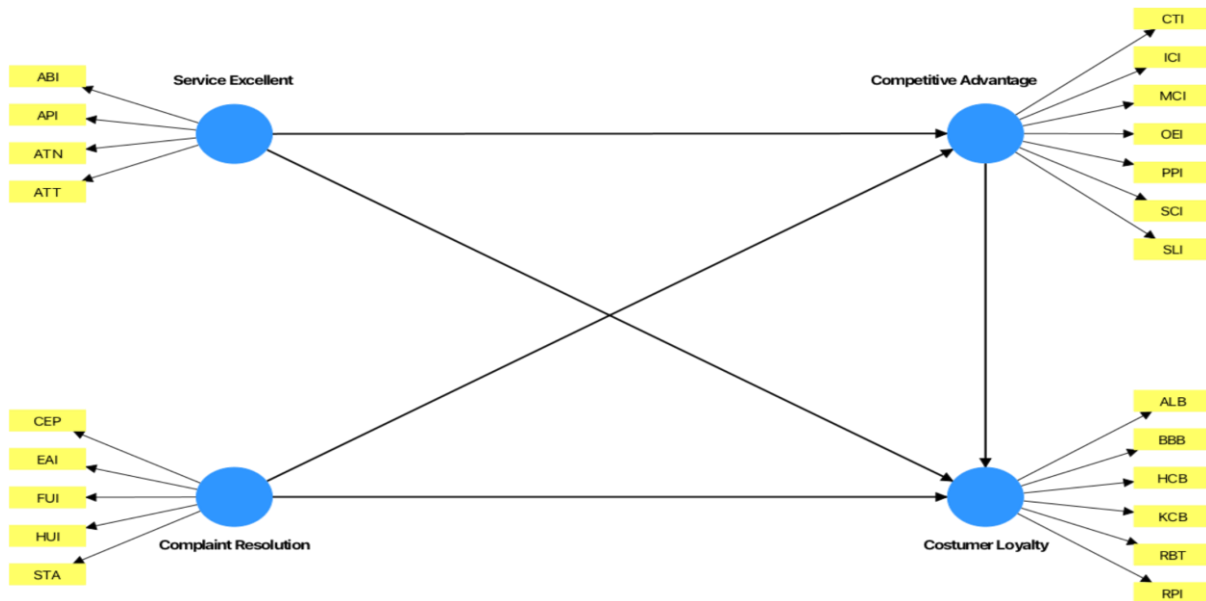


Figure 1. Reserch Model

METHOD

This study employed an explanatory quantitative design to examine the relationships among service excellence, complaint resolution, competitive advantage, and customer loyalty at PT Pelindo Regional 2. Primary data were collected through structured questionnaires distributed to companies utilizing Pelindo Regional 2 services, while secondary data were obtained from annual reports, official statistical publications, and relevant literature.

The population consisted of 631 shipping, container, and non-container companies operating within the PT Pelindo Regional 2 area. Using purposive sampling, 316 companies were selected based on their prior experience using Pelindo's services.

Data were collected using closed-ended questionnaires measured on a seven-point Likert scale ranging from 1 ("strongly disagree") to 7 ("strongly agree"). Measurement items were adapted from established studies, including (Barney et al., 2011; Hansen et al., 1996; Oliver, 1997; M. Porter, 1989; Zeithaml et al., 2002). Service excellence and complaint resolution functioned as exogenous variables, competitive advantage as the mediating variable, and customer loyalty as the endogenous variable.

Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS software. PLS-SEM was selected because of its suitability for predictive research involving complex structural relationships and latent constructs (Hair et al., 2017). The measurement model was evaluated using outer loading, Average Variance Extracted (AVE), Composite Reliability (CR), Cronbach's alpha, and Heterotrait-Monotrait Ratio (HTMT). The structural model was assessed using the coefficient of determination (R^2), effect size (f^2), Variance Inflation Factor (VIF), and bootstrapping procedures with 5,000 resamples. Hypotheses were considered significant when the t-statistic exceeded 1.96 and the p-value was below 0.05.

RESULTS AND DISCUSSION

Respondent Profile

This study analyzed 316 valid responses obtained from shipping, container, and non-container companies utilizing the services of PT Pelindo Regional 2. The respondent profile was

evaluated to provide an overview of the characteristics of participating companies and their experience in utilizing port services.

Table 1. Respondent Profile

No	Respondent Characteristics	Category	Frequency	Percentage (%)
1	Company Type	Shipping Companies	128	40.5
		Container Companies	102	32.3
		Non-Container Companies	86	27.2
		Total	316	100.0
2	Service Utilization Experience	< 1 Year	54	17.1
		1–3 Years	119	37.7
		4–6 Years	88	27.8
		> 6 Years	55	17.4
		Total	316	100.0

Source: SmartPLS 4 (2026)

The respondent profile demonstrates that participating companies possessed sufficient operational experience utilizing PT Pelindo Regional 2 services. This condition indicates that respondents were capable of evaluating service quality, complaint handling effectiveness, organizational competitiveness, and customer loyalty based on direct operational experiences.

Measurement Model Assessment

The measurement model was evaluated using outer loading, Average Variance Extracted (AVE), Cronbach’s alpha, Composite Reliability (CR), and Heterotrait-Monotrait Ratio (HTMT). Convergent validity was assessed based on outer loading values exceeding 0.70 and AVE values above 0.50, while construct reliability was evaluated through Cronbach’s alpha and Composite Reliability values exceeding 0.70.

As presented in Table 2, all indicators demonstrated loading values ranging from 0.888 to 0.951, exceeding the recommended threshold and confirming satisfactory indicator reliability. The highest loading value was observed for the API indicator under the Service Excellent construct (0.951), while the lowest loading value was found for the HUI indicator under Complaint Resolution (0.888). Furthermore, all constructs exhibited strong internal consistency reliability, with Cronbach’s alpha values ranging from 0.951 to 0.966 and Composite Reliability values ranging from 0.963 to 0.973. All AVE values also exceeded the recommended threshold of 0.50, indicating satisfactory convergent validity.

Table 2. Outer Loading, Reliability, and Convergent Validity Results

No	Construct	Indicator	Outer Loading	Cronbach’s Alpha	Composite Reliability (pc)	AVE
1	Competitive Advantage	CTI	0.913	0.966	0.972	0.831
		ICI	0.921			
		MCI	0.902			
		OEI	0.908			
		PPI	0.924			
		SCI	0.903			
		SLI	0.912			
2	Complaint Resolution	CEP	0.929	0.951	0.963	0.837
		EAI	0.898			

		FUI	0.934			
		HUI	0.888			
		STA	0.925			
3	Customer Loyalty	ALB	0.894	0.966	0.973	0.856
		BBB	0.929			
		HCB	0.926			
		KCB	0.921			
		RBT	0.938			
		RPI	0.942			
4	Service Excellent	ABI	0.940	0.953	0.966	0.876
		API	0.951			
		ATN	0.924			
		ATT	0.928			

Source: SmartPLS 4 (2026)

Overall, the findings confirm that all constructs possessed satisfactory convergent validity and internal consistency reliability, indicating that the measurement model was appropriate for subsequent structural model evaluation.

Discriminant Validity

Discriminant validity was evaluated using the Heterotrait-Monotrait Ratio (HTMT. As presented in Table 3, all HTMT values were below the recommended threshold of 0.90, indicating satisfactory discriminant validity among the constructs.

Table 3. HTMT Matrix

Variable	Competitive Advantage	Complaint Resolution	Costumer Loyalty
Competitive Advantage			
Complaint Resolution	0,434		
Costumer Loyalty	0,269	0,590	
Service Excellent	0,156	0,520	0,411

Source: SmartPLS 4 (2026)

All HTMT values were below the recommended threshold of 0.90, ranging from 0.156 to 0.590. These findings indicate that each construct was empirically distinct from the others, thereby confirming satisfactory discriminant validity within the measurement model. Consequently, the constructs used in this study were considered conceptually independent and appropriate for further structural model analysis.

Coefficient of Determination (R²)

The explanatory power of the structural model was evaluated using the coefficient of determination (R²). As presented in Table 5, Service Excellent and complaint resolution jointly explained 34.2% of the variance in competitive advantage. Furthermore, competitive advantage, complaint resolution, and Service Excellent collectively explained 34.8% of the variance in customer loyalty.

Table 4. R-Square Results

Variable	R ²	Adjusted R ²
Competitive Advantage	0.342	0.338
Customer Loyalty	0.348	0.342

Source: SmartPLS 4 (2026)

The R² values indicate moderate explanatory power of the proposed structural model.

Effect Size (f²)

Effect size analysis was conducted to evaluate the relative contribution of each exogenous construct toward endogenous variables.

Table 5. Effect Size (f²)

Relationship	f ²	Interpretation
Complaint Resolution → Competitive Advantage	0.486	Large
Service Excellent → Competitive Advantage	0.257	Medium
Competitive Advantage → Customer Loyalty	0.014	Small
Complaint Resolution → Customer Loyalty	0.133	Small
Service Excellent → Customer Loyalty	0.040	Small

Source: SmartPLS 4 (2026)

The results indicate that complaint resolution exerted the strongest effect on competitive advantage, highlighting the strategic importance of responsive complaint handling within operational service industries.

Structural Model Results

Figure 2. Structural Path Analysis Results presents the results of the structural model analysis using Partial Least Squares Structural Equation Modeling (PLS-SEM). The model was developed to examine the direct and indirect effects among the research constructs and to evaluate the strength of the proposed relationships.

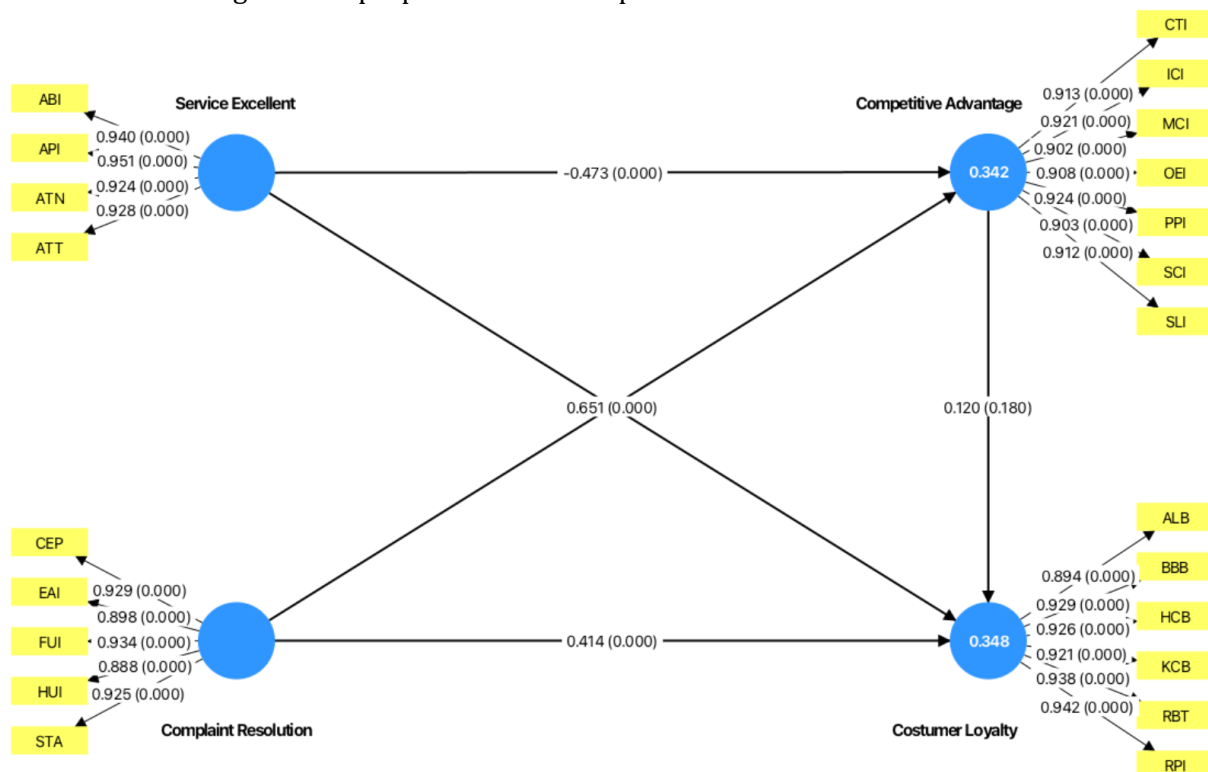


Figure 2. Structural Path Analysis Results

All indicator loadings exceed 0.88 and are statistically significant (p < 0.001), indicating strong convergent validity of the constructs. The structural model shows that the first exogenous construct has a significant negative effect on the endogenous construct (β = -0.473; p = 0.000), while the second exogenous construct demonstrates a significant positive effect (β = 0.414; p = 0.000). In addition, the mediating relationship exhibits a significant positive influence (β = 0.651; p = 0.000), whereas one of the direct paths is not statistically significant (β = 0.120; p = 0.180).

Hypothesis Testing

Hypothesis testing was conducted using bootstrapping procedures with 5,000 resamples. Relationships were considered significant when the t-statistic exceeded 1.96 and the p-value was below 0.05.

Table 6. Direct Effects

Hypothesis	Path	β	T-Statistic	P-Value	Decision
H1	Service Excellent → Competitive Advantage	-0.473	7.416	0.000	Supported
H2	Service Excellent → Customer Loyalty	0.208	2.326	0.020	Supported
H3	Complaint Resolution → Competitive Advantage	0.651	9.024	0.000	Supported
H4	Complaint Resolution → Customer Loyalty	0.414	4.760	0.000	Supported
H5	Competitive Advantage → Customer Loyalty	0.120	1.342	0.180	Not Supported

Source: SmartPLS 4 (2026)

The results demonstrate that complaint resolution significantly influenced both competitive advantage and customer loyalty. The strong positive relationship between complaint resolution and competitive advantage indicates that responsive complaint handling represents an important organizational capability capable of strengthening operational credibility and customer evaluations within port service industries. Furthermore, the significant effect of complaint resolution on customer loyalty suggests that customers prioritize organizational responsiveness and service recovery effectiveness in maintaining long-term business relationships.

Service Excellent also demonstrated a significant positive effect on customer loyalty, indicating that customers who perceive superior service quality are more likely to maintain sustainable relationships with PT Pelindo Regional 2. This finding supports the service quality literature emphasizing that positive service experiences contribute significantly to customer trust, satisfaction, and loyalty.

However, Service Excellent exhibited a significant negative relationship with competitive advantage. This finding indicates the existence of a service-performance paradox within the operational context of port services. In highly operational and infrastructure-based industries, customers may perceive service quality as a basic operational standard rather than a unique strategic capability. Consequently, improvements in service performance may not necessarily strengthen perceived organizational competitiveness because customers tend to prioritize operational continuity, efficiency, and responsiveness over symbolic differentiation or organizational superiority.

The findings further reveal that competitive advantage did not significantly influence customer loyalty. This result suggests that customer loyalty within port and logistics services is influenced more strongly by direct operational experiences and responsive complaint handling than by broader organizational positioning. Although competitive advantage is generally associated with customer retention, its role appears less dominant in highly operational service environments where functional reliability and problem resolution become primary customer considerations.

Indirect Effects

The mediation analysis was conducted to examine the indirect effects of Service Excellent and complaint resolution on customer loyalty through competitive advantage.

Table 7. Indirect Effects

Hypothesis	Path	β	T-Statistic	P-Value	Decision
H6	Service Excellent → Competitive Advantage → Customer Loyalty	-0.057	1.213	0.225	Not Supported
H7	Complaint Resolution → Competitive Advantage → Customer Loyalty	0.078	1.269	0.205	Not Supported

Source: SmartPLS 4 (2026)

The results indicate that competitive advantage did not mediate the relationships between complaint resolution, Service Excellent, and customer loyalty. These findings reinforce the argument that customer loyalty within port service industries is shaped more directly by operational responsiveness and effective complaint handling than by perceptions of organizational competitiveness.

Overall, the findings highlight complaint resolution as the most influential determinant within the proposed model, emphasizing the strategic importance of responsive complaint management in maintaining customer loyalty and organizational sustainability in operational service industries.

CONCLUSIONS

This study examined the relationships among Service Excellent, complaint resolution, competitive advantage, and customer loyalty within the operational context of PT Pelindo Regional 2 using the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach. The findings demonstrate that complaint resolution constitutes the most influential determinant in strengthening both competitive advantage and customer loyalty, while competitive advantage itself does not significantly influence customer loyalty. In addition, Service Excellent significantly enhances customer loyalty but unexpectedly exerts a negative effect on competitive advantage.

These findings indicate that customer loyalty within operational and infrastructure-based service industries is shaped more strongly by adaptive responsiveness and effective service recovery than by symbolic organizational superiority or conventional competitive positioning. Customers operating within port and logistics industries prioritize operational continuity, reliability, responsiveness, and rapid problem resolution because service disruptions directly affect supply chain performance, operational efficiency, and business continuity. Consequently, organizations capable of responding rapidly and effectively to operational problems and customer complaints are more likely to sustain long-term customer relationships.

The study further identifies the existence of a service-performance paradox within the port service industry. Although Service Excellent positively contributes to customer loyalty, superior service quality does not necessarily strengthen perceptions of competitive advantage. This finding suggests that service quality within highly standardized operational industries has increasingly become a basic operational requirement rather than a distinctive strategic capability. As service quality becomes more homogeneous across competitors, customers tend to evaluate organizational superiority based on responsiveness, operational certainty, recovery capability, and problem-solving effectiveness rather than routine service performance alone (Brown et al.,

1995; Grönroos, 1990; Grönroos & Ojasalo, 2004; Kang & James, 2004; Lusch & Jr, 2011; VARGO, 2554).

Moreover, the insignificant relationship between competitive advantage and customer loyalty indicates that customers within operational service industries evaluate organizations primarily through direct operational experiences rather than broader strategic image or symbolic positioning. This finding challenges the conventional strategic management perspective suggesting that competitive advantage consistently strengthens customer loyalty (Albetris, Alhudhori, et al., 2022; Albetris, Johannes, et al., 2022; Albetris & Nuraini, 2020; Haryono & Albetris, 2022, 2023, 2024a, 2024b; Hermanto et al., 2019; Kumar & Janani, 2025; Nazeri et al., 2020; Siregar et al., 2021; Widyanto & Albetris, 2025). Instead, the findings demonstrate that customer loyalty within B2B operational environments is driven more strongly by functional reliability, complaint responsiveness, and service recovery effectiveness.

From a theoretical perspective, this study contributes to the service management, relationship marketing, and Resource-Based View literature in several important ways. First, the findings challenge the dominant assumption that superior service quality automatically strengthens competitive advantage and customer loyalty. Second, the study extends the Resource-Based View by identifying complaint responsiveness and operational recovery capability as strategic intangible resources capable of sustaining organizational competitiveness within highly operational service industries. Third, the study contributes to the emerging discussion regarding service commoditization and the service-performance paradox, particularly within infrastructure-based and logistics service environments where operational responsiveness appears more strategically valuable than routine service enhancement.

From a managerial perspective, the findings emphasize that PT Pelindo Regional 2 should prioritize adaptive complaint management systems, operational recovery mechanisms, and responsive customer support strategies rather than relying solely on routine service quality improvements to strengthen competitiveness and customer loyalty. Investments in rapid complaint handling systems, operational transparency, digital responsiveness mechanisms, and integrated customer communication platforms may generate stronger relational outcomes and improve long-term organizational sustainability.

PRACTICAL IMPLICATIONS

The findings of this study provide several important managerial implications for organizations operating within port, logistics, and infrastructure-based service industries.

First, organizations should strengthen integrated complaint management systems capable of detecting, responding to, and resolving customer complaints rapidly, transparently, and consistently. Since complaint resolution emerged as the strongest determinant of both competitive advantage and customer loyalty, operational responsiveness should be positioned as a strategic organizational capability rather than merely an operational support function.

Second, management should develop customer-oriented operational recovery strategies through the implementation of digital complaint monitoring systems, real-time service communication mechanisms, and faster operational recovery procedures. Such initiatives may reduce operational uncertainty, improve customer trust, and strengthen long-term relational commitment within highly operational business environments.

Third, organizations should not rely exclusively on routine service quality enhancement as a source of strategic differentiation. As service quality becomes increasingly standardized

across competitors, adaptive responsiveness, recovery capability, and operational problem-solving effectiveness become more important sources of sustainable competitive positioning.

Fourth, PT Pelindo Regional 2 should improve organizational agility by strengthening coordination among operational units, customer service divisions, and digital communication systems to ensure faster service recovery and more effective customer interaction during operational disruptions. Enhancing internal responsiveness may strengthen organizational credibility and operational reliability in the eyes of customers.

Organizations operating within operational service industries should recognize that customer loyalty is increasingly shaped by direct operational experiences and responsiveness during service failures. Therefore, strategic initiatives aimed at strengthening customer retention should focus on minimizing operational disruption, improving service recovery capability, and enhancing customer responsiveness throughout the service process.

FUTURE RESEARCH

Several limitations of this study provide opportunities for future research development.

First, this study focused specifically on the operational context of PT Pelindo Regional 2, limiting the generalizability of the findings to other industries or organizational settings. Future studies are encouraged to examine similar relationships within other logistics, transportation, maritime, and infrastructure-based industries to strengthen external validity and comparative understanding across operational service sectors.

Second, future research should incorporate additional variables capable of explaining customer loyalty within operational service industries, such as customer satisfaction, trust, switching costs, operational efficiency, digital service quality, organizational reputation, customer experience, and relational commitment. The inclusion of these variables may provide a more comprehensive explanation of loyalty formation within B2B operational environments.

Third, future studies are encouraged to employ longitudinal approaches to capture the dynamic relationships among service quality, complaint responsiveness, competitive advantage, and customer loyalty over time. Longitudinal analysis may provide deeper insights into how operational responsiveness influences customer retention and organizational competitiveness in the long term.

Future researchers may consider adopting mixed-method approaches by integrating quantitative analysis with qualitative exploration through interviews or case studies. Such approaches may provide richer contextual understanding regarding customer perceptions, operational challenges, and organizational recovery mechanisms within highly operational and service-dependent industries.

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