SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

# Leveraging Distinctive Competency for Competitive Advantages: Mediating of Value Creation and Moderating of Service Innovation in Indonesia's Ferry Transport Companies

**Solikin[1], HM Thamrin[2], Suharto Abdul Majid[3], Librita Arifiani[4], Euis Saribanon*[5]**

[1, 2, 3, 4, 5] Institut Transportasi dan Logistik Trisakti, Indonesia

**Article Info**

***Article history:***

Received, 31-08-2024
Revised, 05-09-2024
Accepted, 07-11-2024

***Keywords:***

Competitive Advantages, Distinctive Competency, Service Innovation, Value Creation, Transportation, Logistics

**ABSTRACT**

This study aims to explain how distinctive competency can leverage the competitive advantages of Indonesia's ferry transport companies, mediated by value creation and moderated by service innovation. A quantitative approach (positivistic paradigm) and survey methods were employed. The research population consisted of 249 directors from 42 ferry transportation companies operating on four commercial routes, with a sample size of 153. The main findings indicate that distinctive competency has a direct, positive, and significant effect on the competitive advantages of Indonesia's ferry transport companies. Additionally, value creation mediates the relationship between distinctive competency and competitive advantages, while service innovation moderates the relationship between value creation and competitive advantages. The findings suggest that ferry transport companies in Indonesia should focus on developing and enhancing their distinctive competencies to create value and sustain competitive advantages. Moreover, investing in service innovation can strengthen the impact of value creation on competitive advantages, ensuring long-term success in a competitive market. This study contributes to the literature by integrating the roles of value creation and service innovation into the relationship between distinctive competency and competitive advantages in the context of the ferry transport industry, a sector that has received limited attention in previous research.



***Corresponding Author:***

Euis Saribanon
Faculty of Management and Busines ITL Trisakti, Jakarta
Email: nengnonon04@gmail.com

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

## Introduction

Transportation has developed into a point of connectivity that can unite and intertwine various identities of people in Indonesia (including ethnicity, culture, race, and language). To strengthen this identity, the government, through the Ministry of Transportation, continues to strive to build transportation infrastructure throughout the region, including at border and remote locations. Transportation plays a crucial role in connecting regions and is essential for economic development and growth [1]. This is particularly true for Indonesia, given its distinctive geographical makeup as an archipelago [2]. The vast distances between islands, stretching from Sabang to Merauke, necessitate a robust network of land, air, and sea transportation. These logistical demands present significant opportunities for entrepreneurs to venture into the transportation and logistics industries. As a result, Indonesia's transportation sector continues to expand, demonstrating a positive growth trend and intensifying competition [3]. Business transformations across various sectors, including shipping, have been significantly influenced by globalization, which supports maritime transportation and logistics activities [4]. This shift has intensified competition among corporations, favoring only those with strong competitive advantages [5]. Companies with lower or limited competitive advantages struggle to survive and may even face bankruptcy [6]. This trend is evident among ferry transportation companies in Indonesia, particularly those operating on major routes such as Merak-Bakauheni, Kayangan-Pototano, Selamat-Padangbai, and Ketapang-Gilimanuk.

The ferry transportation sector can consistently provide better services than its competitors [7]. However, based on initial observations, the competitive advantages of ferry transportation companies in Indonesia is still low due to several factors. The use of outdated or inappropriate ships, as mentioned, can lead to inefficiencies, higher maintenance costs, and reduced safety and comfort for passengers [8]. This not only diminishes customer satisfaction but also makes it difficult for companies to compete with those offering more modern and reliable vessels. This condition is exacerbated by the fact that the ships used are

unsuitable. A lack of investment in service innovation, such as digital ticketing systems, onboard amenities, or eco-friendly practices, can prevent ferry companies from differentiating themselves in the market. Without continuous improvements in service quality and customer experience, these companies may struggle to attract and retain customers [9]. Poor management and inefficient operational practices, such as suboptimal route planning, inadequate scheduling, or delays, can lead to lower customer satisfaction and higher operational costs. These inefficiencies make it harder for ferry companies to compete on price, service quality, and reliability, thus weakening their competitive advantages [10]. To excel, these companies must leverage value creation and distinctive competencies [11], while also embracing service innovation to amplify their competitive advantage [12].

To measure competitive advantages in ferry transport companies, it can refer to strategic management and business competitiveness [13]. Here, at least four dimensions can be identified: Cost Leadership, Service Quality, Innovation Capability, and Market Share. Companies that can offer services at lower costs while maintaining quality can attract more customers and achieve a competitive advantage [14]. Service quality can assess customer feedback on service quality, punctuality, safety, comfort, and the overall customer experience provided by the service [15]. Innovation capability can evaluate the company's ability to innovate in areas such as digital ticketing, customer service platforms, and onboard amenities, as well as its responsiveness to technological advancements [16]. In market share, the company can measure market share relative to competitors and the loyalty of its customer base, including the frequency of repeat customers and brand preference [17].

Distinctive competency refers to the unique strengths or capabilities that a company possesses, which are difficult for competitors to replicate or imitate [18]. For ferry transport companies, this could involve advanced technology in navigation, superior fleet management practices, or exceptional customer service. Companies can offer services that stand out in the marketplace by building on these competencies [19]. This unique position allows companies to achieve better operational efficiency, enhance service reliability, and

build a strong brand reputation, all of which contribute to a sustainable competitive advantage. Measuring distinctive competency in a ferry company using the dimensions of unique skills, difficulty to imitate, unique services, and industry leadership [19], [20], [21]. The unique skills focus on to assess the specialized expertise or technical abilities that set the company apart. Hard to imitate measures how difficult it is for competitors to replicate the company's strengths. Unique services evaluate the distinctiveness of the services offered that differentiate the company from others. Industry leadership can assess the company's position as a leader within the ferry transportation industry.

Competitive advantages arise when a company creates more value for its customers than its competitors do [11]. This value can be in the form of better products, lower prices, superior customer service, or unique features. Through value creation, companies can differentiate themselves from competitors [14]. This differentiation can be based on quality, innovation, customer experience, or brand reputation. Value creation enhances customer satisfaction and loyalty, which are critical for maintaining a competitive advantage. Value creation is the engine that drives competitive advantages, enabling companies to attract and retain customers, differentiate themselves in the market, and achieve long-term sustainability [22]. To effectively drive business success through value creation, companies need to address three key dimensions: value to company, value to employees, and value to customers. Value to the company focuses on the economic benefits that value creation brings to the business itself. It includes increased profitability, improved operational efficiency, stronger brand reputation, and long-term sustainability [23]. For ferry transport companies, this could mean optimizing routes to reduce costs, adopting technology to enhance fleet management, and driving growth through innovation. Creating value for employees involves fostering a positive work environment, offering opportunities for skill development, and providing competitive compensation [24]. Value to Customers emphasizes delivering exceptional customer experiences that meet or exceed expectations [25]. For ferry

companies, this could involve offering safe, reliable, and comfortable services, as well as providing innovations such as digital ticketing or eco-friendly options.

In business innovation, various ideas can be created. This is not only related to product innovation but also to service innovation that service companies can provide. Service innovation includes the ability to anticipate changes in customer behavior, needs, expectations, and consequences, and the competence to design better services and create new service concepts [26]. In this way, the service innovation can be measured by: (1) strategizing capability as the capability to organize various things around consumer and community needs that are strategically placed to increase service value; (2) Knowledge Management Capability as the capability to organize and optimize intellectual potential in the company that is a source for creating various new service innovations according to consumer and community desires; (3) Networking Capability as organizational capability to expand social networks that can expand marketing and sales; and (4) Customer Involvement Capability, namely organizational capability to formulate mutually beneficial and reciprocal cooperation with consumers to be able to produce various new innovations in the service sector (service innovation).

Based on the results of previous research, competitive advantage is influenced by distinctive competency [27], value creation [25], and service innovation [26]. Despite the established relationships among variables, there are still critical gaps in the context of ferry transport companies in Indonesia. Previous studies have largely focused on general industry contexts or other transportation sectors but have not sufficiently addressed the unique challenges faced by ferry transport companies in an archipelagic country like Indonesia. While individual studies have explored the impact of distinctive competency, value creation, and service innovation on competitive advantage, few have examined how these variables interact within the same model. So, there is still a gap in understanding how to accurately measure distinctive competency, value creation, and service innovation in the context of Indonesian ferry transport companies.

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

The model of leveraging distinctive competency for competitive advantages, with the mediating role of value creation and moderating impact of service innovation in Indonesia's Ferry Transport Companies can be depicted in the research paradigm in Figure 1.

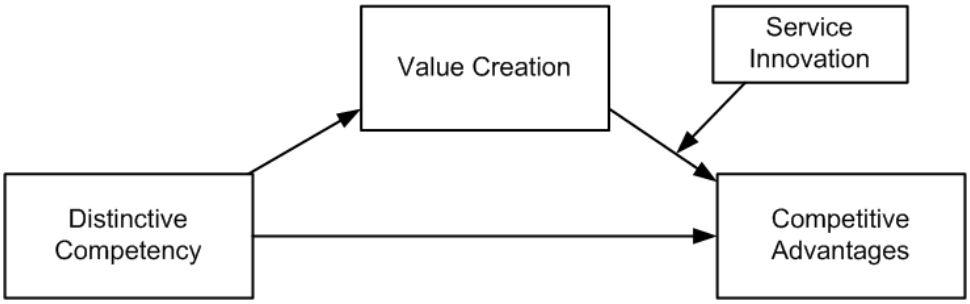


**Figure 1.** Cognitive Process Dimension

Based on the conceptual description, relevant research, research framework, and research model above, the research hypothesis can be formulated as follows: H1: Distinctive competency positively affects value creation. H2: Distinctive competency positively affects competitive advantages. H3: Value creation positively affects competitive advantages. H4: Value creation mediates the relationship between distinctive competency and competitive advantage. H5: Service innovation moderates the relationship between value creation and competitive advantages.

## Method

The approach used in this research is quantitative (positivistic paradigm) and survey methods. For this reason, this research design is causal with structural equation modeling (SEM) analysis. The design was carried out in an explanatory manner. This research only analyzes several ferry companies operating on four Indonesia's main routes in 2023. The population of this research is 249 directors and officials of 42 ferry transportation companies operating on those commercial routes. The choice of the population is based on the

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

consideration that the directors represent the owners or shareholders of the company, and officials one level below the directors are the foremost leaders of the company who also determine the operation of the companies. Referring to the calculation results above, the sample for this research was determined to be 153 directors and officials, with sampling carried out using simple random sampling. The data collection technique uses a questionnaire based on a Likert scale.

Based on the conceptual and operational definitions described previously, variable measurements can be explained in Table 1.

**Table 1.** Measurement of variables

| Variables | Indicators | Items |
|---|---|---|
| Distinctive Competency | 1. Unique Skills | 1. Employee Expertise<br>2. Operational Efficiency<br>3. Technical Capabilities |
| | 2. Hard to Imitate | 4. Proprietary Technologies or Processes<br>5. Brand Reputation<br>6. Cultural Uniqueness |
| | 3. Unique Services | 7. Service Offerings<br>8. Customization and Personalization<br>9. Innovation in Services |
| | 4. Industry Leadership | 10. Market Share<br>11. Awards and Recognition<br>12. Strategic Alliances |
| Value Creation | 1. Value to the Company | 1. Increased profitability<br>2. Improved operational efficiency<br>3. Stronger brand reputation |
| | 2. Value to Employees | 4. Positive work environment<br>5. Opportunities for skill development<br>6. Providing competitive compensation |
| | 3. Value to Customers | 7. Customer experience<br>8. Excellent services |

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

| | | |
|---|---|---|
| | | 9. Digital innovation |
| Service Innovation | 1. Strategizing Capability | 1. Market Analysis<br>2. Innovation Planning<br>3. Goal Alignment |
| | 2. Knowledge Management Capability | 4. Knowledge Sharing<br>5. Continuous Learning<br>6. Knowledge Storage |
| | 3. Networking Capability | 7. Partnerships with External Organizations<br>8. Industry Participation<br>9. Resource Access through Networks |
| | 4. Customer Involvement Capability | 10. Customer Feedback Integration<br>11. Co-Creation of Services<br>12. Customer Engagement |
| Competitive Advantages | 1. Cost Leadership | 1. Operating costs<br>2. Pricing strategies<br>3. Cost efficiency |
| | 2. Service Quality | 4. Customer satisfaction<br>5. Service reliability<br>6. Perceived service excellence. |
| | 3. Innovation Capability | 7. Introduction of new services<br>8. Adoption of technology<br>9. Responsiveness to market changes. |
| | 4. Market Share | 10. Market penetration<br>11. Repeat customer rate<br>12. Customer loyalty |

Source: Processed primary data, 2024

Instrument trial calibration means that before being used to collect research data, the research instrument in the form of a questionnaire is first tested for validity and reliability. The results of the validity and reliability test of the instrument show that all items from each indicator and variable have met the criteria. Primary data was obtained by distributing questionnaires to respondents. In the descriptive analysis test, the condition of each variable is described based on the score, mean, and percentage. Hypothesis testing in this research was carried out using Partial Least Square, which was processed using SmartPLS software.

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

This analysis includes two parts. The first is the measurement model (outer model), which measures how each indicator is related to the latent variable. The second is a structural model (inner mode), which tests the hypothesis through the significance of path coefficients using bootstrapping techniques.

## Results and Discussion

This section summarizes the findings related to respondent profiles, data descriptions, and PLS (measurement and structural model) estimation. Respondent profiles based on gender, age, highest level of education, marital status, and length of work are presented in Table 2.

**Table 2.** Respondents' profile

| | Frequency | Percentage |
|---|---|---|
| Gender | | |
| Male | 145 | 94.77 |
| Female | 8 | 5.23 |
| Age | | |
| ≤ 30 years | 12 | 7.84 |
| > 30 – 40 years | 16 | 10.46 |
| > 40 – 50 years | 24 | 15.69 |
| > 50 years | 101 | 66.01 |
| Education | | |
| High school | 20 | 13.07 |
| Diploma III | 4 | 2.61 |
| Undergraduate (S1) | 73 | 47.71 |
| Magister (S2) | 52 | 33.99 |
| Doctoral (S3) | 4 | 2.61 |
| Work Length | | |
| ≤ 5 years | 12 | 7.84 |
| 6 – 10 years | 8 | 5.23 |
| 11 – 15 years | 24 | 15.69 |

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

| | | |
|---|---|---|
| 16 – 20 years | 4 | 2.61 |
| > 20 year | 105 | 68.63 |
| | | |
| Marital Status | | |
| Married | 145 | 94.77 |
| Not Married | 8 | 5.23 |
| | | |
| Total | 153 | 100.00 |

Source: Processed primary data, 2024

Table 2 illustrates that the leaders of ferry transportation companies operating on four commercial routes in Indonesia are dominated by males with an age of more than 50 years, a bachelor's degree (S1), marital status of married, and a length of service of more than 20 years. The number of women as leaders is minimal, making this profession belong to men. Age maturity also determines whether someone becomes a leader. The selection of leaders does not show any educational-oriented tendencies, although it is dominated by undergraduate education. Evidence of unmarried leaders indicates that the company does not require marital status for leadership procession. There is a tendency for tenure to be related to the leadership determination.

The variables studied (Distinctive Competency, Value Creation, Service Innovation, and Competitive Advantages) show various data descriptions, as seen from the score values, means, and percentages. Table 3 presents a statistical description of each variable.

**Table 3.** Descriptive Statistics

| **Dimensions** | **Code** | **Score** | **Mean** | **Percentage** |
|---|---|---|---|---|
| Unique Skills | X11 | 1,799 | 3.919 | 73.0 |
| Hard to Imitate | X12 | 1,721 | 3.749 | 68.7 |
| Unique Services | X13 | 1,807 | 3.937 | 73.4 |
| Industry Leadership | X14 | 1,699 | 3.702 | 67.5 |
| Value to the Company | X21 | 1,833 | 3.993 | 74.8 |
| Value to Employees | X22 | 1,718 | 3.743 | 68.6 |
| Value to Customers | X23 | 1,743 | 3.797 | 69.9 |

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

| | | | | |
|---|---|---|---|---|
| Strategizing Capability | X31 | 1,709 | 3.723 | 68.1 |
| Knowledge Management Capability | X32 | 1,783 | 3.885 | 72.1 |
| Networking Capability | X33 | 1,739 | 3.789 | 69.7 |
| Customer Involvement Capability | X34 | 1,710 | 3.725 | 68.1 |
| Cost Leadership | Y1 | 1,810 | 3.943 | 73.6 |
| Service Quality | Y2 | 1,729 | 3.767 | 69.2 |
| Innovation Capability | Y3 | 1,849 | 4.028 | 75.7 |
| Market Share | Y4 | 1,682 | 3.664 | 66.6 |

Source: Processed primary data, 2024

The measurement model tests and evaluates the relationships between indicators and their constructs (latent variables). Here, the reliability and validity of the measurement model is estimated. For convergent validity, this calculation can refer to the loading factor of each indicator, as presented in Table 4.

**Table 4.** Loading Factor

| **Dimensions** | **Code** | **Lambda** |
|---|---|---|
| Unique Skills | X11 | 0,867 |
| Hard to Imitate | X12 | 0,885 |
| Unique Services | X13 | 0,790 |
| Industry Leadership | X14 | 0,817 |
| Value to the Company | X21 | 0,903 |
| Value to Employees | X22 | 0,859 |
| Value to Customers | X23 | 0,905 |
| Strategizing Capability | X31 | 0,881 |
| Knowledge Management Capability | X32 | 0,882 |
| Networking Capability | X33 | 0,895 |
| Customer Involvement Capability | X34 | 0,862 |
| Cost Leadership | Y1 | 0,866 |
| Service Quality | Y2 | 0,871 |
| Innovation Capability | Y3 | 0,852 |
| Market Share | Y4 | 0,873 |

Source: Processed primary data, 2024

Table 4 shows that the loading factor value for all variables is more than 0.5, which shows that all indicators are valid and represent variables. For construct reliability and

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

validity, the calculations can refer to Cronbach's alpha (CA), composite reliability (CR), and average variance extracted (AVE) values, as presented in Table 5.

**Table 5.** Construct Reliability and Validity

| Variables | CA | CR | AVE |
|---|---|---|---|
| Distinctive Competency | 0.861 | 0.906 | 0.707 |
| Value Creation | 0.868 | 0.919 | 0.791 |
| Service Innovation | 0.903 | 0.932 | 0.774 |
| Competitive Advantages | 0.888 | 0.923 | 0.749 |

Source: Data Processed, 2024

Table 5 shows that all values of CA and CR are > 0.7, so all variables (constructs) are reliable. The AVE value for all variables is also greater than 0.5, so it is valid [28]. Thus, all research variables are valid, reliable, and suitable for use and further analysis. Structural model measurements include model fit testing, R-squared ($R^2$), and hypothesis testing, which includes path coefficient) and significance tests. The results of the model fit test are presented in Table 6.

**Table 6.** Model Fit

| | Saturated Model | Estimated Model |
|---|---|---|
| SRMR | 0.065 | 0.076 |
| d_ULS | 0.51 | 0.692 |
| d_G | 0.489 | 0.543 |
| Chi-Square | 438.337 | 463.065 |
| NFI | 0.794 | 0.783 |

Source: Data Processed, 2024

Based on Table 6, it can be seen that the NFI (Normed Fit Index) value is 0.794. The NFI value is 0-1, derived from comparing the hypothesized and specific independent models. The model has a high fit the closer it is to 1. The NFI value obtained in this research is 0.794, so it has a good model fit. It means that this research's hypothesis model is suitable or follows

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

the empirical model obtained from this data. The results of the coefficient of determination or R-squared ($R^2$) are presented in Table 7.

**Table 7.** Coefficient of Determination

| | R-Squared | Adjusted R-Square |
|---|---|---|
| Value Creation | 0.715 | 0.714 |
| Competitive Advantages | 0.801 | 0.796 |

Source: Data Processed, 2024

The $R^2$ for the competitive advantage variable is 0.891 (see Table 7). The table shows that distinctive competency, value creation, and service innovation influence 80.1% of the variation in changes in competitive advantage of ferry companies. In comparison, the remaining 19.9% is caused by other variables not involved in this research. Table 8 summarizes hypothesis testing results, which show the coefficient, t-stat, and t-table values.

**Table 8.** Results of Hypotheses Testing

| Path | Coefficient | t-stat | Prob. ($\alpha$ = 0.05) | Hypothesis |
|---|---|---|---|---|
| X1 → X2 | 0.846 | 33.320** | 0.000 | Supported |
| X1 → Y | 0.332 | 4.160** | 0.000 | Supported |
| X2 → Y | 0.296 | 3.197** | 0.001 | Supported |
| X1 → X2 → Y | 0.251 | 3.190** | 0.000 | Supported |
| X2*Mod → Y | 0.064 | 3.053** | 0.002 | Supported |

Source: Data Processed, 2024

Several findings from the hypothesis testing results (see Table 8) can be stated here: 1) Distinctive competency has a direct positive and significant effect on value creation. With improvement in distinctive competency, it can increase value creation. 2) Distinctive competency has a direct positive and significant effect on competitive advantages. Thus, improving distinctive competency can increase competitive advantages. 3) Value creation has a direct positive and significant effect on competitive advantages. Therefore, improving value creation can increase competitive advantages. 4) Value creation mediates the

relationship between distinctive competency and competitive advantages. The effect of distinctive competency on competitive advantages will be stronger through the value creation. 5) Service innovation moderates the relationship between value creation and competitive advantages. Service innovation can strengthen the effect of value creation on competitive advantages.

## Discussion

The finding that distinctive competency has a direct positive and significant effect on value creation suggests that the unique skills, resources, and capabilities that ferry transport companies in Indonesia possess play a crucial role in generating value for the company, employees, and customers. This relationship is critical for the sustainability and competitiveness of these companies, particularly in an archipelagic country like Indonesia. Distinctive competencies also help ferry companies differentiate themselves from competitors [29]. For instance, companies that excel in customer service, safety, and innovation can build a stronger brand reputation [30]. In an industry where customers prioritize safety and reliability, ferry companies that demonstrate superior capabilities can create value for customers by offering peace of mind and high-quality services. This differentiation not only enhances customer loyalty but also positions the company as a leader in the market, contributing to value creation for the company through increased market share.

In Indonesia's diverse geographical context, distinctive competency may also involve leveraging local knowledge to customize services for different routes and customer needs. Companies that understand the specific conditions and demands of routes such as Merak-Bakauheni or Ketapang-Gilimanuk can create tailored services that resonate with local customers, enhancing their perceived value. This customer-centric approach improves customer satisfaction and loyalty, contributing to long-term value creation [31]. Investing in training employees and adopting new technologies is another way to enhance distinctive competency, which further drives value creation [32]. The positive effect of distinctive competency on value creation in Indonesia's ferry transport companies highlights the

importance of continuously improving and leveraging unique skills, resources, and capabilities.

The finding that distinctive competency has a direct positive and significant effect on competitive advantages underscores the critical role of unique organizational skills and capabilities in shaping the success of ferry transport companies in Indonesia. In an industry characterized by intense competition and operational complexity due to the archipelagic nature of the country, distinctive competencies serve as a key differentiator that can propel companies ahead of their rivals [33]. Distinctive competency in Indonesia's ferry transport sector often revolves around superior operational efficiency and service reliability. Companies with a highly trained workforce, advanced fleet management systems, and optimized route planning are able to deliver more consistent and timely services. Ferry transport companies that invest in developing distinctive competencies related to innovation are better equipped to adapt to changing market conditions and customer preferences. This ability to innovate is a distinctive competency that provides a sustainable competitive advantage [34].

Distinctive competency also plays a crucial role in building a strong brand reputation, which is vital for long-term competitive advantages [35]. Customers are more likely to trust and remain loyal to a company with a proven track record of delivering quality services, which can lead to higher market share and pricing power. In Indonesia's ferry transport industry, where operational challenges and competition are significant, distinctive competency acts as a cornerstone for building and sustaining competitive advantages. By continually enhancing unique skills, adopting innovations, and building a strong brand reputation, ferry companies can set themselves apart from competitors. This not only strengthens their market position but also ensures long-term success in an increasingly competitive and dynamic environment [36].

The finding that value creation has a direct positive and significant effect on competitive advantages underscores the importance of delivering value not only to

customers but also to the company and its employees in shaping the competitive edge of Indonesia's ferry transport companies. In an industry that faces significant operational challenges due to the archipelagic nature of Indonesia, value creation is a critical mechanism through which ferry companies can differentiate themselves, enhance service quality, and build a loyal customer base. One of the primary avenues through which value creation influences competitive advantages is by enhancing the customer experience [37]. Ferry companies that invest in creating value for their passengers—whether through improved safety measures, enhanced comfort on board, or innovative digital services like online ticketing and real-time tracking—can differentiate themselves from competitors. This enhanced customer experience translates into higher levels of customer satisfaction and loyalty, which in turn strengthens the company's competitive position in the market [24].

Value creation is also critical from an internal perspective, particularly in how ferry companies treat and empower their employees. Investing in employee training, development, and well-being leads to higher levels of job satisfaction and engagement. This improvement in operational performance further enhances the company's ability to compete, as it leads to smoother operations, better service delivery, and increased productivity [38]. Companies that effectively create value internally can reinvest these gains into further service improvements, fleet expansion, or technological advancements, ensuring that they remain competitive in the long term [11]. In Indonesia's ferry transport industry, value creation is a vital driver of competitive advantages. By focusing on delivering value across multiple dimensions—customers, employees, and the company—ferry transport companies can differentiate themselves in a highly competitive market. The consistent pursuit of value creation not only enhances service quality and operational performance but also builds a foundation for long-term competitive success in the industry.

The finding that value creation mediates the relationship between distinctive competency and competitive advantages emphasizes the dynamic interaction between a company's unique skills and its ability to generate value for stakeholders [23]. In the context

of Indonesia's ferry transport companies, this relationship reveals that distinctive competencies alone are not sufficient to ensure competitive advantages—these competencies must be translated into value that benefits customers, employees, and the company itself. Value creation acts as the mechanism through which distinctive competencies are realized, thus enhancing competitive advantages [39]. Distinctive competencies, such as advanced maritime navigation skills, specialized safety protocols, and efficient logistics management, provide ferry companies with a solid foundation for value creation. These unique capabilities allow companies to develop superior services that stand out in the market [40]. However, the impact of these competencies on competitive advantages becomes significantly stronger when they are leveraged to create tangible value.

The mediating role of value creation means that the distinctive competencies held by ferry transport companies must be utilized in ways that generate meaningful benefits. Value creation serves as the pathway through which these competencies are converted into competitive advantages [41]. The effect of distinctive competency on competitive advantages is amplified when companies focus on value creation. By aligning their unique skills with value-generating activities, ferry companies can enhance their service offerings, build stronger relationships with customers, and improve their operational efficiency. This amplified effect not only helps ferry companies differentiate themselves from competitors but also ensures that their competitive advantages are sustainable over the long term [42]. In Indonesia's ferry transport industry, value creation plays a crucial mediating role in strengthening the effect of distinctive competency on competitive advantages. While distinctive competencies provide a foundation for success, it is through value creation that these competencies are fully realized, enabling companies to enhance their competitive positioning.

The finding that service innovation moderates the relationship between value creation and competitive advantages highlights the pivotal role of innovation in enhancing the effectiveness of value creation efforts [31]. In Indonesia’s ferry transport industry,

service innovation acts as a critical enhancer that strengthens the impact of value creation on competitive advantages, making ferry companies more adaptable, customer-focused, and forward-looking in a competitive market. Service innovation enables ferry companies to differentiate their offerings by introducing new and improved services that meet evolving customer needs. Whether through enhanced digital ticketing systems, more personalized customer service, or integrating real-time data for route optimization, service innovation allows companies to create additional value for customers [43]. This value-adding innovation amplifies the effect of value creation on competitive advantages by ensuring that the benefits provided to customers are continually evolving and improving.

The findings emphasize that ferry transport companies in Indonesia should prioritize developing and enhancing their distinctive competencies, such as specialized skills, operational efficiency, and innovation. By leveraging these unique strengths, companies can effectively create value for customers, employees, and the business itself. This value creation is essential for sustaining competitive advantages in a competitive market. Additionally, embracing service innovation will amplify the impact of value creation, ensuring long-term competitiveness. Overall, focusing on distinctive competencies and continuous innovation will enable ferry transport companies to thrive and differentiate themselves in Indonesia's dynamic maritime industry.

## Conclusion

This study attempts to prove the effect of distinctive competency, value creation, and service innovation on competitive advantages within Indonesia’s ferry transport companies. The findings confirm that distinctive competency has a significant and positive impact on both value creation and competitive advantages, underscoring the importance of developing specialized skills, operational expertise, and industry-specific knowledge. Moreover, value creation serves as a key mediator that strengthens the effect of distinctive competency on competitive advantages, while service innovation acts as a moderator that enhances the

relationship between value creation and competitive advantages. These results highlight the interconnectedness of these variables in fostering competitive advantages.

The study also presents a new empirical model (novelty) that integrates distinctive competency, value creation, service innovation, and competitive advantages within the specific context of Indonesia's ferry transport industry. This model advances existing literature by demonstrating how service innovation moderates the value creation-competitive advantages relationship, providing a deeper understanding of how companies in this sector can leverage both internal capabilities and external innovations to remain competitive. The novelty lies in showing the moderating role of service innovation, which had previously received less attention in this particular industry. It offers a more holistic view of how competitive advantages can be sustained through strategic capability development and innovative practices.

These findings can have significant implications for policies regarding the development of Indonesia’s ferry transport sector. Policymakers should consider encouraging ferry companies to invest in distinctive competencies and support value creation initiatives that enhance service quality and operational efficiency. Additionally, promoting service innovation through government incentives or partnerships could help ferry companies stay competitive and meet the evolving needs of customers. Such policies would not only improve the competitiveness of individual companies but also contribute to the overall development of Indonesia’s maritime transport infrastructure, which is crucial for the country’s economic growth and connectivity.

## References

[1] Z. H. Munim and H.-J. Schramm, “The impacts of port infrastructure and logistics performance on economic growth: the mediating role of seaborne trade,” *J. shipp. trd.*, vol. 3, no. 1, p. 1, Jan. 2018, doi: 10.1186/s41072-018-0027-0.

[2] R. B. Swastika, “Input-output analysis: A case study of transportation sector in Indonesia,” *Journal of developing economies*, vol. 3, no. 2, pp. 26–37, 2018.

[3] S. Wahyuni, A. A. Taufik, and F. K. P. Hui, "Exploring key variables of port competitiveness: evidence from Indonesian ports," *Competitiveness Review: An International Business Journal*, vol. 30, no. 5, pp. 529–553, Jan. 2020, doi: 10.1108/CR-11-2018-0077.

[4] M. Ejaz and A. Naz, "Role of Logistics and Transport Sector in Globalization: Evidence from Developed and Developing Economies," *Sir Syed University Research Journal of Engineering & Technology*, vol. 13, no. 1, pp. 48–52, 2023.

[5] H. Cho and J. Lee, "Does transportation size matter for competitiveness in the logistics industry? The cases of maritime and air transportation," *The Asian Journal of Shipping and Logistics*, vol. 36, no. 4, pp. 214–223, Dec. 2020, doi: 10.1016/j.ajsl.2020.04.002.

[6] A. Kücher, S. Mayr, C. Mitter, C. Duller, and B. Feldbauer-Durstmüller, "Firm age dynamics and causes of corporate bankruptcy: age dependent explanations for business failure," *Rev Manag Sci*, vol. 14, no. 3, pp. 633–661, Jun. 2020, doi: 10.1007/s11846-018-0303-2.

[7] H. Cheng, S. X. Xu, G. Q. Huang, S. Shao, and G. Xu, "Optimal pricing for ferry services with a new entrant: a game-theoretic perspective," *Transportmetrica A: Transport Science*, vol. 18, no. 3, pp. 1626–1655, Dec. 2022, doi: 10.1080/23249935.2021.1956635.

[8] T. Wahyuni *et al.*, "The implementation of minimum service standards on ship operational performance: Empirical evidence from Indonesia," *Uncertain Supply Chain Management*, vol. 10, no. 4, pp. 1297–1304, 2022.

[9] D. Peppers and M. Rogers, *Managing customer experience and relationships: A strategic framework*. John Wiley & Sons, 2016. Accessed: Aug. 14, 2024. [Online]. Available: https://books.google.com/books

[10] M. Mańkowska, "The concept of development of passenger ferry services in the Baltic Sea region in terms of the growing inter-branch competition," in *Conference Proceedings: 17th International Conference on Transport Science. Slovenia: Maritime, Transport and Logistics Science*, Maritime, Transport and Logistics Science, 2015, pp. 285–298.

[11] J. H. Dyer, H. Singh, and W. S. Hesterly, "The relational view revisited: A dynamic perspective on value creation and value capture," *Strategic Management Journal*, vol. 39, no. 12, pp. 3140–3162, 2018, doi: 10.1002/smj.2785.

[12] R. F. Lusch and S. Nambisan, "Service innovation," *MIS quarterly*, vol. 39, no. 1, pp. 155–176, 2015.

[13] F. Parola, M. Risitano, M. Ferretti, and E. Panetti, "The drivers of port competitiveness: a critical review," *Transport Reviews*, vol. 37, no. 1, pp. 116–138, Jan. 2017, doi: 10.1080/01441647.2016.1231232.

[14] V. Kumar and A. Pansari, "Competitive Advantage through Engagement," *Journal of Marketing Research*, vol. 53, no. 4, pp. 497–514, Aug. 2016, doi: 10.1509/jmr.15.0044.

[15] S. Zia, R. Rafique, H.-U.- Rehman, and M. A. Z. Chudhery, "A comparison between E-TailQ and ES-Qual for measuring e-service quality in the retail industry: an emerging economy case," *The TQM Journal*, vol. 35, no. 8, pp. 2228–2254, Jan. 2022, doi: 10.1108/TQM-02-2022-0052.
[16] I. Farida and D. Setiawan, "Business Strategies and Competitive Advantage: The Role of Performance and Innovation," *Journal of Open Innovation: Technology, Market, and Complexity*, vol. 8, no. 3, p. 163, Sep. 2022, doi: 10.3390/joitmc8030163.
[17] K.-F. Huang, R. Dyerson, L.-Y. Wu, and G. Harindranath, "From Temporary Competitive Advantage to Sustainable Competitive Advantage," *British Journal of Management*, vol. 26, no. 4, pp. 617–636, 2015, doi: 10.1111/1467-8551.12104.
[18] I. Fortin and D. Oliver, "To imitate or differentiate: Cross-level identity work in an innovation network," *Scandinavian Journal of Management*, vol. 32, no. 4, pp. 197–208, Dec. 2016, doi: 10.1016/j.scaman.2016.09.001.
[19] J. Chun Wang, Y.-C. Wang, and Y.-F. Tai, "Systematic review of the elements and service standards of delightful service," *International Journal of Contemporary Hospitality Management*, vol. 28, no. 7, pp. 1310–1337, Jan. 2016, doi: 10.1108/IJCHM-08-2014-0400.
[20] J. Kim and G. N. McLean, "An integrative framework for global leadership competency: levels and dimensions," *Human Resource Development International*, May 2015, doi: 10.1080/13678868.2014.1003721.
[21] G. D. Markman, "Entrepreneurs' competencies," in *The psychology of entrepreneurship*, Psychology Press, 2014, pp. 99–124. Accessed: Aug. 15, 2024. [Online]. Available: https://www.taylorfrancis.com/chapters/edit/10.4324/9781315750989-12/entrepreneurs-competencies-gideon-markman
[22] T. W. Andreassen, L. Lervik-Olsen, H. Snyder, A. C. R. Van Riel, J. C. Sweeney, and Y. Van Vaerenbergh, "Business model innovation and value-creation: the triadic way," *Journal of Service Management*, vol. 29, no. 5, pp. 883–906, Jan. 2018, doi: 10.1108/JOSM-05-2018-0125.
[23] B. Freudenreich, F. Lüdeke-Freund, and S. Schaltegger, "A Stakeholder Theory Perspective on Business Models: Value Creation for Sustainability," *J Bus Ethics*, vol. 166, no. 1, pp. 3–18, Sep. 2020, doi: 10.1007/s10551-019-04112-z.
[24] V. Ramaswamy and K. Ozcan, "Brand value co-creation in a digitalized world: An integrative framework and research implications," *International Journal of Research in Marketing*, vol. 33, no. 1, pp. 93–106, Mar. 2016, doi: 10.1016/j.ijresmar.2015.07.001.
[25] C. Tantalo and R. L. Priem, "Value creation through stakeholder synergy," *Strategic Management Journal*, vol. 37, no. 2, pp. 314–329, 2016, doi: 10.1002/smj.2337.

[26] T. Blommerde and P. Lynch, "Dynamic capabilities for managing service innovation: towards a conceptual framework," 2014, Accessed: Aug. 15, 2024. [Online]. Available: https://repository.wit.ie/2877/

[27] N. Darsono, A. Yahya, and R. Amalia, "Analysis of Distinctive Capabilities and Competitive Advantage on Business Performance of Tourism Industry in Aceh," *JOEBM*, vol. 4, no. 3, pp. 231–234, 2016, doi: 10.7763/JOEBM.2016.V4.395.

[28] J. F. Hair, J. J. Risher, M. Sarstedt, and C. M. Ringle, "When to use and how to report the results of PLS-SEM," *European Business Review*, vol. 31, no. 1, pp. 2–24, Jan. 2019, doi: 10.1108/EBR-11-2018-0203.

[29] B. Topaler, Ö. Koçak, and B. Üsdiken, "Positioning new identities for appeal: Configurations of optimal distinctiveness amid ancestral identities," *Strategic Organization*, p. 1476127021999966, Mar. 2021, doi: 10.1177/1476127021999966.

[30] P. Perry and M. Kyriakaki, "The decision-making process of luxury fashion retail buyers in Greece," *Journal of Fashion Marketing and Management*, vol. 18, no. 1, pp. 85–106, Jan. 2014, doi: 10.1108/JFMM-06-2012-0030.

[31] H. Alhawamdeh *et al.*, "The relationship between marketing capabilities and financial performance: the moderating role of customer relationship management in Jordanian SMES," *Cogent Business & Management*, vol. 11, no. 1, p. 2297458, Dec. 2024, doi: 10.1080/23311975.2023.2297458.

[32] T. Zhang, D. J. Wang, and A. D. Galinsky, "Learning Down to Train Up: Mentors Are More Effective When They Value Insights from Below," *AMJ*, Oct. 2022, doi: 10.5465/amj.2021.0430.

[33] T. Jorre de St Jorre, D. Boud, and E. D. Johnson, "Assessment for distinctiveness: recognising diversity of accomplishments," *Studies in Higher Education*, vol. 46, no. 7, pp. 1371–1382, Jul. 2021, doi: 10.1080/03075079.2019.1689385.

[34] G. Martín-de Castro, "Knowledge management and innovation in knowledge-based and high-tech industrial markets: The role of openness and absorptive capacity," *Industrial Marketing Management*, vol. 47, pp. 143–146, May 2015, doi: 10.1016/j.indmarman.2015.02.032.

[35] M. Zhang, L. Li, Y. Ye, K. Qin, and J. Zhong, "The effect of brand anthropomorphism, brand distinctiveness, and warmth on brand attitude: A mediated moderation model," *Journal of Consumer Behaviour*, vol. 19, no. 5, pp. 523–536, 2020, doi: 10.1002/cb.1835.

[36] D. Buhalis, D. Leung, and M. Lin, "Metaverse as a disruptive technology revolutionising tourism management and marketing," *Tourism Management*, vol. 97, p. 104724, Aug. 2023, doi: 10.1016/j.tourman.2023.104724.

[37] T.-M. Yeh, S.-H. Chen, and T.-F. Chen, "The Relationships among Experiential Marketing, Service Innovation, and Customer Satisfaction—A Case Study of Tourism Factories in Taiwan," *Sustainability*, vol. 11, no. 4, Art. no. 4, Jan. 2019, doi: 10.3390/su11041041.

[38] F. Caputo, A. Garcia-Perez, V. Cillo, and E. Giacosa, "A knowledge-based view of people and technology: directions for a value co-creation-based learning organisation," *Journal of Knowledge Management*, vol. 23, no. 7, pp. 1314–1334, Jan. 2019, doi: 10.1108/JKM-10-2018-0645.

[39] F. Brunetti, D. T. Matt, A. Bonfanti, A. De Longhi, G. Pedrini, and G. Orzes, "Digital transformation challenges: strategies emerging from a multi-stakeholder approach," *The TQM Journal*, vol. 32, no. 4, pp. 697–724, Jan. 2020, doi: 10.1108/TQM-12-2019-0309.

[40] E. Koç, M. B. Delibaş, and Y. Anadol, "Environmental Uncertainties and Competitive Advantage: A Sequential Mediation Model of Supply Chain Integration and Supply Chain Agility," *Sustainability*, vol. 14, no. 14, Art. no. 14, Jan. 2022, doi: 10.3390/su14148928.

[41] M. Royo-Vela, M. Frau, and A. Ferrer, "The role of value co-creation in building trust and reputation in the digital banking era," *Cogent Business & Management*, vol. 11, no. 1, p. 2375405, Dec. 2024, doi: 10.1080/23311975.2024.2375405.

[42] K. H. Bhuiyan *et al.*, "Smart Tourism Ecosystem: A New Dimension toward Sustainable Value Co-Creation," *Sustainability*, vol. 14, no. 22, Art. no. 22, Jan. 2022, doi: 10.3390/su142215043.

[43] C.-C. Chen, C.-H. Chang, and K.-L. Hsiao, "Exploring the factors of using mobile ticketing applications: Perspectives from innovation resistance theory," *Journal of Retailing and Consumer Services*, vol. 67, p. 102974, Jul. 2022, doi: 10.1016/j.jretconser.2022.102974.

SENTRALISASI
UNIVERSITAS MUHAMMADIYAH SORONG
https://ejournal.um-sorongac.id/index.php/sentralisasi
p-ISSN 1979-7567
e-ISSN 2614-4328

# BIOGRAPHIES OF AUTHORS

**Solikin** Mr. Solikin was born in Lamongan on April 13, 1969. After completing his Bachelor's degree at STMT Trisakti in 2009, Solikin continued his studies at the Trisakti Institute of Transportation and Logistics and graduated with a Masters in Transportation Management in 2018. He is currently studying for a Doctorate at the Trisakti Institute of Transportation and Logistics.

After graduating, Solikin began his career as Vice President of Environmental Safety and Health at PT. ASDP Indonesia Ferry (Persero), where he was responsible for the safety and maintenance of the work environment at the port. In 2017, Solikin rose to become Vice President of Operations. then became GM of the Ketapang, Merak and Bakauheni branches and currently serves as Senior General Manager Regional 1 at PT. ASDP Indonesia Ferry (Persero). He can be contacted at email: captsolikin@gmail.com

**Prof. Dr. Capt. HM. Thamrin, MM** Born in Palembang on June 4, 1955. Education Maritime Academy "Djadajat" Jakarta. Sailed in the company Maersk Line Esplanaden 50 Copenhagen Denmark Europian. Since becoming a Cadet / Apprientes Mate (1 year Internship Sea Practice) on the Lica Mrsk Cargo Ships. Appointed Officer / Deck Officer Second Officer, Chief Officer, Master / Captain on the MV. Torben Maersk (Cargo Ship), MV. Ema Maersk (Container Ship), M.V. Brea Ocean Going European in 1988. He can be contacted at email: thamrinaroba7@gmail.com

**Dr. Suharto Abdul Majid**, **AMTrU, S.Sos, M.M** Suharto Abdul Majid has been a permanent lecturer at the Trisakti Transportation and Logistics Institute since 1998. He was born on March 15, 1971. He holds a Doctorate in Strategic Management from Padjadjaran University (UNPAD) Bandung in 2017. His work experience includes other professionals at the national airline company PT. Sempati Air, PT. Ciputra Propertindo, PT. Allstate Indonesia, founder of PT. Trans Buana Raya and the Trans Publika Foundation. Some important positions he has held include Head of the Center for Research and Community Service (P3M) STMT Trisakti 2010-2015, Head of the Postgraduate Education Program STMT Trisakti 2015-2018, and Director of Postgraduate ITL Trisakti 2018-2019. Active in professional organizations as the central administrator of the Indonesian Transportation Society (MTI), administrator of the Inter-University

| | |
|---|---|
| | Transportation Study Forum (FSTPT), member of the Eastern ASIAN Society for Transportation Studies (EASTS Conference), member of the Indonesian Management Scientists Association (AIMI), Editor-in-Chief of the Journal of Transportation and Logistics Management. He can be contacted at email: samtrisakti1531@gmail.com |
|  | **Dr. Librita Arifiani, SKOM., MMSi** Mrs. Librita is a practitioner and writer. She earned a doctorate in management "strategy and growth" with cum laude predicate from Bina Nusantara, Jakarta-Indonesia, a Master of Management Information Systems from Gunadarma University and a Bachelor of Computer Science, Department of Information Technology from Gunadarma University, Jakarta-Indonesia. Her research focus is in the field of business model transformation management. She has published scientific works / journals in several reputable international journals. Librita began her career in 1996 as an IT management system specialist at PT Multisaka Mitra in the telecommunications industry, in 1998 continued her career at PT IFCA consultant as a CRM solution manager and then since 2002 until now continued her career at PT XL Axiata with various positions and different fields of work. Currently responsible as head of GTM execution and audit, with almost 20 years of experience as a practitioner in the telecommunications field. She can be contacted at email: librita.arifiani@binus.ac.id |
|  | **Dr. Euis Saribanon,SE,MM**, Mrs. Euis was born in Jakarta November 4, 1974. Strata 1 graduated from the Faculty of Economics, Department of Management, Krisnadwipayana University (UNKRIS). Strata II graduates of STIE Widyajayakarta and Strata III graduates of the Active Management Doctoral Program of the Indonesian University of Education Bandung in several organizations, such as the Central Board of the Indonesian Lecturers Association (ADI), the Regional Management Board of the Silahturahmi Doktor Forum (FORSILADI), the Management of the Indonesian Community Service Lecturers Association (ADI) and the Management of KAHMI Jaya. She works as a Permanent Lecturer of the Management Study Program at the Trisakti Institute of Transportation and Logistics (ITL) and at the same time as Head of the Research Section at the Directorate of Research & Community Service ITL Trisakti. Actively carrying out the Tri Dharma Mandate of Higher Education, twice receiving Research Grants from the Ministry of Research, Technology, and Higher Education and 4 |

| | |
|---|---|
| | times industrial grants. On several occasions, he often filled in as a national speaker, development trainer, reviewer, and editor of reputable National journals. The author has a motto of the spirit of sharing and vying for good. She can be contacted at email : nengnonon04@gmail.com |