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Determinants of Service Logistic Innovation and its Capability in Cambodia Using the Structural Equation Model

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ABSTRACT

Logistics and transportation are becoming increasingly significant in international trade relations as a means of promoting growth by enabling the export and import of goods in developing and developed countries. Hence, this study employs a logistic case study of Cambodia, providing detailed information about logistics performance, services, and capacity. Additionally, this study utilizes the strategy-structure-performance framework to investigate factors influencing a firm's logistics service innovation capabilities and customer satisfaction, as well as the firm's resource-based outlook through structural Equation Model (SEM) analysis. From December 2022 to February 2023, a self-administered survey with a structured questionnaire was used to collect data from 396 wholesalers in SMEs with relevant experience in using logistic services in Cambodia to examine the hypothesized relationships. According to the findings, key factors of demanded-oriented service, process capability, information process, and logistic service quality positively impacted to a firm's logistic service and its innovation capability and customer satisfaction (Coef=0.96), while the other three research variables, customer orientation, physical supply flexibility, demand management flexibility, logistic service quality, and process competence, have a significant impact on logistic service innovation. This means that logistic services and innovation are very vital to satisfy the customers and growth in Cambodia.

Keywords: *Customer Orientation, Demand Management Flexibility, Logistic Quality, Physical Supply Flexibility, SEM*

INTRODUCTION

Economic globalization has revolutionized the global economic landscape, creating new challenges and chances. While some firms have numerous capabilities to encourage development and sustainability. Consequently, the ability of firms to comprehend client demands and to be innovative has been consistently highlighted in the business strategy for firms to remain competitive and increase their company value might be concerned about more intelligent, segmented, and demanding, with higher expectations for service customization, innovativeness, and quality. Furthermore, service innovation is developing, and implementing a new product, process, and service to increase efficiency, effectiveness, or competitive advantage. Service innovation had better be capable of starting small, requiring first little money, few people, and only a small limited market. Customer satisfaction means the customer's expectations of a product or service are met or satisfied (Natalina & Wahyuni, 2022). Logistics innovation refers to all logistics-related innovations. Service innovation is critical in the increasingly competitive business environment in which firms operate. This finding is similar to Gong et al. (2019) and Wong et al. (2016).

Furthermore, logistic innovation capability is crucial in developing any country's service sector, including Cambodia. As Cambodia continues to experience rapid economic growth and global integration, addressing key issues related to logistic innovation capability is essential to enhance its service sector performance and competitiveness. One key issue in Cambodia's logistic innovation capability is the need for advanced infrastructure and technology. The country's transportation and logistics infrastructure still need to improve, including inadequate road networks, limited port facilities, and inefficient customs procedures. However, there is a need for more professionals with expertise in areas such as supply chain management, transportation planning, and warehouse management. To address this issue, Cambodia must invest in vocational training programs and educational institutions that provide specialized logistics and supply chain management courses.

In addition, there needs to be more collaboration and coordination among different stakeholders in the logistics sector. Strong partnerships between the government, private industry, and academia are required to foster innovation and knowledge sharing in the logistics industry. By investing in infrastructure development, skill enhancement, regulatory reforms, and stakeholder collaboration, Cambodia can unlock the potential for logistic innovation and drive sustainable economic growth. The next sections evaluate relevant literature, provide a theoretical framework, and then address research hypotheses.

The purpose of this study aims to analyze the factors of logistic services, its capacity, and customer satisfaction assessment in Cambodia using econometric techniques such as the structural equation model (SEM) and other significant

models. Furthermore, the research methods and analysis are thoroughly explained, followed by additional implications, study limits, and research opportunities.

RESEARCH METHODOLOGY

This study collected data through a questionnaire survey of clients who have used logistic services in the cities of Phnom Penh, Sihanoukville, Battambang, and Siem Reap. Furthermore, using a 5-point Likert scale, the survey asks respondents to rate their firms' performance in terms of logistical service competence, service innovation capability, and customer satisfaction in comparison to their competitors. It was adopted to rate the questionnaire items with 1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree; and 5 = strongly agree. Considering the measures of service innovation capability, five items were selected, such as logistic service quality consists of 6 items, customer satisfaction consists of 3 items, demand management flexibility consists of 5 items, physical supply flexibility consists of 5 items, and process capabilities consist of 6 items, customer orientation consists of 5 items, and customer satisfaction consists of 3 items.

A self-administered was adopted to deliver a hard copy of the questionnaire to respondents a purposive sampling technique (Cooper & Schindler, 2014) was collected data from customers who had previously used logistics services in Phnom Penh, Sihanoukville, Battambang, and Siem Reap. By determining this study's sample sizes, the sample size for the unknown population was estimated using the Cochran (1977) technique with an alpha level of 0.05. This study uses a proportional variable to establish the acceptable error level at 5% and to estimate the scale's standard deviation as 0.5. Here is an example of how Cochran's sample size formula can be applied as following:

$$n = \frac{Z^2 (p * q)}{e^2} = \frac{(1.96)^2(0.5 * 0.5)}{(0.05)^2} = 384$$

Whereas, the Z-value is which includes the alpha level of 0.05 with the marginal errors and the variance estimation (p * q) is 0.25. According to this suggestion, this research collects sample sizes of at least 384 participants for formal data analysis. Therefore, this finalized sample size was 396 respondents for formal data analysis.

RESULT AND DISCUSSION

Customer Orientation and Service Innovation Capability

An extension of resource-advantage (R-A) theory is to investigate how customer orientation, as a higher-order or interconnected operant resource, enhances customer satisfaction through service innovation capability (i.e., the implementation of creative ideas) (Racela & Thoumrungroje, 2020). We can say that the firm's resource-based perspective (RBV) frequently provides the crucial theoretical underpinning for the current study. According to Lin & Wu (2014), many studies have used the RBV framework to demonstrate the relationships between firm resources, capabilities, and performance in their respective firms. In the case of logistic services, firms with a strong customer orientation gain a competitive advantage by improving and maintaining customer value (Meidutė-Kavaliauskienė et al., 2014). Customer orientation is a culture in which consumer requirements and values are communicated explicitly to the major stakeholders and management, as well as informally to all employees. Many previous academics have claimed that service innovation can improve the firms' capacity as well as capacity to think about the requirements and satisfaction of their customers (Kandampully et al., 2015). This also implies that the firm's customer-response orientation ensures that logistics service innovation is carried out well to increase customer value. Empirical findings reveal that customer orientation significantly influences technical and administrative innovations such as some key factors. Fidel et al. (2018) investigated a few key variables that influence how a customer's strategic orientation influences service innovation capability. As a result of the firm's resource-based perspective, we offer the following hypothesis for this research:

- H₁ : Customer orientation is positively related to service innovation capability.
- H₂ : Physical supply flexibility is positively correlated with service innovation capabilities.
- H₃ : Logistic service quality is positively related to service innovation capability.
- H₄ : Demand management flexibility is positively related to service innovation capability.
- H₅ : Process capability is positively related to service innovation capability.
- H₆ : Service innovation capacity in logistic firms positively improves client satisfaction.

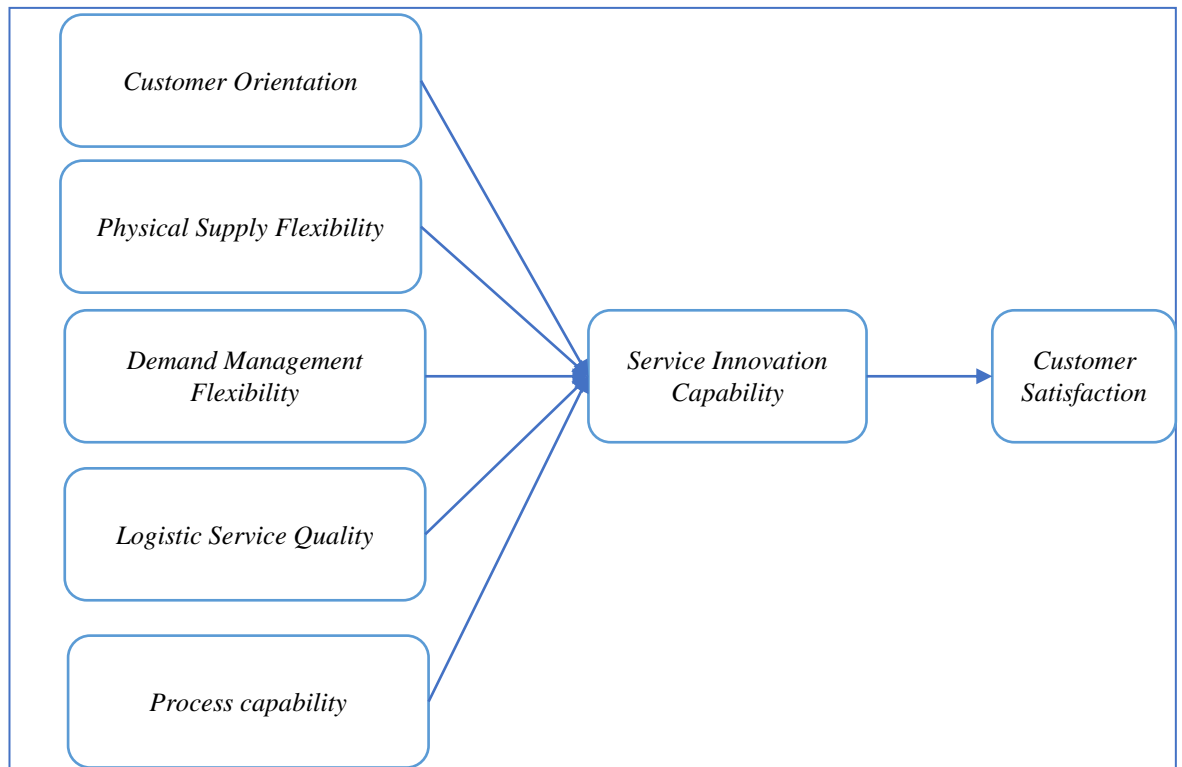


Figure 1. Conceptual Framework of Service Innovation Capability

Source: Authors' Illustration

Factor Analysis: EFA

The exploratory factor technique used the principal component method with VARIMAX rotation to conduct factor analysis and reliability tests to confirm the dimensionality and reliability of the study, as shown in Figure 1. This study evaluates data analysis processes, including factor analysis, internal consistency analysis, and reliability testing (Cronbach's Alpha: α). Factor analysis is first utilized to determine the dimensionality of each study item. This section states that the thresholds of each item's factor loading score must be greater than 0.60. The coefficient of variables is used to assess the internal consistency and reliability of the primary study construct. As shown in Table 1&2, shows the rules of thumb from the previous study that evaluated the factor analysis and reliability test results. Importantly research items met the formal reliability test's rule of thumb (Table 2) which were employed to double-confirm with Confirmatory Factor Analysis (CFA) and test the hypotheses with Structural Equation Modeling (SEM) using AMOS 23 software.

Table 1. The Results of Factor Analysis and Reliability Test

Indicators/Code*	Factor Analysis				Reliability test	
	Factor loading	KMO	Eigenvalue	Cumulative %	Item-total-correlation	Cronbach's Alpha (α)
Customer Orientation (CUO)						
CUO4	0.880	0.878	3.680	73.606	0.800	0.910
CUO5	0.871				0.788	
CUO2	0.848				0.760	
CUO3	0.845				0.756	
CUO1	0.845				0.755	
Physical Supply Flexibility (PSF)						
PSF2	0.880	0.846	3.539	70.787	0.803	0.896
PSF3	0.858				0.768	
PSF4	0.849				0.754	
PSF5	0.823				0.718	
PSF1	0.793				0.680	
Demand Management Flexibility (DMF)						
DMF2	0.880	0.875	3.495	69.903	0.797	0.892
DMF5	0.840				0.740	
DMF3	0.835				0.735	
DMF4	0.825				0.720	
DMF1	0.798				0.686	
Logistic Service Quality (LSQ)						
LSQ2	0.887	0.920	4.474	74.571	0.830	0.932
LSQ6	0.877				0.818	
LSQ3	0.871				0.810	
LSQ5	0.868				0.806	
LSQ1	0.865				0.801	
LSQ4	0.810				0.731	
Process capability (PRC)						
PRC4	0.906	0.920	4.453	74.217	0.855	0.930
PRC5	0.865				0.801	
PRC1	0.858				0.789	
PRC3	0.858				0.790	
PRC6	0.852				0.785	
PRC2	0.827				0.753	
Service Innovation Capability (SIC)						
SIC4	0.870	0.797	2.657	66.431	0.741	0.830
SIC5	0.825				0.673	
SIC2	0.814				0.659	
SIC3	0.746				0.572	
Customer Satisfaction (CUS)						
CUS2	0.936	0.751	2.562	85.407	0.852	0.914
CUS3	0.930				0.841	
CUS1	0.906				0.794	

Table 2. Rule of Thumbs of Factor Analysis and Reliability Test

Indicators	Factor Analysis				Reliability test	
	Factor loading	KMO	Eigenvalue	Cumulative %	Item-correlation	Cronbach's Alpha (α)
Threshold values	≥ 0.60	≥ 0.50	> 1	$\geq 60\%$	≥ 0.50	≥ 0.60

Source: Authors' Calculation

Measurement Model: Confirmatory Factor Analyses (CFA)

The research construct is similar guidelines of Low, M & Tan, P. M. (2017). First, the findings of the exploratory factor analysis for all items in factor solutions were done and expected theoretically, with Cronbach coefficients better than 0.60 for each component. Second, we performed confirmatory factor analyses (CFA) to determine the convergent validity of the measures. This CFA findings consist of main parts for this manuscript, firstly related to the "First Order-Factor Model" and secondly related to the "Second Order-Factor Model". This study used the first-order factor model to assess each research item individually, as indicated in Table 2, and second-ordered, as shown in Figure 2. Some indicators were excluded if low factor loading or a high connection with other indicator variables are mentioned by Hair Jr et al., 2019. By Hair et al. (2014) proposed a threshold for the second order, which the results mostly satisfied. Table 2 shows the threshold values for CFA and SEM, which were evaluated the results of CFA and SEM. The CFA conditions are met as all factor loadings exceed 0.60 and each indicator's t-value exceeds 1.96 ($p < 0.05$), thus satisfying the CFA criteria.

Table 2 and Figure 2 reveal an overall goodness-of-fit assessment of $\chi^2/df = 1.241$, GFI=0.933, AGFI = 0.901, NFI = 0.960, CFI = 0.992, and RMSEA=0.025. We may conclude that the model and data are a good fit with an adequate level of convergent validity. Indeed, the CFA and SEM Threshold (Table 3) were used to analyze the study's outcomes, as well as indicated in Table 5.

Table 3. The Threshold of CFA and SEM Model

Model Fitness	Rule of Thumbs
$\chi^2/D.F$	< 2.50
GFI	≥ 0.90
AGFI	≥ 0.90
NFI	≥ 0.90
CFI	≥ 0.90
RMSE	< 0.05

Sources: Authors Calculation

Note:

Chi-square = χ^2 and D.F = Degree of Freedom

GFI = Goodness of Fit and AGFI = Adjusted Goodness of Fit

NFI = Normalized Fit Index.

CFI = Comparative Fit Index.

RMSEA = Root Mean Square Error of Approximation.

The Average Variance Extracted (AVE) and Composite Reliability coefficients (CR) were used to assess the quality of a measure. In addition, we discuss how the quantity of items and the homogeneity problem with factor loadings may impact the AVE and CR results.

$$AVE = \frac{\sum_{i=1}^n \lambda_i^2}{n} \tag{1}$$

$$CR = \frac{(\sum_{i=1}^n \lambda_i)^2}{(\sum_{i=1}^n \lambda_i)^2 + (\sum_{i=1}^n \delta_i)} \tag{2}$$

In this equation, λ represents the standardized factor loading, i is the number of items, and δ (Delta) represents the error variance terms, with $\delta = 1 - \lambda_i^2$. The AVE and CR should be more than 0.50 to 0.70 respectively. Hair et al. (2014) suggested that the t-value should be bigger than 1.96 and a p-value <0.05. All results of CFA and CR met the threshold, which indicated that these research variables have high reliability and validity (Table 4). Thus, this study contributes to exploring the significant coefficient among hypothesis relationships.

Table 4. The 1st CFA Result

Item codes	Indicators	Standardized loading	t-value	p-value	AVE	CR
SIC5	← Service innovation capability	0.718***	A	0.000	0.614	0.826
SIC4	←	0.862***	15.967	0.000		
SIC2	←	0.764***	14.330	0.000		
CUS1	← Customer satisfaction	0.834***	A	0.000	0.775	0.912
CUS2	←	0.904***	23.000	0.000		
CUS3	←	0.901***	22.846	0.000		
LSQ5	← Logistic service quality	0.867***	A	0.000	0.698	0.930
LSQ4	←	0.767***	17.998	0.000		
LSQ3	←	0.820***	21.427	0.000		
LSQ2	←	0.862***	23.514	0.000		
LSQ1	←	0.839***	22.385	0.000		
LSQ6	←	0.853***	22.898	0.000		
CUO1	← Customer orientation	0.814***	A	0.000	0.655	0.905
CUO2	←	0.813***	18.636	0.000		
CUO3	←	0.787***	17.719	0.000		
CUO4	←	0.809***	18.367	0.000		
CUO5	←	0.823***	18.887	0.000		

PSF5	←	Physical supply flexibility	0.771 ^{***}		0.000		
				A		0.607	0.880
PSF4	←		0.841 ^{***}	17.668	0.000		
PSF3	←		0.780 ^{***}	18.716	0.000		
PSF2	←		0.831 ^{***}	17.458	0.000		
PSF1	←		0.659 ^{***}	13.272	0.000		
DMF5	←	Demand management flexibility	0.819 ^{***}		0.000		
				A		0.649	0.902
DMF4	←		0.835 ^{***}	17.668	0.000		
DMF3	←		0.807 ^{***}	18.366	0.000		
DMF2	←		0.837 ^{***}	19.618	0.000		
DMF1	←		0.723 ^{***}	16.060	0.000		
PRC5	←	Process capability	0.843 ^{***}		0.000		
				A		0.686	0.930
PRC4	←		0.873 ^{***}	22.791	0.000		
PRC3	←		0.817 ^{***}	20.282	0.000		
PRC2	←		0.798 ^{***}	19.637	0.000		
PRC1	←		0.798 ^{***}	19.565	0.000		
PRC6	←		0.839 ^{***}	21.506	0.000		
Goodness-of-fit index assessment			Threshold values		Results		
		$\chi^2/D.F$	<2.50		1.241		
		GFI	≥0.90		0.933		
		AGI	≥0.90		0.901		
		NFI	≥0.90		0.960		
		CFI	≥0.90		0.992		
		RMSEA	<0.08		0.025		

Note: A = parameters of regression fixed at 1.000, and significance level of <0.05

Source: Authors' Calculations

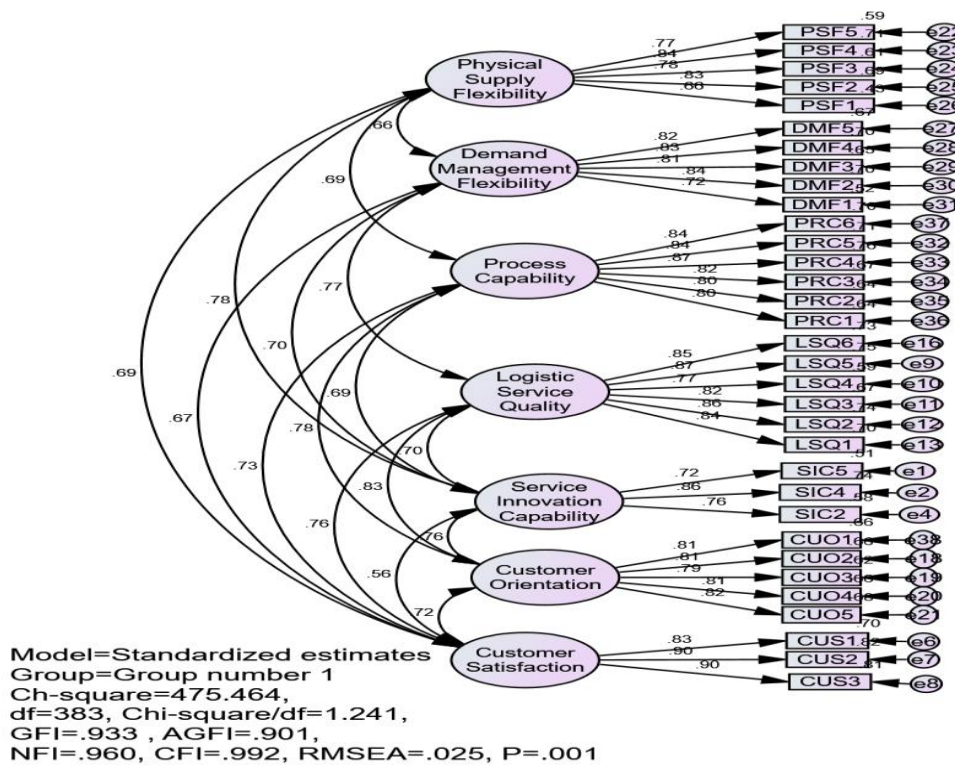


Figure 2. Total Results from CFA Model

Source: Authors' Calculations

Structural Equation Model Analysis

Table 4 shows the SEM model used to test a hypothesis with the likelihood estimation approach, utilizing the same variables after CFA. Furthermore, the second-order factor, or overall model (Figure 2), examined the total variables. The findings demonstrate that goodness-of-fit measures were adequately acceptable (GFI = 0.933, AGFI = 0.901, NFI = 0.960, CFI = 0.992, RMSEA = 0.025) (see Table 4 and Figure 2), indicating that the proposed model satisfied the goodness-of-fit evaluation (Hair et al., 2014). The CFA, which employed the same variables as in Table 3, was run before the SEM path to evaluate the accuracy of the likelihood estimation approach. Table 5 and Figure 3 reveal that the goodness-of-fit metrics were adequate (GFI = 0.933, AGFI = 0.902, NFI = 0.959, CFI = 0.991, and RMSEA = 0.026). This shows that the model meets the criteria for a high goodness-of-fit ranking.

The SEM model shows a significant positive correlation between customer orientation and service innovation capacities ($\beta = 0.219$, p-value = 0.005). Thus, hypothesis 1 is accepted. The relationship between physical supply flexibility and service innovation capability has a significant positive impact with coefficient $\beta = 0.298$, and p-value = 0.000. Thus, Hypothesis 2 was accepted. There is a substantial positive correlation between demand management flexibility and service innovation capabilities ($\beta = 0.118$, p-value = 0.042). Therefore, hypothesis

3 is accepted. The relationship between logistic service quality and service innovation capability has no significant positive impact with coefficient $\beta = 0.074$, and p-value = 0.289 (>0.05). Thus, hypothesis 4 is rejected. The relationship between “demand management flexibility” and “process capability” has a significant positive impact with coefficient $\beta = 0.197$, and p-value = 0.000. Thus, hypothesis 5 is accepted. The relationship between service innovation capability and process capability has a significant positive impact with coefficient $\beta = 0.964$ and p-value = 0.000. Thus, hypothesis 6 is accepted.

The study found that service innovation capabilities and customer satisfaction had a great positive correlation ($\beta = 0.964$, p-value = 0.000). Thus, service innovation capability is important in enhancing customer satisfaction in the logistic service context. However, logistic service quality didn't significantly affect service innovation capabilities ($\beta = 0.074$, t-value = 1.04, p-value < 1.96). This study assumes that logistic companies have provided low service quality and low service innovation for customers in Cambodia.

Table 5. The Path Results of SEM Model

Item codes		Indicators	Standardized loading	t-value	p-value
SIC5	←	Service innovation capability	0.703 ^{***}	A	0.000
SIC4	←		0.873 ^{***}	15.537	0.000
SIC2	←		0.752 ^{***}	13.974	0.000
CUS1	←	Customer satisfaction	0.836 ^{***}	A	0.000
CUS2	←		0.903 ^{***}	23.064	0.000
CUS3	←		0.900 ^{***}	22.856	0.000
LSQ5	←	Logistic service quality	0.863 ^{***}	A	0.000
LSQ4	←		0.768 ^{***}	17.95	0.000
LSQ3	←		0.815 ^{***}	20.863	0.000
LSQ2	←		0.862 ^{***}	23.282	0.000
LSQ1	←		0.844 ^{***}	22.323	0.000
LSQ6	←		0.857 ^{***}	22.849	0.000
CUO1	←	Customer orientation	0.810 ^{***}	A	0.000
CUO2	←		0.812 ^{***}	18.442	0.000
CUO3	←		0.788 ^{***}	17.554	0.000
CUO4	←		0.806 ^{***}	18.075	0.000
CUO5	←		0.822 ^{***}	18.711	0.000
PSF5	←	Physical supply flexibility	0.766 ^{***}	A	0.000
PSF4	←		0.840 ^{***}	17.429	0.000
PSF3	←		0.785 ^{***}	18.567	0.000
PSF2	←		0.831 ^{***}	17.252	0.000
PSF1	←		0.657 ^{***}	13.139	0.000
DMF5	←	Demand management	0.811 ^{***}	A	0.000

		flexibility			
DMF4	←		0.799 ^{***}	18.097	0.000
DMF3	←		0.800 ^{***}	18.063	0.000
DMF2	←		0.844 ^{***}	19.714	0.000
DMF1	←		0.748 ^{***}	15.753	0.000
PRC5	←	Process capability	0.845 ^{***}	A	0.000
PRC4	←		0.874 ^{***}	22.982	0.000
PRC3	←		0.821 ^{***}	20.502	0.000
PRC2	←		0.799 ^{***}	19.744	0.000
PRC1	←		0.796 ^{***}	19.578	0.000
PRC6	←		0.841 ^{***}	21.682	0.000
Path Relations					
Hypothesis 1: CUO→SIC [Accepted]			0.219 ^{**}	2.817	0.005
Hypothesis 2: PSF→SIC [Accepted]			0.298 ^{***}	5.818	0.000
Hypothesis 3: DMF→SIC [Accepted]			0.118 ^{**}	2.038	0.042
Hypothesis 4: LSQ→SIC [Rejected]			0.074	1.04	0.298
Hypothesis 5: PRC→SIC [Accepted]			0.197 ^{***}	3.353	0.000
Hypothesis 6: SIC→CUS [Accepted]			0.964 ^{***}	11.161	0.000
Goodness-of-fit index assessment			Threshold values		Results
$\chi^2/D.F$			<2.50		1.266
GFI			≥0.90		0.933
AGI			≥0.90		0.902
NFI			≥0.90		0.959
CFI			≥0.90		0.991
RMSEA			<0.08		0.026

Note: A: p-value significance level of <0.05 and a t-value of >1.96. *** p < 0.001, **p<0.05.

Source: Authors' Calculations

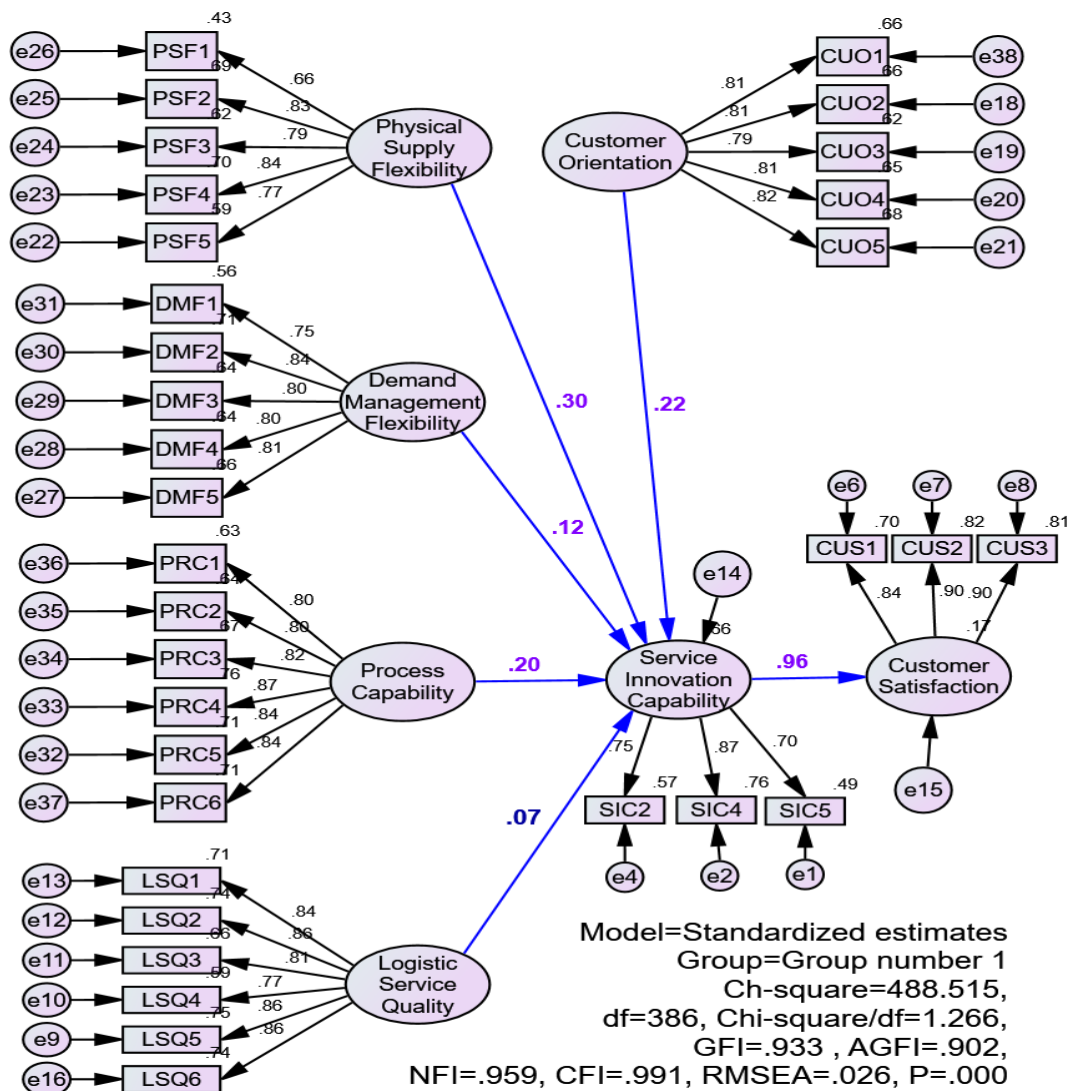


Figure 3. The 3rd Results of SEM Model
 Source: Authors' Calculations

To determine the impact of customer orientation on service innovation capability and its performance. This study revealed that customer orientation has a strong positive impact on service innovation capability (coefficient = 0.219). These findings are similar to the findings of Huang & Siao (2023) and Racela & Thoumrungrroje (2020). This demonstrates that the customer orientation enhances service innovation and growth in those firms. Furthermore, our findings shed new light on the critical role of such resources as a source of competitive advantage, as determined by their long-term strategic success in meeting the needs of their target customers better than rival firms that pursue a customer orientation to build service innovation capabilities throughout the firm.

Hence, this also indicated that the relationship between service innovation capability in the supply chain and the logistics service and its quality do not align

with the research findings by Akoğlu et al. (2022). His research reveals that logistic service quality correlates with service innovation capability. However, the current study showed that the relationship between logistic service quality does not positively impact service innovation capability. Thus, this study assumes that logistic firms in Cambodia deliver poor service quality to clients by tracking their services with technical systems or utilizing bad data management systems to meet customer expectations and needs. The service innovation capability could improve customer satisfaction with Coefficient = 0.964 in the logistic service context in Cambodia. This finding supports Adams et al. (2019) argument that merging customer and competitive orientations improves a company's innovativeness. Similarly, this relation between customer strategic approach and service innovation capability is consistent with the findings of Huhtala et al. (2014). Furthermore, the customer-oriented strategy allows enterprises to outperform in logistic service markets with favorable business circumstances and resources.

The findings currently promote the general importance of customer orientation for improving creativity within organizations and service innovation, and the firm's financial performance illustrates the need for managers to consider contextual conditions when allocating resources to customer orientation activities and intending to improve service innovation capabilities.

In contrast, investments in customer orientation are more focused on influencing service innovation capabilities. Managers working in extremely dynamic marketplaces ought to dedicate resources to maintaining and improving customer orientation competencies, which are crucial to keeping the business ahead of rapid market changes and achieving a favorable market position and improved financial performance. Differentiation of services is harder to replicate than products. Thus, repositioning products by improving service innovation capability may help companies gain a competitive advantage.

CONCLUSION

Quality service is now regarded as a need for success in manufacturing and service industries. Service innovation capability is critical in improving the relationship between customer orientation, demand management flexibility, physical supply flexibility, and customer satisfaction. Future research should broaden our conceptual model to investigate many strategic orientations (e.g., technology orientation, service quality orientation, and competitor orientation) holistically to determine their isolated and relative effects on firm innovation and business operation. Several factors influence service logistic innovation capability in Cambodia.

Above all else, the availability and quality of infrastructure are critical. Adequate transportation networks, including roads, trains, and ports, must be established to facilitate the flow of goods and services. Another significant factor

is the level of technology adoption and digitalization in the logistics sector. Embracing advanced technologies such as cloud computing, data analytics, and automation can enhance efficiency and enable the development of innovative logistic solutions.

Furthermore, the availability and quality of human capital are vital for driving service logistic innovation. Access to a skilled workforce with expertise in supply chain management, data analysis, and technology integration can greatly contribute to developing and implementing innovative solutions. Access to financing and investment opportunities is another crucial factor. Adequate funding and investment support for research and development activities can assist Cambodian businesses in exploring and implementing innovative ideas and technologies in service logistics management. Lastly, collaboration and partnerships between stakeholders, including government agencies, private companies, and academic institutions, are essential for fostering service logistic innovation capability. Collaboration can make it easier to share knowledge, discuss best practices, and launch cooperative research and development activities.

A number of elements influence Cambodia's service logistics innovation capability. Infrastructure, technological adoption, regulatory environment, human capital, funding and investment opportunities, and collaboration and partnerships are a few examples. Furthermore, addressing these challenges may assist Cambodia increase its logistics service and its innovation capabilities while also boosting economic growth.

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