ABSTRACT

This purpose of this study was to analyze the effect of the ability to respond to market and product innovation to the market penetration in marketing performance. Formulation of the problem in this research is how to improve marketing performance.

Population and sample selected in this study is the Salted Egg Home Industry Brebes totaling 102 respondents was conducted by census method. Collecting data using a questionnaire with answers to a value of 1 (strongly disagree) to 7 (strongly agree). Data analysis tool used is Structural Equation Modelling (SEM) through AMOS program.

The result showed that research model can be accepted with full structural equation model, index goodness of fit is *Chi-Square* = 77,930; df = 59; *Probability* = 0,768; RMSEA = 0,001; GFI = 0,932; AGFI = 0,868; TLI = 1,018; and CFI = 1,000. Three hypotheses can be accepted as eligible. Three hypotheses are: the market sensing to market penetration, product innovation on the performance marketing, and market penetration of the performance marketing.

The conclusion from the results of testing the model is applied to the Home Salted Egg Industry Brebes shows that to gain market penetration in performance marketing is viewed magnitude market sensing to market. Meanwhile, to get market penetration in performance marketing is looking at the magnitude of product innovation. This study provides some of the limitations of the study and future research agenda that can be done in advanced research.

Keywords: market sensing, product innovation, market penetration, marketing performance

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