

ABSTRACT

This study aims to analyze the influence of service quality and product quality on marketing performance, with market penetration and product innovation as intervening variables in expedition companies. Utilizing a quantitative approach and the Service-Dominant Logic (SDL) framework, this research emphasizes the importance of value co-creation between companies and customers.

Data were collected from respondents involved in operational and marketing activities and analyzed using Structural Equation Modeling (SEM). The results show that service quality and product quality do not have a significant effect on market penetration. On the other hand, market penetration significantly influences product innovation, and product innovation has a strong impact on marketing performance. However, market penetration also has a negative effect on marketing performance if not managed effectively.

This study highlights the need for innovative strategies integrated with customer value creation to sustainably enhance marketing performance in the expedition industry.

Keywords: Service Quality, Product Quality, Market Penetration, Product Innovation, Marketing Performance, Service-Dominant Logic (SDL).