

Logistics Services Quality and Core Competencies: Examining the Moderating Role of Internal Strategic Factors (Resources & Capabilities)

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Abstract

Background: Logistics service quality (LSQ) is a key driver in enhancing core competency within the transportation and cargo sectors. However, the impact of internal strategic factors such as resources and capabilities on this relationship remains underexplored, especially in the context of Saudi Arabia.

Objective: This study aims to investigate the relationship between LSQ and core competency within Saudi Arabian transportation and cargo organizations, with a particular focus on the moderating role of internal strategic factors.

Methods: The study utilizes a questionnaire distributed to 300 organizations in the transportation and cargo sector in Saudi Arabia, gathering responses from general managers and operations managers. Data is analyzed using structural equation modeling (SEM) to assess the relationships and significance of the proposed model.

Findings: The results indicate that LSQ significantly enhances core competency, and internal strategic factors, such as resources and capabilities, further strengthen this relationship. These findings emphasize the importance of high-quality logistics services and efficient resource management in gaining competitive advantages within the sector.

Originality: This study contributes to the theoretical understanding of LSQ and core competency by integrating internal strategic factors as moderating variables, offering new insights into how logistics service quality impacts organizational success.

Practical Implications: The findings provide valuable insights for managers and policymakers in the logistics sector, highlighting the need to align logistics service quality with strategic internal resources to enhance organizational performance and competitiveness.

Social Implications: By strengthening logistics capabilities and improving core competencies, the study promotes more efficient and competitive logistics services, benefiting the overall economic landscape of Saudi Arabia.

Keywords: Logistics service quality, Core competency, Internal strategic factors, Resources, Capabilities, Transportation and cargo, Competitive advantage, Supply chain management.

1. Introduction

Efficiently managing logistics is essential for any business engaged in the transportation of goods or resources (Aljawarneh et al., 2023). Logistics involves the strategic management of the transportation and storage of commodities, ensuring their smooth flow from the place of production to the destination (Heizer et al., 2022). In today's dynamic and competitive market environment, efficient logistics management is becoming increasingly crucial for organizations to thrive. In fact, shipping lines have recently been reshaping their operations to include more logistics integration, signaling a shift in their overall business strategy (Paridaens & Nottiboom, 2022).

One of the key factors that determines the effectiveness of logistics services is quality, which is defined by the extent to which these services meet or exceed client expectations, align with specifications, and achieve established standards. This concept is multifaceted, encompassing various elements such as dependability, promptness, confidence, understanding, and physical attributes (Arabelen & Kaya, 2021; Sugiarto & Octaviana, 2021; Parasuraman et al., 1985). When companies provide exceptional logistics services, they gain a competitive advantage, which can lead to increased customer loyalty, a larger market share, and improved profitability (Ehmke, 2024). A critical factor in sustaining this advantage is a firm's core competency, which refers to its unique strengths and abilities that are difficult for competitors to replicate (Wheelen et al., 2020). Achieving core competency requires organizations to effectively leverage their resources and capabilities. Resources, both tangible and intangible, are the assets that firms utilize to create value for customers. On the other hand, capabilities refer to a firm's ability to coordinate these resources to achieve its strategic goals (Lee & Jong, 2022; Edgar & Lockwood, 2021; Grant, 1991). Consequently, effective resource and capability management is crucial for firms to successfully develop core competencies.

In recent years, the role of logistics service quality in achieving core competencies has garnered considerable attention, primarily due to the growing complexities in global supply chains and increasing market competition. Despite extensive research in logistics and strategic management, a significant gap persists in understanding how internal strategic factors, such as

resources and capabilities, influence this relationship. Notably, limited scholarly work has explored the moderating role of these internal factors, leaving a critical void in the field of logistics management. This gap is particularly evident in the context of Saudi Arabia's transportation sector, where firms are facing mounting pressure to differentiate themselves and optimize their operations in an increasingly competitive environment. The exploration of this gap is crucial for advancing both theoretical understanding and practical applications in the field of logistics and supply chain management. Therefore, this study seeks to address the research question: How do resources and capabilities influence the relationship between logistics service quality and core competency in Saudi Arabia's transportation sector? Specifically, it examines how these internal strategic factors moderate the impact of logistics service quality on a firm's ability to achieve core competency. The aim is to bridge the existing gap by investigating the underlying mechanisms and providing empirical evidence to support or challenge existing theories.

The Resource-Based View (RBV) and the Dynamic Capabilities Theory, which together offer a comprehensive lens for analyzing how internal resources and capabilities contribute to firm performance and competitive advantage, serve as the foundation for this investigation. By integrating these theories, the research provides a multifaceted approach to understanding the role of logistics service quality in achieving core competencies. The study adopts a mixed-methods design, utilizing both quantitative surveys and qualitative interviews to gather data from a sample of transportation firms in Saudi Arabia. The data will be analyzed using structural equation modeling (SEM) to test the hypotheses and explore the relationships between logistics service quality, resources, capabilities, and core competency.

This research contributes to the existing body of knowledge by highlighting the moderating role of resources and capabilities in the relationship between logistics service quality and core competency. It provides both theoretical insights into the dynamics of logistics management and practical implications for firms seeking to enhance their competitive position. The findings are expected to shed light on strategies that can be employed by Saudi Arabian transportation firms to improve their logistics services and strengthen their core competencies. Ultimately, this study aims to further the understanding of logistics service quality and its role in achieving competitive advantage, offering recommendations for policymakers, industry practitioners, and researchers. Moreover, the study identifies avenues for future research, particularly in exploring how different industry contexts influence the application of logistics service quality in achieving core competencies.

This study is organized into several key sections to ensure a comprehensive analysis of the research topic. Following this introduction, which provides an overview of the research background, objectives, and significance, the second chapter reviews the relevant literature on logistics service quality, core competencies, and the role of internal resources and capabilities in moderating these relationships. The third chapter outlines the research methodology, including

the mixed-methods design, data collection techniques, and analytical approaches used to test the hypotheses. The fourth chapter presents the results of the data analysis, offering both descriptive and inferential statistics to support the research findings. In the fifth chapter, the discussion interprets these results in the context of existing theories and literature, highlighting the implications for both theory and practice. Finally, the study concludes with a summary of the findings, policy recommendations for industry practitioners, and suggestions for future research. This structure ensures a clear progression from theoretical foundations to empirical analysis, providing a well-rounded approach to addressing the research question.

2. Background

To achieve efficient operations, logistics management integrates all activities related to material acquisition, movement, and storage. In fact, effective logistics can provide a competitive advantage by not only reducing costs but also enhancing customer service (Heizer et al., 2022). A key principle in logistics management is the "seven rights" or "7 Rs," as outlined by the Chartered Institute of Logistics and Transport in the United Kingdom. This concept emphasizes the precise and accurate delivery of the appropriate product in the correct quantity, in optimal condition, at the designated location, at the specified time, to the intended consumer, and at the agreed-upon price (Aboul-Atta, 2023; Herath & Rosyadah, 2021). Moreover, logistics services play a crucial role in supply chain management by significantly contributing to the efficient management of goods storage, information flow, and product flow control. These services encompass all supply chain activities from the manufacturer to the satisfied customer, making logistics a fundamental part of the overall supply chain ecosystem. Generally, businesses categorize logistics services from 1PL (First Party Logistics) to 5PL (Fifth Party Logistics) based on their size and business requirements (Herath, 2023). To elaborate, 1PL refers to a business that moves its products using its own vehicles directly from one site to another. On the other hand, 2PL involves an asset-based carrier that owns transportation assets to move goods for other organizations.

Building on this, 3PL providers offer outsourced logistics services, which may include management, fulfillment, storage, distribution, customs brokerage, and logistics software. Furthermore, 3PL providers can enhance the client's supply chain by offering additional services such as packaging, boxing, and crating. In contrast, 4PL focuses on optimizing the entire logistics function, with organizations outsourcing the management and execution of supply chain-wide logistical operations. By leveraging the provider's strategic knowledge and control, companies can achieve significant efficiency improvements. A relatively new concept, the 5PL model, combines comprehensive logistic integration with IT and computer systems to provide real-time visibility and management of the entire supply chain. Through 5PL, a provider plans, organizes, and implements a customer's logistics solutions, overseeing every aspect of the supply chain (Plugge, 2024). These categories demonstrate the different levels of involvement logistics providers can have with customer needs, guaranteeing the customization of solutions to meet

specific requirements. Furthermore, logistics services encompass various operations that facilitate cargo owners' sending and receiving goods through different transportation methods, such as land, rail, sea, and air. These activities include tasks such as shipping, receiving, loading, and unloading; storing, sorting, packing, marking, measuring, weighing; handling documentation; and providing transportation documents. Additionally, logistics services encompass activities such as placing transport space orders, distributing cargo, computing transportation costs, handling insurance claims, settling bills, and providing information and communication systems. Regulation allows logistics service companies to offer 23 types of services.

For years, quality has been a fundamental factor in the provision of logistical services. To achieve and maintain high-quality services, logistics providers must understand consumers' perspectives and expectations, alongside the aspects that influence their satisfaction with the services offered (Al-Faouri et al., 2024). In fact, service quality refers to the gap between clients' expectations and their perception of the actual service provided, as originally defined by Parasuraman et al. (1985). To gain a competitive edge in the market, logistics service providers must prioritize service quality, especially as both internal and external clients become increasingly aware of its importance. It is crucial for providers to deliver service quality that exceeds that of competitors (Taha et al., 2026; Kameel et al., 2023). Essentially, service quality refers to the extent to which the service provided meets the expectations of the user (Faria et al., 2022). Two main elements comprise this concept: technical quality and functional quality. Hasrat & Rosyadah (2021) define technical quality as the service provider's actual deliverables, while functional quality is the method of service delivery. Moreover, the complexity of service quality arises from several factors, such as the lack of concrete indicators, the behavioral aspect of service delivery, and the close relationship between service organizations and customers (Parasuraman et al., 1985). Unlike product quality, service quality is challenging to define due to its combination of tangible and intangible elements, as well as its subjective nature. This distinctive nature of logistics, as a service industry, sets it apart by directly engaging with client needs and being accountable for ensuring customer satisfaction. Literature has identified various service quality patterns from different perspectives (Akhade et al., 2016; Mentzer, 1999).

To summarize, understanding logistics service quality (LSQ) is vital for companies striving to maintain a competitive edge. Arabelen and Kaya's (2021) model, which identifies five dimensions of LSQ and includes 24 factors, will serve as the foundation for this paper. These dimensions help assess the quality of logistics services, with indicators such as customer obsession, order fulfillment, timeliness, information quality, corporate image, and social responsibility.

3. Literature review and Hypotheses development

Logistics management aims to optimize operations by effectively integrating activities related to material acquisition, movement, and storage. Achieving this goal not only reduces costs but also enhances customer service, providing a competitive advantage (Heizer et al., 2022; Banford, 2023). The "seven rights" or "7 Rs," a key concept in logistics management, emphasizes the precise delivery of products, ensuring their correct quantity, condition, location, time, and agreed-upon price (Aboul-Atta et al., 2023; Herath & Rosyadah, 2021). This principle reflects the complexity of managing logistics services and underscores their importance in supply chain efficiency. Moreover, logistics services form an integral part of supply chain management by overseeing the management of goods storage, information flow, planning, and product flow control (Albalawee et al., 2024; Kameel et al., 2025). These services span a range of activities from the manufacturer to the customer and are classified from 1PL (First Party Logistics) to 5PL (Fifth Party Logistics), each representing varying levels of logistics involvement and complexity (Herath, 2023; Plugge, 2024). While 1PL involves direct transportation using a company's own vehicles, 5PL integrates the entire supply chain, utilizing advanced information technology for real-time visibility and management (Plugge, 2024). Consequently, the evolution from 1PL to 5PL highlights the growing sophistication in logistics operations and the need for tailored solutions to meet customer demands. In addition to these operational classifications, logistics services encompass a broad array of tasks such as transportation, storage, sorting, packing, and handling documentation (Akhade et al., 2016; Arabelen & Kaya, 2021; Ehjelah et al., 2026). These tasks, essential for cargo owners, require coordination across multiple transportation modes—land, rail, sea, and air. This wide array of responsibilities calls for efficient service management to ensure seamless logistics operations. It is within this context that service quality becomes a crucial factor in shaping customer satisfaction (Parasuraman et al., 1985).

Service quality, which refers to the difference between customer expectations and their actual experience, is central to maintaining a competitive edge in logistics services (Afshan et al., 2018; Bani Hani, 2022; Kameel et al., 2026). This concept encompasses both technical and functional dimensions: technical quality pertains to the deliverables themselves, while functional quality pertains to the delivery method of the service (Hasrat & Rosyadah, 2021). These two dimensions together define the overall quality perception and play a vital role in enhancing customer satisfaction and loyalty (Choi et al., 2019). Furthermore, logistics service quality (LSQ) influences core competencies, acting as a critical element in sustaining competitive advantage (Goldstein & Lossifova, 2012; Kima et al., 2012). Studies suggest that LSQ is vital not only for customer satisfaction but also for improving internal capabilities and strategic alignment (Do et al., 2023; Ehmke, 2020). As organizations increasingly rely on logistics services to differentiate themselves, enhancing service quality becomes indispensable for maintaining superior performance and market position. Thus, the intricate link between logistics service quality and core competency underscores the need for continuous improvement in both areas to secure long-term success.

The Resource-Based View (RBV) and Dynamic Capabilities Theory are two critical frameworks that explore how firms leverage internal resources and capabilities to achieve competitive advantage (Barney, 1991; Teece et al., 1997). Both theories are highly relevant in understanding how logistics service quality (LSQ) impacts a firm's core competencies. The Resource-Based View (RBV), introduced by Barney (1991), suggests that a firm's competitive advantage stems from its ability to acquire and exploit valuable, rare, inimitable, and non-substitutable resources. These resources—whether tangible, such as advanced logistics technologies, or intangible, like customer relationships or logistics expertise—become the foundation for a firm's superior performance in service delivery (Barney & Hesterly, 2020). In the context of logistics, firms that possess resources like robust transportation networks, highly skilled logistics staff, or proprietary technologies can enhance service quality, streamline operations, and outperform competitors (Apostolos et al., 2013).

On the other hand, Dynamic Capabilities Theory (Teece et al., 1997) complements RBV by emphasizing the importance of a firm's ability to adapt and reconfigure its resources in response to changing market conditions. While RBV focuses on the resources a firm holds, Dynamic Capabilities Theory stresses the firm's ability to renew, integrate, and build new capabilities to meet evolving customer demands, technological innovations, or market disruptions (Chen et al., 2023). In logistics, dynamic capabilities allow firms to remain competitive by quickly adopting new technologies (such as real-time tracking systems), altering supply chain processes to improve efficiency, or entering new markets when needed. The core aspects of dynamic capabilities include sensing new opportunities or threats, seizing those opportunities by reconfiguring internal capabilities, and reconfiguring existing resources to meet new challenges effectively (Christensen & Kaufman, 2006).

When applied to logistics service quality, both RBV and Dynamic Capabilities Theory offer complementary insights (Banford, 2023). RBV highlights the importance of having a solid base of valuable and inimitable resources, such as advanced logistics systems or a skilled workforce, to achieve high levels of service quality. However, in a rapidly changing logistics environment, dynamic capabilities become crucial for sustaining service quality. Firms must be able to reconfigure their logistics systems in response to external challenges like shifting customer expectations, new technological trends, or global supply chain disruptions. Thus, the integration of both RBV and Dynamic Capabilities Theory suggests that competitive advantage in logistics is not just about possessing superior resources but also about continuously adapting and refining those resources to stay ahead in a competitive and fast-evolving market (David et al., 2023).

Several studies have explored the relationship between logistics service quality (LSQ) and core competencies, but the results remain inconclusive, highlighting both the significance and complexity of this connection (Goldstein & Lossifova, 2012; Kim et al., 2012). For instance, Goldstein & Lossifova (2012) and Kim et al. (2012) suggest that improvements in logistics

service quality led to enhanced core competencies, as firms achieve better customer satisfaction, operational efficiency, and supply chain responsiveness (Chang et al., 2011; Jonge et al., 2011). Logistics service quality, particularly in terms of reliability, timeliness, and customer service, can contribute to core competencies by fostering stronger customer relationships and better resource utilization (Arabelen & Kaya, 2021). These dimensions not only improve the firm's operational processes but also enhance its market competitiveness by providing superior customer experiences and operational adaptability. Conversely, some studies present a more nuanced view of the relationship between LSQ and core competencies. Kennedy & Fiss (2009), for instance, contend that organizational capabilities like strategic alignment and technological integration mediate the impact of logistics services quality on core competencies (Plugge & Nikou, 2024). In this context, the effective management of resources and competencies coupled with logistics service quality may not always translate into a competitive advantage (Plugge, 2024).

Additionally, Empirical research by Plugge & Nikou (2024) and Ovretveit & Al Serouri (2006) emphasizes the importance of contextual factors, such as the country's logistics infrastructure and the maturity of logistics firms (Afshan et al., 2018; Albalawee et al., 2024). In developing countries, where logistics systems are less advanced, the link between LSQ and core competencies may be less pronounced (Akhade et al., 2016). The extent to which logistics service quality influences core competencies depends on the organization's ability to integrate logistics with other functional areas, such as marketing, operations, and finance (Bautista-Marín et al., 2012; Al-Shboul et al., 2017). Thus, the relationship between logistics service quality and core competencies is multifaceted and contingent on a variety of internal and external factors (Banford, 2023; Bagozzi & Yi, 2012).

This study explores the relationship between logistics service quality (LSQ) and core competencies, focusing on how logistics services can enhance organizations' competitive advantage (Bani Hani, 2022; Choi et al., 2019). The key dimensions of LSQ—such as customer obsession, order fulfillment, timeliness, information quality, and corporate image—are integral to the firm's ability to deliver value and establish market leadership (Barney & Hesterly, 2020; Arabelen & Kaya, 2021). Core competencies, on the other hand, represent unique capabilities that distinguish firms from competitors and are essential for long-term strategic success (Christensen & Kaufman, 2006; Alvarenga et al., 2019). The study highlights how logistics services, when effectively managed, contribute to an organization's ability to develop and sustain core competencies (Do et al., 2023; Faria et al., 2022; Ehjelah & Al-Qawasmeh, 2026).

However, despite the considerable body of literature, several gaps remain. First, the existing research's mixed findings suggest that the relationship between LSQ and core competencies is not straightforward, and various mediating and moderating factors may influence it (Ehmke et al., 2024). For instance, the role of internal resources and organizational capabilities in mediating this relationship remains underexplored (Fornell & Larcker, 1981). Furthermore, while the majority of research concentrates on developed countries, the empirical

evidence from developing nations, where logistics infrastructure may vary, is scarce (Apostolos et al., 2013; Albalawee et al., 2024). The influence of cultural and environmental factors on LSQ's impact on core competencies remains another area warranting further investigation (Ebrahimi, 2020; Zailani, 2018). Lastly, while some studies have explored the impact of logistics service quality on customer satisfaction, there is insufficient research on its direct role in the development of strategic organizational capabilities that form the basis for core competencies (Alemu, 2016; Feng et al., 2007). These gaps highlight the need for more context-specific and comprehensive studies to clarify how logistics service quality influences core competencies across diverse organizational settings (David et al., 2023; Banford, 2023).

In this study, the development of hypotheses is based on the synthesis of literature that examines the relationship between logistics service quality (LSQ), core competencies, and internal strategic factors (Chen et al., 2023). The formulation of these hypotheses draws from established theories and empirical research in organizational behavior, resource-based theory, and strategic management (Barney, 1991; Bagozzi & Yi, 2012). The study aims to give useful information about how companies can use logistics quality to improve their competitive advantages by looking at how LSQ, core competencies, and internal strategic factors affect each other (Bautista-Marín et al., 2012; Faria et al., 2022). This research derives its hypotheses from a thorough review of relevant literature, providing both theoretical and empirical support (Bani Hani, 2022). The first hypothesis examines the direct relationship between LSQ and core competency (Afshan et al., 2018). The second hypothesis focuses on the impact of internal strategic factors as a moderator in this relationship (Al-Faouri et al., 2024). Finally, the third hypothesis investigates the moderating effect of internal strategic factors on the relationship between LSQ and core competency (Choi et al., 2019). These hypotheses collectively aim to delve into the dynamics of logistics quality and organizational capabilities, providing a thorough understanding of the elements influencing core competencies (David, 2023; Sun, 2023).

The first hypothesis posits that LSQ directly impacts the development and enhancement of core competencies within an organization (Choi et al., 2019; Ehmke et al., 2024). Core competencies are defined as the unique capabilities that distinguish a company from its competitors, and they are fundamental to achieving a sustainable competitive advantage (Barney & Hesterly, 2020; Akhade et al., 2016). LSQ, which reflects the degree to which a logistics provider meets or exceeds client expectations, is a critical factor in shaping these competencies (Alemu, 2016; Zailani, 2018). High-quality logistics operations streamline supply chains, reduce costs, improve delivery times, enhance overall operational efficiency, and enable organizations to allocate resources towards the development of core competencies (Hafez et al., 2021; Choi, 2019). Furthermore, LSQ contributes to customer satisfaction, brand reputation, and customer loyalty—all of which are essential for the development of core competencies (Ehmke et al., 2024; Banford, 2023). As logistics services become more reliable, efficient, and responsive, organizations are better positioned to create innovative products and services, thus strengthening their core competencies (Faria et al., 2022; Bani Hani, 2022). Empirically, studies have shown

that effective logistics management leads to improved business performance, which, in turn, supports the growth of core competencies (Zailani, 2018; Hafez et al., 2021). Therefore, both theoretical and empirical research underpin this hypothesis, highlighting the significance of LSQ in enhancing organizational capabilities and achieving a competitive advantage (Bagozzi & Yi, 2012; Sun, 2023). The author derived the following hypothesis from the previously provided information, as elaborated below:

H1: There is a statistically significant influence of logistics service quality (LSQ) on core competency.

Internal strategic factors, such as organizational resources and capabilities, are critical determinants of a company's ability to leverage logistics service quality to develop core competencies (Banford, 2023). These factors can include tangible assets like technology and financial resources, as well as intangible assets such as organizational culture, employee skills, and internal processes (Aboul-Atta & El-Lebody, 2023; Barney & Hesterly, 2020). This study hypothesizes that internal strategic factors moderate the relationship between Logistics Quality (LSQ) and core competency, either by enhancing or inhibiting the impact of logistics quality on the development of organizational capabilities (Bani Hani, 2022; Afshan et al., 2018). The resource-based view (RBV) theory supports this hypothesis by emphasizing that an organization's internal resources and capabilities are essential for exploiting external opportunities, including high-quality logistics services (Barney & Hesterly, 2020; Grant, 1991). Previous research has indicated that firms with superior resources and capabilities are better equipped to capitalize on logistics services, leading to improved performance and competitive advantage (Guesalaga et al., 2018; Afshan et al., 2018). Moreover, empirical studies have shown that internal factors such as strategic alignment, organizational learning, and knowledge sharing significantly influence an organization's ability to transform logistics quality into core competencies (Kim & Chai, 2017; Al-Shboul et al., 2017). Therefore, the premise of this hypothesis is that internal strategic factors allow organizations to effectively utilize logistics services, thereby enhancing core competencies (Al-Faouri et al., 2024).

The third hypothesis proposes that internal strategic factors not only impact core competencies directly but also moderate the relationship between LSQ and core competency (Alemu, 2016; Alvarenga et al., 2019). This moderation effect suggests that the impact of LSQ on core competencies is contingent upon the strength and effectiveness of an organization's internal resources and capabilities (David et al., 2023; Ebrahimi, 2020). Aligning internal strategic factors with the organization's objectives can amplify the positive effects of LSQ on core competency development (Sahin & Topal, 2019; Arabelen & Kaya, 2021). The dynamic capabilities theory, which emphasizes an organization's ability to integrate, build, and reconfigure internal resources to address changing market conditions, serves as the theoretical justification for this hypothesis (Teece et al., 1997; Christensen & Kaufman, 2006). The utilization of logistics services to enhance core competencies is largely dependent on internal

strategic factors like knowledge, technology, and organizational culture (Galbraith & Kazanjian, 1986; Alexander & Martin, 2013). For example, a company with strong managerial systems and a customer-centric culture may be better positioned to leverage LSQ to improve customer satisfaction and, subsequently, strengthen its core competencies (Gandhi et al., 2017; Gupta et al., 2022). Previous research has demonstrated that organizations with a strong resource base are better able to exploit logistics quality to create value and sustain competitive advantages (Sahin & Topal, 2019; Ferreira & Fernandes, 2017). Based on the previous research, the author derived the following hypotheses, which are explained below:

H2: There is a statistically significant impact of internal strategic factors on core competency.

H3: There is a significant moderating impact of internal strategic factors on the relationship between LSQ and core competency.

The three hypotheses formulated in this study aim to explore the relationship between logistics service quality, core competencies, and internal strategic factors. Hypothesis 1 examines the direct influence of LSQ on core competency, supported by resource-based theory and empirical evidence. The resource-based view and dynamic capabilities theory are used to support Hypothesis 2, which looks into how internal strategic factors affect core competencies. Lastly, Hypothesis 3 says that internal strategic factors can change the relationship between LSQ and core competency. This gives us more information about how internal resources can change an organization's abilities. These hypotheses address the research gap by providing a comprehensive framework to understand the interplay between logistics quality, organizational resources, and core competencies. The study contributes to theory by integrating insights from multiple theoretical perspectives, including resource-based theory, dynamic capabilities, and organizational behavior. Practically, the findings could help organizations better leverage logistics services and internal strategic factors to enhance their core competencies, thereby gaining a competitive edge in the marketplace.

The conceptual framework proposed in this study is based on the identified gaps in the literature, integrating internal strategic factors with logistics service quality to examine their effects on core competency. This study is the first to develop this theoretical framework, as shown in Figure 1.

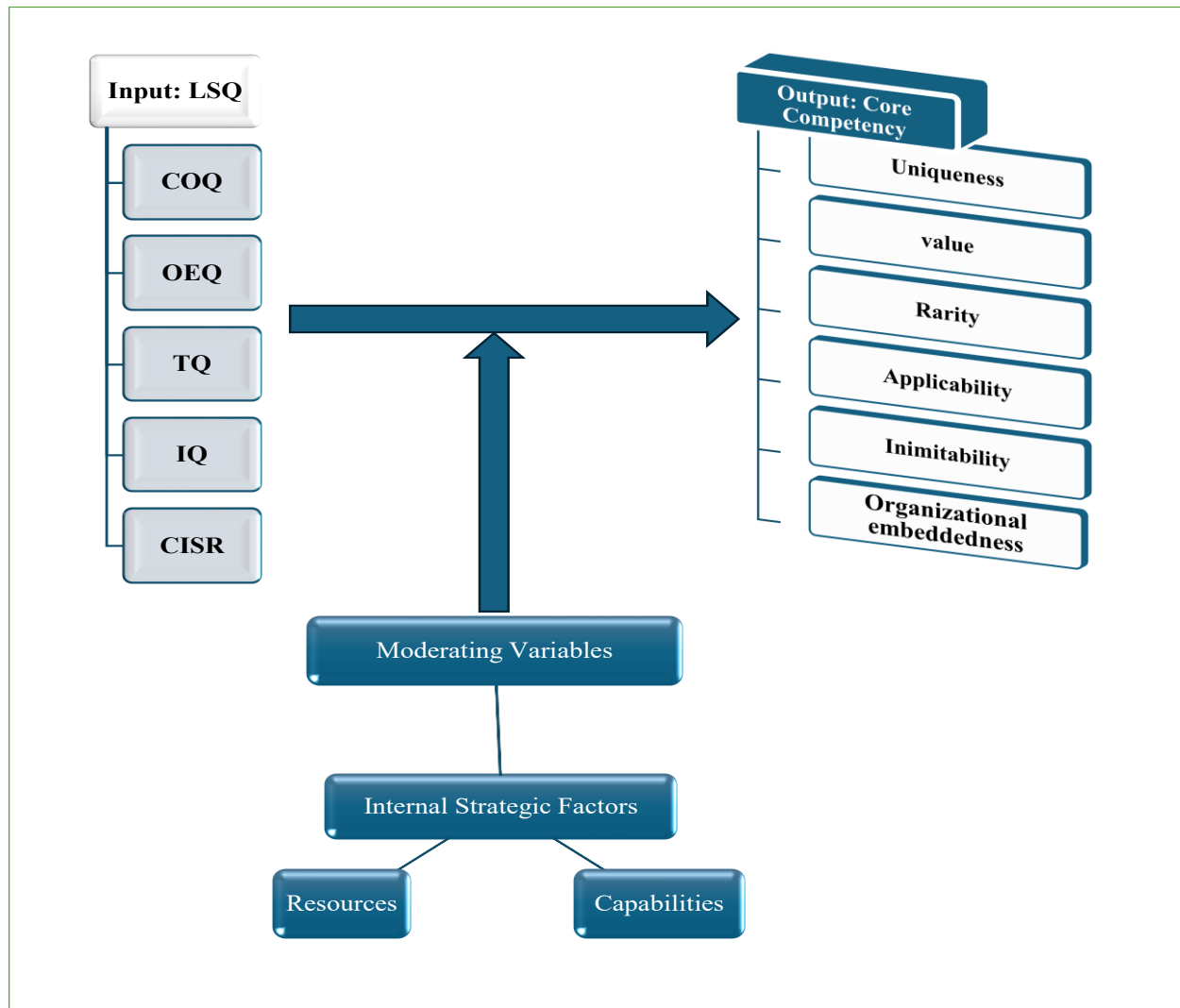


Figure 1. Integration of Resources and Capabilities into LSQ to Enhance Core Competency

4. Methodology

4.1 Sample and Study Instrument

This study aims to identify the moderating role of internal strategic factors in the relationship between logistics service quality (LSQ) and core competency, specifically from the perspective of executives in Saudi Arabian transportation and cargo organizations. To achieve this objective, the researcher first conducted an extensive review of relevant literature to identify key measures of LSQ, core competency, and internal strategic factors. Building upon these identified measures, a questionnaire was then developed and distributed to transportation and cargo organizations, with a particular focus on targeting executives at all levels. The reason for choosing this sample was grounded in the recognition that the transportation and cargo sector plays a critical role in the economy and directly interacts with both logistics service quality and

core competencies. Moreover, this sector was specifically targeted due to its high relevance to the study's constructs, as it involves the core logistics services that are central to the research. Additionally, executives in this sector were deemed ideal respondents as they possess a comprehensive understanding of both the strategic and operational dimensions of the organizations, allowing them to provide insights into the relationship between LSQ, core competencies, and internal strategic factors.

The questionnaire was structured into four sections: the first part captured the demographic profile of the respondents, the second part measured LSQ, the third part assessed core competency, and the fourth part evaluated internal strategic factors, including resources and capabilities. This structure was carefully designed to address the most important measures identified in previous research, ensuring a thorough exploration of the relevant constructs. In total, 600 questionnaires were distributed, with 300 transportation and cargo organizations participating in the research. Each organization received two questionnaires to be completed by the general manager and the operations manager. Following the distribution, the General Manager and the Operations Manager returned 420 usable questionnaires, yielding a response rate of 70%. Of these respondents, 197 were general managers and 223 were operations managers. The organizations that participated covered a broad range of transportation and cargo services, contributing to the diversity of perspectives within the study.

4.2 Model Reliability and Validity

A reliability assessment was performed to evaluate the internal consistency of the constructs using Cronbach's alpha. According to Sekaran & Bougie (2015), the minimum threshold deemed acceptable for Cronbach's alpha is 0.60. In this study, Table 3 demonstrates that all constructs exhibited Cronbach's alpha values exceeding 0.70, which indicates a high level of internal consistency, as recommended by Nunnally & Bernstein (1994) and Hair et al. (2013). To further assess the reliability of the model, composite reliability (CR) was calculated, which measures the proportion of variance in the measurements attributable to the underlying trait for each construct. The CR values ranged from 0.944 to 0.973, all of which were above the suggested minimum level of 0.70 (Gefen et al., 2000; Hair et al., 2013). This finding clearly indicates that the model exhibits sufficient consistency and reliability.

Additionally, a confirmatory factor analysis (CFA) was conducted to validate the model. According to the rules set by Fornell and Larcker (1981), discriminant validity was present if the average variance extracted (AVE) was higher than the squared correlations between the different constructs. As shown in Table 1, the AVE values varied between 0.699 and 0.781, which are all greater than the squared correlations (off-diagonal). These values also surpass the threshold of 0.50 suggested by Bagozzi and Yi (2012). The AVE was also bigger than both the maximum shared variance (MSV) and the average shared variance (ASV), which made the case for

discriminant validity stronger (Hair et al., 2013). As a result, the values for all constructs met the recommended levels, indicating satisfactory convergent validity.

Table 1. Proposed Model Reliability & Validity Indices

Variable	Item	Loading	Cronbach's Alpha	CR	AVE	MSV	ASV
LSQ	COQ	0.564	0.81	0.935	0.736	0.557	0.367
	OEQ	0.857					
	TQ	0.677					
	IQ	0.655					
	CISR	0.885					
ISF	Resources	0.796	0.79	0.914	0.717	0.566	0.359
	Capabilities	0.517					
CC	Uniqueness	0.845	0.83	0.953	0.761	0.579	0.377
	Value	0.791					
	Rarity	0.879					
	Applicability	0.817					
	Inimitability	0.977					
	Organizational embeddedness	0.873					
	Uniqueness	0.953					

4.3 Model goodness-of-fit

A variety of metrics are employed to assess the adequacy of the proposed Structural Equation Modeling (SEM) model. Specifically, these measures are grouped into three categories: absolute fit, incremental fit, and parsimonious fit (Hair et al., 2013). Table 2 illustrates the use of a total of 12 indicators in this study to evaluate the model's fit. Academic research widely recognizes and commonly employs these indices (Hair et al., 2013; Cheung & Rensvold, 2002; Bentler, 1990; Marsh et al., 1988).

Table 2. Structural Model Goodness-Of-Fit Indices

Measures		Value	Threshold
Absolute fit	Chi-square goodness of fit	875.66	
	p-value	0.000	
	Degree of freedom	466	
	Normed chi-square	1.879	≤ 3
	Goodness-of-Fit Index (GFI)	0.739	$\geq 0,08$ or 0.09
	Root mean squared error of approximation (RMSEA)	0.048	Less than or equal 0.05 (Stieger, 2007)
Incremental fit	Tucker-Lewis Index (TLI)	0.961	0.95 and higher
	Normal Fit Index (NFI)	0.973	0.9 and higher
	Non-Normal Fit Index (NNFI)	0.963	0.9 and higher
	Comparative Fit Index (CFI)	0.961	0.9 and higher
	Incremental Fit Index (IFI):	0.958	0.9 and higher

	Relative Fit Index (RFI)	0.976	0.9 and higher
Parsimonious fit	Parsimonious Normed Fit Index (PNFI)	0.677	0.5 and higher
	Parsimonious Goodness-of-Fit Index (PGFI)	0.881	0.5 and higher

The results presented in Table 2 indicate that nearly all the 'goodness-of-fit' indices met the recommended values. These findings suggest that the model is well-developed and exhibits a close fit to the data.

5. Data Analysis

5.1 Descriptive Analysis

Table 3 presents the demographic characteristics of the respondents, with a total of 420 participants. Specifically, the respondents are categorized based on several key variables: age, education level, position, and years of experience. Starting with age, the distribution is relatively balanced. In detail, 31 participants (7%) are under 30 years, 142 participants (34%) are in the 30-40 age range, 103 participants (25%) fall into the 41-50 age range, and 144 participants (34%) are over 50 years. Turning to education, the majority of respondents hold a bachelor's degree, comprising 88% of the sample (371 participants). Additionally, 11% have a master's degree (45 participants), and 1% hold a doctorate degree (4 participants). When considering positions, 47% of the respondents (197 individuals) are general managers, while 53% (223 individuals) are operations managers. 61% (257 participants) of the sample have 5 to less than 10 years of professional experience. In contrast, a smaller portion of the respondents have less than 5 years of experience (11%, or 48 participants), while 27% (115 participants) have more than 10 years of experience.

Table 3. Demographic Characteristics of Respondents (N = 420)

Variable		Frequency	Percentage
Age	Less than 30 years	31	0.07
	30-40	142	0.34
	41-50	103	0.25
	More than 50	144	0.34
Education	Bachelor	371	0.88
	Master	45	0.11
	Doctorate	4	0.01
Position	General Manager	197	0.47
	Operations Manager	223	0.53
Experience	Less than 5 years	48	0.11
	5 – less than 10	257	0.61
	More than 10	115	0.27

Table 4 presents the descriptive statistics, including the mean and standard deviation, for the study variables. These statistics were employed to explore the research topics in greater detail. Notably, the mean value for Logistics Service Quality (LSQ) is 4.7, with a standard deviation of 0.45. This suggests a relatively high consistency in responses. Similarly, the mean value for the Cost of Quality (COQ) is 4.82, with a standard deviation of 0.45, indicating a comparable level of homogeneity. In contrast, the Organizational Efficiency Quotient (OEQ) has a slightly higher mean of 4.92, with a lower standard deviation of 0.30, suggesting even greater consistency in this variable. The data also reveals that the mean for Total Quality (TQ) is 4.77 with a standard deviation of 0.46, further reflecting a moderate level of agreement among respondents. Meanwhile, the Innovation Quotient (IQ) has a lower mean of 4.37 but exhibits a larger standard deviation of 0.52, indicating more variability in responses.

For the core internal strategic factors, the mean value stands at 4.5 with a standard deviation of 0.59, demonstrating moderate consistency in the responses. Furthermore, the means for resources and capabilities are 4.49 and 4.52, respectively, with standard deviations of 0.52 and 0.66. These figures suggest that responses regarding organizational resources and capabilities show slight variability. Turning to core competency, the mean value is high at 4.87 with a standard deviation of 0.41, reflecting a solid agreement among participants. Additionally, the mean for uniqueness is 4.68, with a standard deviation of 0.47, indicating relatively consistent views on the uniqueness factor. Other variables, such as value, rarity, applicability, and inimitability, show even higher mean values. Specifically, the mean for Value is 4.96, with a very low standard deviation of 0.21, suggesting high consensus among respondents. The means for rarity, applicability, and inimitability are similarly high, at 4.94, 4.92, and 4.50, respectively, with standard deviations ranging from 0.27 to 0.53. This further emphasizes the consistent understanding of these dimensions across the sample. Lastly, organizational embeddedness and uniqueness are also important metrics. The mean for organizational embeddedness is 4.68, with a standard deviation of 0.52, while uniqueness has a slightly lower mean of 4.58, with a standard deviation of 0.53. Overall, the relatively low standard deviation values across most of the variables suggest a high degree of agreement among respondents, indicating that the study's participants hold similar views on the dimensions of quality, strategy, and organizational capabilities.

Table 4. Mean and standard deviation for Items domain

Variables	Mean	STD
LSQ	4.7	0.45
COQ	4.82	0.45
OEQ	4.92	0.30
TQ	4.77	0.46
IQ	4.37	0.52
CISR	4.67	0.51

Internal Strategic Factors	4.5	0.59
Resources	4.49	0.52
Capabilities	4.52	0.66
Core Competency	4.87	0.41
Uniqueness	4.68	0.47
Value	4.96	0.21
Rarity	4.94	0.29
Applicability	4.92	0.27
Inimitability	4.50	0.53
Organizational embeddedness	4.68	0.52
Uniqueness	4.58	0.53

4.3 Hypotheses Testing

Before conducting the linear regression analysis to assess the study hypotheses, the data were examined for normality, which is a critical assumption for regression analysis. Table 5 presents the results of the normality test. As shown in the table, all research variables conform to a normal distribution. This conclusion is based on the Shapiro-Wilk test results and their associated significance levels. Since all the significance values reported in the table exceed 0.05, we fail to reject the null hypothesis. The null hypothesis posits that there is no significant difference between the distribution of the variable values and a normal distribution at a significance level of $\alpha \leq 0.05$. Therefore, it can be concluded that the variables in this study follow a normal distribution.

Table 5. Normal distribution test using Shapiro-Wilk test

Variable	Shapiro-Wilk test	Sig.
LSQ	0.975	0.21
ISF	0.968	0.18
CC	0.835	0.23

The importance and applicability of the structural model were evaluated using the SmartPLS bootstrapping approach. Table 6 presents the analysis results, which evaluate the structural relationships within the research model.

Firstly, Hypothesis 1 posits that Logistics Service Quality (LSQ) significantly influences Core Competency (CC). As indicated in Table 6, the correlation coefficient (r) between LSQ and CC is 0.859, which suggests a strong positive relationship. This high correlation implies that focusing more on LSQ within Saudi transportation and cargo organizations is likely to lead to enhanced core competencies. Additionally, the coefficient of determination (R^2) for the LSQ-CC

construct is 0.738, meaning that 73.8% of the variance in core competency is explained by changes in logistics service quality. Other factors not included in the model account for the remaining variance. In support of this, the bootstrapping results in Table 6 show that LSQ has a statistically significant influence on core competency ($t = 11.55$, $p < 0.001$, $\beta = 0.471$). Consequently, this supports the acceptance of the alternative hypothesis (H1), confirming that LSQ significantly impacts core competency. Next, Hypothesis 2 suggests that internal strategic factors (ISF) significantly influence core competency. As shown in Table 6, the correlation coefficient (r) between internal strategic factors and core competency is 0.817, reflecting a strong positive relationship. This indicates that improvements in organizational resources and capabilities within Saudi transportation and cargo organizations are likely to enhance their core competencies. Also, the ISF-CC construct has an R^2 value of 0.667, which means that internal strategic factors explain 66.7% of the variation in core competency. The remaining variation is due to variables that were not included in the model. Furthermore, the bootstrapping results reveal that internal strategic factors have a statistically significant influence on core competency ($t = 21.42$, $p < 0.001$, $\beta = 0.22$). Therefore, this supports the acceptance of the alternative hypothesis (H2), confirming that internal strategic factors significantly affect core competency. Lastly, Hypothesis 3 posits that internal strategic factors moderate the relationship between LSQ and core competency. The results in Table 6 show that internal strategic factors do indeed moderate the influence of LSQ on core competency ($\beta = 0.693$, $t = 15.502$, $p < 0.001$). It's clear that this finding supports the alternative hypothesis (H3). It shows that internal strategic factors make LSQ have a bigger effect on core competency. In addition, the coefficient of determination (R^2) for the construct integrating LSQ and internal strategic factors on core competency is 0.779. The fact that this model's R^2 value is higher than the first one suggests that internal strategic factors play a big role in explaining the link between LSQ and core competency. This underscores the importance of considering internal strategic factors when evaluating the impact of LSQ on core competencies in the context of Saudi transportation and cargo organizations.

Table 6. The results of the model using PLS bootstrapping procedures

Hypotheses	R	R^2	Standard bootstrap results		
			Standard error	t-value	p-value (1-sided)
LSQ-CC	0.859*	0.738**	0.021	11.55	0.00***
ISF-CC	0.817*	0.667**	0.017	21.42	0.00**
[LSQ & ISF] - CC	0.883**	0.779**	0.041	15.502	0.00***

Notes: * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

6. Discussion

The study presents several important findings regarding the relationships between logistics service quality (LSQ), internal strategic factors (ISF), and core competency (CC) within Saudi transportation and cargo organizations. A strong correlation coefficient ($r = 0.859$) and a high coefficient of determination ($R^2 = 0.738$) show that LSQ has a big effect on CC. This

indicates that significant variations in core competency can be attributed to enhancements in the quality of logistics services. In addition to this, internal strategic factors (ISF) were found to have a substantial effect on core competency ($r = 0.817$, $R^2 = 0.667$), underscoring the importance of organizational resources and capabilities in enhancing core competencies. Moreover, the moderating role of ISF in the relationship between LSQ and CC was confirmed, with a stronger effect of LSQ on CC when internal strategic factors are considered ($\beta = 0.693$, $R^2 = 0.779$). Taken together, these results suggest that both LSQ and ISF are integral to improving core competencies in the logistics sector, and internal strategic factors amplify the effect of logistics service quality.

These findings align with existing literature, particularly studies highlighting the crucial role of logistics service quality in shaping organizational capabilities (Alemu, 2016; Akhade et al., 2016). Furthermore, the significant role of internal strategic factors mirrors findings in strategic management literature, which emphasizes how organizational resources and internal capabilities influence competitive advantage (Barney, 1991; David et al., 2023). This study adds to and matches what other research has found in a number of important areas relating to logistics service quality (LSQ), core competencies (CC), and the role of internal strategic factors (ISF) in Saudi transportation and cargo organizations. The positive and significant relationship found between LSQ and CC in this study is consistent with prior research, which underscores the role of logistics service quality in enhancing organizational performance and competitive advantage. For instance, Aboul-Atta and El-Lebody (2023) found that high-quality logistics services significantly contribute to the development of organizational competencies, aligning with our results showing a strong correlation between LSQ and CC ($r = 0.859$, $p < 0.001$). This finding, in turn, further supports Alemu (2016), who argued that logistics service quality positively impacts customer satisfaction, thereby reinforcing core competencies in a business context. Similarly, Feng et al. (2007) and Apostolos et al. (2013) highlighted that logistics service quality is a crucial determinant of firm performance, especially in industries like transportation and logistics. Therefore, our study contributes to this literature by highlighting a substantial proportion of the variance in core competencies (73.8%) explained by LSQ, which strengthens the argument that LSQ is a critical factor in building organizational capabilities in the sector.

The findings also reveal a robust influence of internal strategic factors (ISF) on core competencies ($r = 0.817$, $p < 0.001$). This outcome is consistent with previous studies such as Barney (1991) and Alvarenga et al. (2019), which emphasize the importance of internal resources and strategic capabilities in enhancing core competencies and sustaining competitive advantage. The current study echoes Barney's (1991) assertion that a firm's internal resources and capabilities are key drivers of its competitive advantage, with internal strategic factors accounting for 66.7% of the variance in core competency. Moreover, Bani Hani (2022) and Al-Faouri et al. (2024) have similarly argued that internal strategic factors such as organizational structure, culture, and resource management are vital in achieving superior performance outcomes. This study, by integrating ISF within the model, provides empirical evidence for their

significant role in improving core competency, particularly in Saudi transportation and cargo organizations.

Perhaps one of the most notable contributions of this study is the identification of the moderating role of internal strategic factors (ISF) between LSQ and core competency. The results show that ISF makes the connection between LSQ and core competency much stronger ($\beta = 0.693$, $p < 0.001$). This means that internal strategic factors make LSQ have a bigger impact on core competencies. This finding is consistent with research by Al-Shboul et al. (2017) and Choi and Hong (2002), who highlighted that the alignment of internal strategies and logistics practices is essential for maximizing firm performance. Moreover, our finding of a higher R^2 (0.779) when both LSQ and ISF are considered together supports the view that internal strategies can amplify the effects of logistics service quality. This is in line with studies by Do et al. (2023) and Al-Shboul et al. (2017), who suggest that the synergy between logistics capabilities and internal resources results in enhanced organizational competencies. Many previous studies have looked at how LSQ and internal strategic factors directly affect performance (Akhade et al., 2016; Bagozzi & Yi, 2012). This study adds to that body of research by looking at how they interact, especially in the areas of logistics and transportation.

Thus, this study fills a significant gap in the literature, offering new insights into how internal strategic factors can modify the influence of logistics service quality on core competencies. By doing so, it advances the understanding of how internal resources and strategic capabilities interact to enhance organizational performance. This study supports much of the existing literature while also providing novel insights into the interplay between logistics service quality, internal strategic factors, and core competencies. Specifically, the moderating role of ISF offers a deeper understanding of how firms can leverage both their logistical capabilities and strategic resources to achieve superior performance outcomes. As a result, these findings represent an important advancement in supply chain and logistics management theory, particularly in the context of Saudi Arabia's transportation and cargo sector.

The findings of this study carry significant policy implications, particularly for regulators and policymakers in the transportation and logistics sector. Notably, the evidence bolsters the notion that organizations should prioritize improving logistics service quality and enhancing internal strategic factors as part of a broader strategy to enhance their core competencies. Policymakers can use these insights to design frameworks that encourage investment in logistics infrastructure and strategic capabilities, which are critical for enhancing the competitiveness of organizations in this sector. Additionally, stakeholders, such as managers and business leaders, should recognize the importance of integrating internal strategic factors with logistics service quality to maximize organizational performance and competitiveness (Banford, 2023). Practically, these findings suggest that Saudi transportation and cargo organizations could benefit from training and development programs aimed at enhancing internal strategic factors, such as resource management and strategic alignment, alongside improvements in logistics service

quality. Since internal capabilities influence how effectively LSQ translates into core competency, organizations should consider adopting a holistic approach that aligns logistics improvements with strategic resource management.

Despite its contributions, this study has several limitations. First, the study restricts the sample to Saudi transportation and cargo organizations, potentially limiting the generalizability of the findings to other contexts or industries. Furthermore, the study primarily focuses on two constructs—logistics service quality and internal strategic factors—without taking into account other potential influences on core competency, such as external market conditions or technological advancements. In addition, the use of cross-sectional data limits the ability to draw causal conclusions, and future research could employ longitudinal data to better understand the long-term effects of LSQ and ISF on core competencies. On the other hand, future research could explore the broader context of how different types of internal strategic factors (e.g., organizational culture, leadership styles) interact with logistics service quality to influence core competencies across various sectors, not just logistics. To learn more about the link between logistics service quality and organizational capabilities, researchers could also look into other factors that might affect or moderate the relationship, like changes in the external market or new technologies (Apostolos et al., 2013; Alexander & Martin, 2013). Finally, longitudinal studies could provide deeper insights into the temporal dynamics of these relationships and help identify the long-term impacts of improving logistics service quality and strategic internal factors.

7. Conclusion

This research looked at the link between logistics service quality (LSQ) and core competency in Saudi Arabian cargo and transportation companies, focusing on how internal strategic factors (ISF), such as resources and capabilities, affect this relationship. The primary objective was to explore how LSQ influences core competency and to assess how internal strategic factors, such as organizational resources, moderate this relationship. The study aimed to answer whether improving logistics service quality and internal resources significantly enhances core competencies and how internal strategic factors influence this dynamic.

A strong correlation coefficient ($r = 0.859$) shows that there is a significant positive relationship between LSQ and core competency. This means that improvements in logistics service quality have a big impact on the growth of core competencies in the transportation and cargo sector. The role of internal strategic factors as moderators was also emphasized. The results showed that internal capabilities strengthen the impact of LSQ on core competency ($\beta = 0.693$, $R^2 = 0.779$). These findings reinforce the importance of integrating high-quality logistics services with effective internal resource management in achieving competitive advantages (Barney, 1991; Alvarenga et al., 2019). Moreover, the study contributes to the existing body of knowledge by emphasizing the critical role of both LSQ and ISF in shaping organizational performance and enhancing competitive advantage, particularly within the context of Saudi Arabian organizations.

Theoretically, this study strengthens the resource-based view (Barney, 1991) and supply chain management theories by demonstrating the interaction between logistics service quality and internal strategic factors in influencing organizational core competencies. It suggests that firms can achieve a sustainable competitive advantage by not only improving logistics services but also by strategically leveraging their internal resources and capabilities (Alemu, 2016; Feng et al., 2007). Practically, the findings imply that managers in the transportation and logistics sector should focus on aligning internal resources, such as organizational structure and leadership, with logistics improvements to enhance organizational performance. Business leaders should integrate LSQ into their overall strategy, ensuring that internal capabilities are in place to support and maximize the benefits of logistics service improvements. Additionally, policymakers should consider investing in logistics infrastructure and facilitating the development of organizational resources to foster a competitive advantage in the sector. From a policy perspective, the findings recommend that regulatory frameworks prioritize enhancing logistics service quality and internal capabilities. By incentivizing firms to invest in these areas, policymakers can improve the overall competitiveness of the transportation and cargo sector. These efforts could be critical in improving the efficiency and performance of logistics organizations, particularly in rapidly developing economies like Saudi Arabia.

Despite its valuable contributions, this study has several limitations. Firstly, the study only focuses on transportation and cargo organizations in Saudi Arabia, potentially restricting the applicability of the findings to other regions or sectors. Different industries or geographic contexts may exhibit different dynamics in the relationship between LSQ, ISF, and core competency. Additionally, the study employed a cross-sectional design, capturing data at a single point in time, which prevents the drawing of causal conclusions. The reliance on self-reported data also introduces the potential for biases, such as social desirability bias, which may impact the accuracy of the findings. Furthermore, while this study focused on resources and capabilities as internal strategic factors, other variables, such as organizational culture and leadership, were not considered, even though they may also influence the relationship between LSQ and core competency.

Future research could expand the geographic and sectoral scope to explore how the relationships between LSQ, ISF, and core competency may differ in other regions and industries. Comparative studies across countries and industries could offer a more nuanced understanding of the factors influencing this relationship. Additionally, longitudinal research could track changes over time, providing insights into how these variables interact and evolve. Further investigation into other internal and external moderating factors, such as organizational culture, leadership styles, and external market conditions, could offer a more comprehensive view of the dynamics at play. Mixed-methods approaches that use both quantitative and qualitative data could add to the results by giving us a better picture of the situation and the underlying factors that affect the connection between LSQ and core competency. Future studies could also investigate the role of

emerging technologies, such as blockchain, artificial intelligence, and the Internet of Things, in enhancing logistics service quality and organizational capabilities.

This study provides significant insights into the role of logistics service quality and internal strategic factors in enhancing core competencies within Saudi transportation and cargo organizations. By examining the moderating role of internal strategic factors, the research contributes to the broader field of logistics and supply chain management, offering valuable implications for both theory and practice. The findings underscore the importance of integrating high-quality logistics services with strategic internal resources, providing a foundation for future research in this area. This research contributes to advancing our understanding of how logistics organizations can leverage both service quality and internal resources to gain a competitive edge, particularly in an increasingly complex global market.

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