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ANALYSIS OF THE COMPANY'S REPUTATION AND LOGISTICS INNOVATION AGAINST THE COMPETITIVE ADVANTAGE THAT MEDIATED SERVICE SATISFACTION AT PT BGR INDONESIA

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ABSTRACT

This study aims to analyze the influence of company reputation and logistics innovation on competitive advantage mediated by service satisfaction at PT BGR Indonesia. The increasingly fierce competition in the logistics industry requires companies to strengthen their image and customer trust and innovate in distribution systems, technology, and service processes. This study uses a quantitative approach with a survey method through the distribution of questionnaires to customers. The data was analyzed using Structural Equation Modeling (SEM) to test the relationships between variables. The results of the study show that company reputation and logistics innovation have a positive and significant effect on service satisfaction. Furthermore, service satisfaction has a significant effect on competitive advantage. The mediation test proves that service satisfaction partially mediates the influence of the company's reputation and logistics innovation on competitive advantage. These findings underscore the importance of reputation-based and innovation-based strategies to sustainably improve the company's competitiveness.

Introduction

Corporate reputation and innovation are two strategic factors that are the main foundation for companies to maintain and strengthen their competitive advantage in the midst of increasingly competitive global market dynamics. A company's reputation is seen as a reflection of stakeholders' perception of a company's quality, credibility, and integrity (Saribanon et al., 2024). On the other hand, logistics innovation has become a major driver of increasing operational efficiency and responsiveness to customer needs in the modern logistics services industry (Xaviera et al., 2025). The relationship between reputation, innovation, and customer satisfaction not only reflects organizational competence but also makes a significant contribution to sustainable competitive advantage (Saribanon et al., 2024; Xaviera et al., 2025). A good reputation can increase customer trust, strengthen loyalty, and be a strategic differentiator that is difficult for competitors to replicate. In the logistics services industry, a company's reputation is highly related to the timeliness of delivery, safety of goods, information transparency, and consistency of service quality (Ali

et al., 2021). Therefore, a company's reputation is seen as an important factor that has the potential to affect competitive advantage, both directly and through customer satisfaction perceptions.

PT BGR Logistik Indonesia (hereinafter referred to as PT BGR Indonesia) as one of the digital-based logistics companies in Indonesia has shown its commitment to providing superior and reliable integrated logistics services with the support of information technology systems and service quality certifications such as ISO 9001:2015 (PT BGR Logistik Indonesia, 2025). The implementation of digital innovation and commitment to service quality not only increases operational effectiveness but also has the potential to strengthen customers' positive perception of the company's reputation. A strong reputation is important because stakeholder perceptions of the company often influence customer preferences and loyalty, resulting in competitive advantages in an increasingly challenging logistics market. In addition to reputation, logistics innovation is a strategic variable that determines a company's ability to respond to changes in the business environment. Logistics innovation includes the application of digital technology, the development of logistics information systems, the automation of distribution processes, as well as continuous improvement in supply chain management (Flint et al., 2022). Logistics companies that are able to innovate consistently tend to have higher operational flexibility, more efficient costs, and superior service quality than their competitors. Previous research has shown that logistics innovation contributes significantly to increased customer satisfaction and the competitive advantage of service companies (Huo et al., 2021).

Service satisfaction is a crucial mediating variable in the relationship between a company's reputation, logistics innovation, and competitive advantage. Customer satisfaction reflects consumers' evaluation of the extent to which the services received meet or even exceed their expectations, thus directly influencing loyalty and repurchase decisions (Saribanon et al., 2024). In the context of logistics services, the level of service satisfaction is often influenced by the effectiveness of the management system, delivery reliability, response speed, and the company's ability to adopt technological innovations relevant to customer needs. Service satisfaction is a customer's evaluation of the suitability between expectations and performance of the services received (Kotler & Keller, 2022). In the context of logistics services, service satisfaction is influenced by service reliability, speed of response, ease of access to information, and professionalism of human resources. Service satisfaction has a strategic role as a mediating variable because the company's reputation and logistics innovation do not always directly create a competitive advantage in the absence of positive perceptions from customers. Satisfied customers are more likely to show loyalty, make repeat purchases, and provide positive recommendations, which ultimately strengthens the company's competitive position (Zeithaml et al., 2020).

Competitive advantage is the ability of a company to create higher value than competitors through service differentiation, cost efficiency, or quality excellence. In the logistics industry, competitive advantage is reflected in the company's ability to provide fast, reliable, innovative, and customer-oriented services. The company's reputation and logistics innovation are expected to contribute to competitive advantage, both directly and indirectly through increased service satisfaction. PT BGR Indonesia as a national logistics company has a strategic role in supporting distribution and supply chains in Indonesia. The

Equivalent : Journal Of Economic, Accounting and Management
Vol. 4, No. 2, 2026, Page : 2974-2991

company's efforts in building reputation, adopting digital-based logistics innovations, and improving service quality are important factors in facing the increasingly fierce competition in the logistics industry. However, the extent to which a company's reputation and logistics innovation are able to create a competitive advantage through customer service satisfaction still requires empirical proof.

In line with the development of logistics management practices and strategic competition theory, this study aims to analyze the extent to which the company's reputation and logistics innovation affect PT BGR Indonesia's competitive advantage, mediated by the level of customer service satisfaction. This study is expected to make an empirical contribution to the strategic management and logistics literature, as well as provide practical recommendations for companies in formulating strategies for improving service quality and innovation to maintain a competitive position in national and regional markets.

Problem Identification

1. **Company Reputation**
   PT BGRIndonesia's reputation has not been fully perceived as superior by customers, especially in terms of consistency of service quality and the company's image as an innovative logistics service provider compared to similar competitors.
2. **Logistics Innovation**
   The implementation of logistics innovation at PT BGRIndonesia has not been optimal and has not been felt equally by all customers, so it has not been able to provide strong service differentiation in the midst of competition in the logistics industry.
3. **Service Satisfaction**
   The level of customer service satisfaction of PT BGRIndonesia is still not optimal, especially related to service speed, timeliness of delivery, and responsiveness in handling customer complaints.
4. **Competitive Advantage**
   PT BGRIndonesia's competitive advantage has not been significantly formed, because the services provided are still perceived as relatively similar to competitors and do not yet have uniqueness that is the main differentiator in the market.

Problem Formulation

1. Does the Company's Reputation have a positive and significant effect on the competitive advantage at PT BGR Indonesia?
2. Does the Company's Reputation have a positive and significant effect on Service Satisfaction at PT BGR Indonesia?
3. Does Logistics Innovation have a positive and significant effect on the competitive advantage at PT BGR Indonesia?
4. Does Logistics Innovation have a positive and significant effect on Service Satisfaction at PT BGR Indonesia?
5. Does Service Satisfaction as a mediation variable have a positive and significant effect on the competitive advantage at PT BGR Indonesia?

6. Does the Company's Reputation have a positive and significant effect on the Competitive Advantage with Service Satisfaction as a Mediation variable at PT BGR Indonesia?
7. Does Logistics Innovation have a positive and significant effect on the Competitive Advantage with Service Satisfaction as a Mediation variable at PT BGR Indonesia?

THEORETICAL FOUNDATION

1. Competitive Advantage (Variable Y)

Definition of Competitive Advantage

Competitive advantage is reflected in the organization's ability to differentiate products or services, cost efficiency, and optimal use of internal resources and capabilities to meet customer needs. Dynamic Capabilities Theory explains that a company's competitive advantage is obtained from the organization's ability to integrate, build, and reconfigure internal and external resources to respond to rapid environmental changes, Teece (2018).

Factors Affecting Competitive Advantage

According to Teece (2018) Factors that affect Competitive Advantage include:

1. Company Reputation in Dynamic Capabilities Theory
2. **Logistics Innovation in Dynamic Capabilities Theory**
3. Service Satisfaction in Dynamic Capabilities Theory

Indicators of Competitive Excellence

According to Teece (2018), competitive advantage is not only seen from financial results alone, but from the company's ability to create, capture, and maintain value sustainably through dynamic capabilities. Competitive advantage is reflected through the following indicators: 1) Service Value Differentiation, 2) Innovation-Based Excellence, 3) Speed and Flexibility of Response, 4) Customer Value Creation, 5) Sustainability of Advantage.

2. Service Satisfaction (Mediation Variable (Z))

Definition of Service Satisfaction

Service satisfaction is the level of a customer's evaluation of the quality of service received based on a comparison between initial expectations and actual service performance, which is reflected in the overall service experience (Kotler & Keller, 2022). Service satisfaction indicates the extent to which a service is able to meet or exceed customer expectations, thus influencing attitudes, loyalty, and repurchase behavior..

Factors that affect Service Satisfaction

Kotler and Keller (2022) explain that service satisfaction is influenced by a customer's perception of service performance compared to their expectations. The main factors that affect service satisfaction are as follows: 1) Service Quality, 2) Product/Service Performance, 3) Price and Perceived Value, 4) Customer Expectations, 5) Emotional Factors, 6) Corporate Image and Reputation

Equivalent : Journal Of Economic, Accounting and Management
Vol. 4, No. 2, 2026, Page : 2974-2991

Service Satisfaction Indicators

Kotler and Keller (2022) state that service satisfaction is measured based on a customer's evaluation of service performance compared to his expectations. Key indicators of service satisfaction include: 1) Expectation Fulfillment, 2) Satisfaction with Service Quality, 3) Satisfaction with Accepted Values, 4) Satisfaction with Service Experience, 5) Overall Satisfaction.

3. Company Reputation (X1)

Definition of Company Reputation

Furthermore, Walker (2019) states that company reputation is a comprehensive evaluation that is relatively stable regarding the company's image, behavior, and performance formed through continuous interaction between the company and its stakeholders. In the context of services, a company's reputation acts as a quality signal that affects customer satisfaction, loyalty, and a company's competitive advantage.

Factors that affect the Company's Reputation

Walker (2019) explained that a company's reputation is formed from the collective evaluation of stakeholders on various aspects of the company's performance and behavior. The main factors that affect a company's reputation include: 1) Corporate Performance, 2) Quality of Products and Services, 3) Corporate Communication and Information, 4) Corporate Social Responsibility, 5) Corporate Behavior and Ethics, 6) Relationship with Stakeholders

Company Reputation Indicators

Walker (2019) explained that a company's reputation is a comprehensive evaluation of stakeholders towards the company, which is reflected through the following key indicators: 1) Company Credibility, 2) Quality of Products and Services, 3) Company Performance and Professionalism, 4) Social and Ethical Responsibility, 5) Communication and Transparency, 6) Public Image and Trust

4. Logistics Innovation (X2)

Definition of Logistics Innovation

Furthermore, Huo et al. (2021) stated that logistics innovation is a company's ability to develop and implement new logistics solutions that are responsive to changing market and customer needs, thereby contributing to improving company performance and competitive advantage. In the logistics services industry, logistics innovation plays an important role in improving service speed, delivery reliability, and customer satisfaction.

Factors influencing Logistics Innovation

Huo et al. (2021) explain that logistics innovation is influenced by the company's internal capabilities as well as external support in supply chain management. Key factors influencing logistics innovation include: 1) Information Technology Capabilities, 2) Supply Chain Integration, 3) Customer Onboarding, 4) Organizational Capabilities, 5) Top Management Support.

Logistics Innovation Indicators

Huo et al. (2021) explain that logistics innovation is reflected in the company's ability to develop and implement updates to logistics processes, technologies, and systems to improve service performance and value. Key indicators of logistics innovation include:

1. Logistics Process Innovation
2. Logistics Technology Innovation
3. Logistics System Integration
4. Service Flexibility and Responsiveness
5. Development of New Logistics Solutions

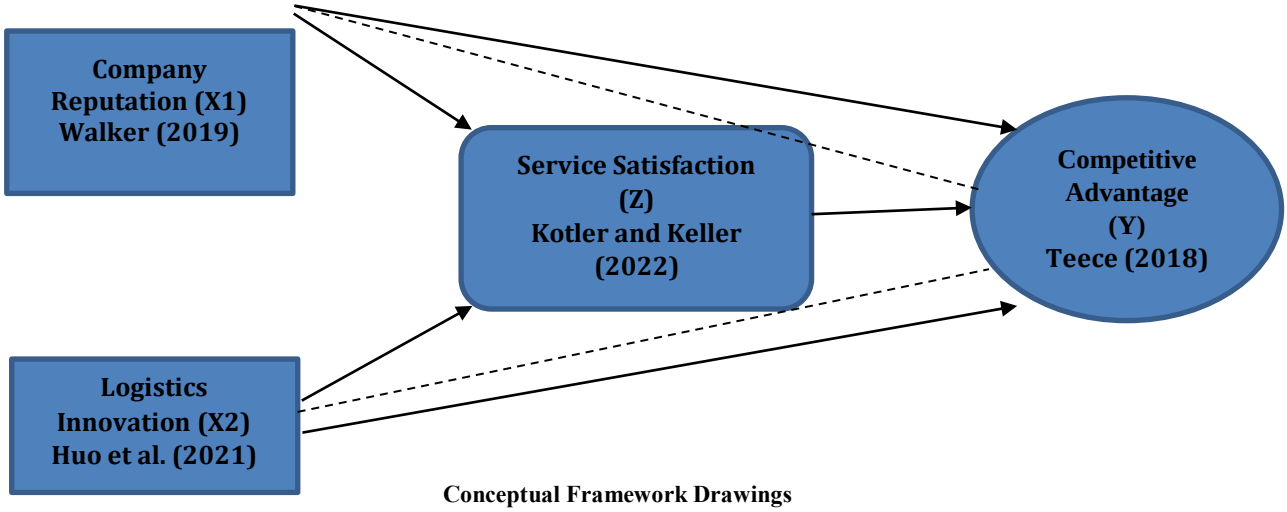
CONCEPTUAL FRAMEWORK

This research departs from the perspective of Dynamic Capabilities Theory (Teece, 2018) which emphasizes that a company's competitive advantage is built through the organization's ability to manage intangible assets, innovate, and create superior service value for customers. In the context of PT BGR Indonesia, the company's reputation and logistics innovation are seen as strategic capabilities that affect competitive advantage, either directly or indirectly through service satisfaction.

Intervariable Relationships

1. Company Reputation → Service Satisfaction; A good company reputation creates customer trust and positive expectations, thus potentially increasing satisfaction with the services received.
2. Logistics Innovation → Service Satisfaction; Logistics innovation through process and technology updates improves the speed, reliability, and flexibility of services, which has an impact on increased customer service satisfaction.
3. Company Reputation → Competitive Advantage; A company's reputation as an intangible asset that is difficult to replicate plays a direct role in creating differentiation and competitive advantage.
4. Logistics Innovation → Competitive Advantage; Logistics innovation allows companies to adapt to market changes and increase service value, thereby strengthening the company's competitive position.
5. Service Satisfaction → Competitive Advantage; Service satisfaction drives customer loyalty and repurchases, which ultimately strengthens the company's competitive advantage.
6. the role of service satisfaction mediation; Service satisfaction plays a role as a mediating variable that bridges the influence of company reputation and logistics innovation on competitive advantage

Equivalent : Journal Of Economic, Accounting and Management
Vol. 4, No. 2, 2026, Page : 2974-2991



Conceptual Framework Drawings
Source: 2026

Research Hypothesis

H1: The Company's Reputation has a positive and significant effect on the competitive advantage at PT BGR Indonesia?
H2: The Company's reputation has a positive and significant effect on service satisfaction at PT BGR Indonesia?
H3: Logistics Innovation has a positive and significant effect on the competitive advantage at PT BGR Indonesia?
H4: Logistics Innovation has a positive and significant effect on Service Satisfaction at PT BGR Indonesia?
H5: Service Satisfaction as a mediation variable has a positive and significant effect on the competitive advantage at PT BGR Indonesia?
H6: The Company's reputation has a positive and significant effect on the Competitive Advantage with Service Satisfaction as a Mediation variable at PT BGR Indonesia?
H7: Logistics Innovation has a positive and significant effect on the Competitive Advantage with Service Satisfaction as a Mediation variable at PT BGR Indonesia?

Method

1. Types of Research

This research is included in quantitative research with an explanatory approach. This approach is used to explain the causal relationship between research variables, namely company reputation and logistics innovation as independent variables, service satisfaction as a mediating variable, and competitive advantage as dependent variables. Based on its purpose, this study is causal associative, because it aims to test the direct and indirect influence between variables through testing the hypotheses that have been formulated.

2. Research Location and Time

This research was carried out at PT BGR Indonesia, which is a company engaged in logistics services and supply chain management. The selection of the research location was based on the consideration that PT BGR Indonesia has a strategic role in the national logistics industry and actively implements logistics innovations and service quality improvement to maintain a competitive advantage in the midst of increasingly competitive industry competition.

3. Population and Sample

Population

The population in this study is all employees of PT BGR Indonesia who are directly involved in operational activities and logistics services. According to Sugiyono (2018), population is a generalized area consisting of objects or subjects that have certain qualities and characteristics that are determined by researchers to be studied and then drawn conclusions.

Based on company data, the number of employees in this study is 120 people. All members of the population have characteristics that are relevant to the research variables, namely company reputation, logistics innovation, service satisfaction, and competitive advantage, so that they are considered worthy of being used as research subjects.

Sample

According to Sugiyono (2019), samples are part of the number and characteristics possessed by the population. In this study, the total population is 120 employees of PT BGR Indonesia. To determine the number of samples, the Slovin formula was used with an error tolerance of 10% (0.10).

$$n = \frac{N}{1 + N\,(e)^2}$$

Known:N = 120 (total population)e = 0.10

So:

N = $\frac{120}{1+ 120(0{,}10)^2}$ = = = = $\frac{120}{1+ 120(0{,}01)}$ $\frac{120}{1 + 1{,}2}$ $\frac{120}{2{,}2}$54.54

Based on the results of the calculation, the number of samples was rounded to **55 respondents**. This sample count was considered to be representative of the population and adequate to analyze the influence of company reputation and logistics innovation on competitive advantage mediated by service satisfaction.

4. Data Types and Sources

Based on its nature, the data used in this study is quantitative data, namely data in the form of numbers and can be analyzed statistically. Quantitative data was obtained from the results of measuring research variables including company reputation, logistics innovation, service satisfaction, and competitive advantage, which were collected through questionnaires with a Likert scale.

5. Data Collection Techniques

1) Questionnaire: contains statements that measure respondents' perception of each research variable.

Equivalent : Journal Of Economic, Accounting and Management
Vol. 4, No. 2, 2026, Page : 2974-2991

2) Brief interviews: conducted with key officials or employees to reinforce quantitative data.
3) Documentation: used to obtain secondary data such as organizational structure, number of employees, and performance reports.

Data Analysis Model

1. Analytical Approach

The data analysis model in this study uses a path analysis approach which is processed with the help of SmartPLS (Partial Least Square) software. This analysis was used to test the direct or indirect influence between independent variables (Company Reputation and Logistics Innovation) on bound variables (Competitive Advantage) and Service satisfaction as a mediating variable.

This analysis model was chosen because it can measure relationships between latent variables that have multiple indicators and makes it possible to see the mediating role between these relationships (Hair et al., 2021).

Results and Discussion

Data Analyst Method

The data was analyzed using **Structural Equation Modeling based on Partial Least Squares (PLS-SEM)** with the help of **SmartPLS software version 3**. PLS-SEM was chosen because it is able to handle data that is not normally distributed, a relatively small sample, and a complex research model with latent variables and their indicators. The analysis began with testing **the outer model** (convergent validity, discriminant, reliability), followed by testing the **inner model** (path coefficient, R^2, statistical t-value via bootstrap) to testing the mediating effect between latent variables. According to Hair, Sarstedt, Ringle & Gudergan (2022)

Evaluation of the Outer Model (***Measurement Model***): **Testing Validity and Reliability**

Convergent validity is part of the *measurement* model which in SEM-PLS is usually referred to as the *outer model* while in *covariance-based* SEM it is called *confirmatory factor analysis* (CFA) (Hair et al., 2022). There are two criteria to assess whether *the outer model* (measurement model) meets the convergence validity requirements for reflective constructs, namely (1) *loading* must be above 0.7 and (2) significant p-value (<0.05) (Hair et al., 2022). However, in some cases, often loading requirements above 0.7 are often not met, especially for newly developed questionnaires. Therefore, *loading* between 0.40-0.70 must still be considered to be maintained (Hair et al., 2022).

Indicators with *loads* below 0.40 should be removed from the model. However, for indicators with *a load* between 0.40 and 0.70, we should analyze the impact of the decision to remove the indicator on *average variance extracted* (AVE) and *composite reliability*. We can remove indicators with *loads* between 0.40 and 0.70 if they can increase *the average variance extracted* (AVE) and *composite reliability* above their limits (treshold) (Hair et al., 2022). The AVE limit value is 0.50 and *the composite reliability* is 0.7. Another consideration in removing indicators is their impact on the *content validity* of the construct. Indicators with *small loads* are sometimes maintained because they contribute

to the validity of the construct content (Hair et al., 2022). Table 1 presents the *loading* values for each indicator:

Table 1 Validity Testing by Loading Factor

	Logistics Innovation (X2)	Service Satisfaction (Z)	Competitive Advantage (Y)	Company Reputation (X1)
X1.1				0.847
X1.2				0.812
X1.3				0.864
X1.4				0.859
X1.5				0.85
X1.6				0.937
X2.1	0.808			
X2.2	0.89			
X2.3	0.875			
X2.4	0.886			
X2.5	0.938			
Y1			0.864	
Y2			0.903	
Y3			0.848	
Y4			0.842	
Y5			0.857	
Z1		0.933		
Z2		0.868		
Z3		0.956		
Z4		0.869		
Z5		0.837		

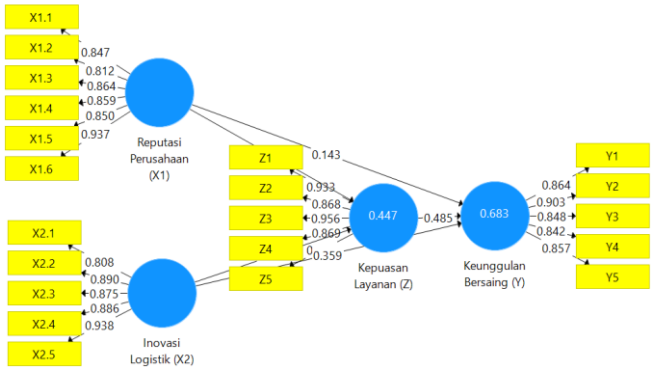


Figure 1 Validity Testing by Loading Factor

Based on the validity test of the loading factor in Table 1 and Figure 1, it is known that all loading values > 0.7, which means that they have met the validity requirements based on the loading value. Furthermore, validity testing was carried out based on *the average variance extracted* (AVE) value

Equivalent : Journal Of Economic, Accounting and Management
Vol. 4, No. 2, 2026, Page : 2974-2991

Table 2 Validity Testing by *Average Variance Extracted* (AVE

	Mean Variance Extracted (AVE)
Logistics Innovation (X2)	0.775
Service Satisfaction (Z)	0.798
Competitive Advantage (Y)	0.745
Company Reputation (X1)	0.744

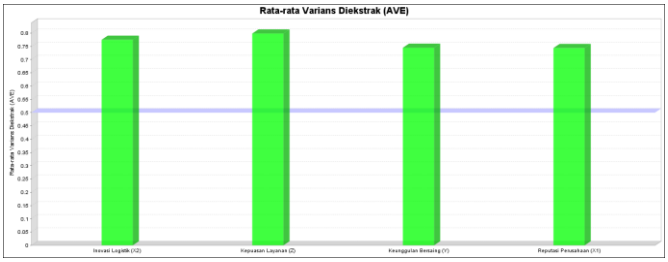


Figure 2 Validity Testing by
Average Variance Extracted (AVE)

The recommended AVE value is above 0.5 (Hair et al., 2022). It is known that all AVE values > 0.5, which means that they have met the validity requirements based on AVE. Furthermore, reliability testing was carried out based on *the composite reliability* (CR) value.

Table 3 Reliability Testing by Composite Reliability (CR)

	Composite Reliability
Logistics Innovation (X2)	0.945
Service Satisfaction (Z)	0.952
Competitive Advantage (Y)	0.936
Company Reputation (X1)	0.946

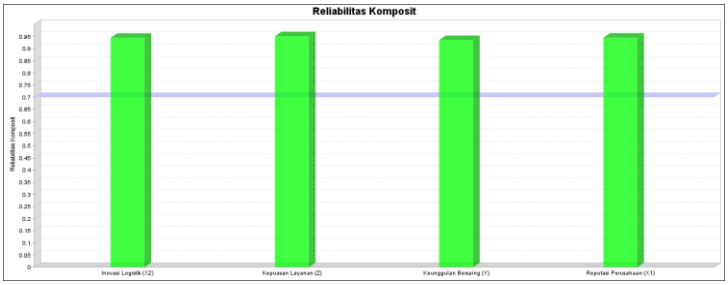


Figure 3 Reliability Testing by
Composite Reliability (CR)

The recommended CR value is above 0.7 (Hair et al., 2022). It is known that all CR values are > 0.7, which means that they have met the reliability requirements based on CR. Next, reliability testing was carried out based on *Cronbach's alpha* (CA) value.

Table 4 Reliability Testing by *Cronbach's Alpha* (CA)

	Cronbach's Alpha
Logistics Innovation (X2)	0.927
Service Satisfaction (Z)	0.936
Competitive Advantage (Y)	0.914
Company Reputation (X1)	0.931

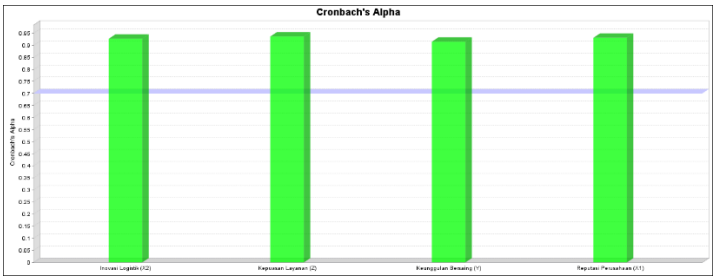


Figure 4 Reliability Testing based on Cronbach's Alpha (CA)

The recommended CA value is above 0.7 (Hair et al., 2022). It is known that all CA values > 0.7, which means that they have met the reliability requirements based on Cronbach's alpha. Next, a discriminatory validity test was carried out using the Fornell-Larcker approach. Table 5 presents the results of the discriminant validity test.

Table 5 Discriminatory Validity Testing

	Logistics Innovation (X2)	Service Satisfaction (Z)	Competitive Advantage (Y)	Company Reputation (X1)
Logistics Innovation (X2)	$\sqrt{AVE_{X2}} =$ 0.88			
Service Satisfaction (Z)	0.571	$\sqrt{AVE_Z} =$ 0.894		
Competitive Advantage (Y)	0.678	0.762	$\sqrt{AVE_Y}$ =0.863	
Company Reputation (X1)	0.291	0.499	0.49	$\sqrt{AVE_{X1}}$ =0.862

In discriminant validity testing, the square root value of AVE of a latent variable is compared to the correlation value between that latent variable and other latent variables. It is known that the square root value of AVE for each latent variable is greater than the correlation value between the latent variable and other latent variables. So it is concluded that it has met the requirements for discriminatory validity.

Influence Significance Test (Boostrapping) (Hypothesis Test) (Inner Model)

Table 6 Test Path Coefficient & Significance Influence

Equivalent : Journal Of Economic, Accounting and Management
Vol. 4, No. 2, 2026, Page : 2974-2991

	Original Sample (O)	Sample Average (M)	Standard Deviation (STDEV)	T Statistics (| O/STDEV |)	P Values
Logistics Innovation (X2) -> Service Satisfaction (Z)	0.465	0.465	0.17	2.738	0.006
Logistics Innovation (X2) -> Competitive Advantage (Y)	0.585	0.584	0.159	3.684	0.000
Service Satisfaction (Z) -> Competitive Advantage (Y)	0.485	0.489	0.234	2.073	0.039
Company Reputation (X1) -> Service Satisfaction (Z)	0.205	0.198	0.081	2.531	0.012
Company Reputation (X1) -> Competitive Advantage (Y)	0.381	0.372	0.168	2.268	0.024

Based on the results of the path coefficient test using SmartPLS, it was found that all relationships between variables in the research model had a positive and significant effect, as evidenced by the Statistical T value of > 1.96 and the P Values < 0.05.

1. Logistics Innovation (X2) → Service Satisfaction (Z)
   Logistics innovation has a positive and significant effect on service satisfaction with a coefficient value of 0.465, Statistical T of 2.738, and P Values of 0.006. This shows that the better the implementation of logistics innovation at PT. BGR Indonesia, the higher the level of service satisfaction felt by customers.
2. Logistics Innovation (X2) → Competitive Advantage (Y)

   Logistics innovation has a positive and significant effect on competitive advantage with a coefficient value of 0.585, Statistical T of 3.684, and P Values of 0.000. These findings indicate that innovation in the logistics process is the main factor in increasing the competitiveness of PT. BGR Indonesia.
3. Service Satisfaction (Z) → Competitive Advantage (Y)
   Service satisfaction had a positive and significant effect on competitive advantage with a coefficient value of 0.485, Statistical T of 2.073, and P Values of 0.039. This means that a high level of service satisfaction is able to strengthen the company's competitive advantage.
4. Company Reputation (X1) → Service Satisfaction (Z)
   The company's reputation has a positive and significant effect on service satisfaction with a coefficient value of 0.205, Statistical T of 2.531, and P Values of 0.012. These results show that a good company reputation can increase customer trust and satisfaction with PT. BGR Indonesia.
5. Company Reputation (X1) → Competitive Advantage (Y)
   The company's reputation has a positive and significant effect on competitive advantage with a coefficient value of 0.381, T Statistics of 2.268, and P Values of 0.024. Thus, a company's reputation plays an important role in creating a sustainable competitive advantage.

Determination Coefficient Test (R Square)

The value of R Square (R^2) indicates the ability of independent variables to explain the variation of dependent variables, while Adjusted R Square is the value of R Square that has been adjusted to the number of predictor variables in the model.

Table 7 R-Square and Adjusted R

	R Square	Adjusted R Square
Service Satisfaction (Z)	0.447	0.426
Competitive Advantage (Y)	0.683	0.665

Based on the results of the R Square (R^2) test, the value of the determination coefficient for each endogenous variable was obtained as follows:

1. Service Satisfaction (Z)
   The R Square value of 0.447 and the Adjusted R Square of 0.426 indicate that 44.7% of the variation in Service Satisfaction can be explained by independent variables in the research model, namely Company Reputation and Logistics Innovation. Meanwhile, the remaining 55.3% were influenced by other variables outside the research model. The R Square value is included in the moderate category, which shows that the model is quite good at explaining service satisfaction.
2. Competitive Advantage (Y**)**

   The R Square value of 0.683 and the Adjusted R Square of 0.665 indicate that 68.3% of the variation in Competitive Advantage can be explained by Company Reputation, Logistics Innovation, and Service Satisfaction. The remaining 31.7% is influenced by other factors outside the model. This value is relatively strong (substantial), so it can be concluded that the research model has a high clarity in explaining the competitive advantage of PT. BGR Indonesia.

Goodness of Fit Test (SRMR)

SRMR (*Standardized Root Mean Square Residudual*) is one of the measures of *goodness of fit* in PLS-SEM analysis which is used to assess the compatibility between **the observed correlation matrix** and the **correlation matrix predicted by the model.** The smaller the SRMR value, the better the suitability of the research model.

Table 8 Goodness of Fit Model Testing

Equivalent : Journal Of Economic, Accounting and Management
Vol. 4, No. 2, 2026, Page : 2974-2991

	Saturated Models
SRMR	0.081

It is known that based on the results of the SRMR goodness of fit test, the SRMR value = 0.081 < 0.1, it is concluded that the model has FIT.

Table 9

	Original Sample (O)	Sample Average (M)	Standard Deviation (STDEV)	T Statistics (| O/STDEV |)	P Values
Logistics Innovation (X2) -> Service Satisfaction (Z) -> Competitive Advantage (Y)	0.298	0.291	0.112	2.661	0.008
Company Reputation (X1) -> Service Satisfaction (Z) -> Competitive Advantage (Y)	0.254	0.247	0.103	2.466	0.014

Mediation Testing

Based on the results of the indirect influence test, it was found that Service Satisfaction (Z) was proven to be able to significantly mediate the relationship between Logistics Innovation and Company Reputation on Competitive Advantage at PT. BGR Indonesia. This is shown by the Statistical T value > 1.96 and the P Values < 0.05.

1. Logistics Innovation (X2) → Service Satisfaction (Z) → Competitive Advantage (Y)
   The test results showed a coefficient value of 0.298, with a Statistical T of 2.661 and a P Value of 0.008. These findings show that logistics innovation has a positive and significant effect on competitive advantage through increased service satisfaction. This means that the better the logistics innovations that are implemented, the service satisfaction will increase and ultimately strengthen the company's competitive advantage.
2. Company Reputation (X1) → Service Satisfaction (Z) → Competitive Advantage (Y)
   The test results showed a coefficient value of 0.254, with a Statistical T of 2.466 and a P Value of 0.014. This indicates that the company's reputation has a positive and significant effect on competitive advantage through service satisfaction. Thus, a good company reputation is able to increase customer service satisfaction, which further impacts increased competitive advantage.

Conclusion

Based on the results of the study, it can be concluded that:

1. Logistics Innovation (X2) → Service Satisfaction (Z)
   Logistics innovation has a positive and significant effect on service satisfaction with a coefficient value of 0.465, Statistical T of 2.738, and P Values of 0.006. This

shows that the better the implementation of logistics innovation at PT. BGR Indonesia, the higher the level of service satisfaction felt by customers.

2. Logistics Innovation (X2) → Competitive Advantage (Y)
   Logistics innovation has a positive and significant effect on competitive advantage with a coefficient value of 0.585, Statistical T of 3.684, and P Values of 0.000. These findings indicate that innovation in the logistics process is the main factor in increasing the competitiveness of PT. BGR Indonesia.
3. Service Satisfaction (Z) → Competitive Advantage (Y)
   Service satisfaction had a positive and significant effect on competitive advantage with a coefficient value of 0.485, Statistical T of 2.073, and P Values of 0.039. This means that a high level of service satisfaction is able to strengthen the company's competitive advantage.
4. Company Reputation (X1) → Service Satisfaction (Z)
   The company's reputation has a positive and significant effect on service satisfaction with a coefficient value of 0.205, Statistical T of 2.531, and P Values of 0.012. These results show that a good company reputation can increase customer trust and satisfaction with PT. BGR Indonesia.
5. Company Reputation (X1) → Competitive Advantage (Y)
   The company's reputation has a positive and significant effect on competitive advantage with a coefficient value of 0.381, T Statistics of 2.268, and P Values of 0.024. Thus, a company's reputation plays an important role in creating a sustainable competitive advantage.
6. Logistics Innovation (X2) → Service Satisfaction (Z) → Competitive Advantage (Y)
   The test results showed a coefficient value of 0.298, with a Statistical T of 2.661 and a P Value of 0.008. These findings show that logistics innovation has a positive and significant effect on competitive advantage through increased service satisfaction. This means that the better the logistics innovations that are implemented, the service satisfaction will increase and ultimately strengthen the company's competitive advantage.
7. Company Reputation (X1) → Service Satisfaction (Z) → Competitive Advantage (Y)
   The test results showed a coefficient value of 0.254, with a Statistical T of 2.466 and a P Value of 0.014. This indicates that the company's reputation has a positive and significant effect on competitive advantage through service satisfaction. Thus, a good company reputation is able to increase customer service satisfaction, which further impacts increased competitive advantage.

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