EFFECT OF PRODUCT QUALITY, SERVICE QUALITY AND PRICE ON CUSTOMER SATISFACTION
(Case study of shopee customers at PT. Bureau of Indonesian classification (persero) North Jakarta)

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Abstract - The purpose of this study was to determine the effect of product quality, service quality, and price on customer satisfaction at PT. Indonesian classification bureau (persero), north Jakarta.

The strategy used in this study is an associative research strategy with quantitative research methods. The population in this study is shopee customers who are in PT. Indonesia classification bureau, sample taken 97 respondents with criteria, namely customers who have shopped at shopee last month. The sampling technique used was purposive sampling with a data collection instrument in the form of a questionnaire. The data taken is primary data. The data analysis technique used is multiple regression analysis using SmartPLS software version 3.2.8 and evaluated with the outer model and inner model.

The results showed that: the effect of product quality on customer satisfaction did not have a positive or significant effect, the effect of service quality on customer satisfaction had a positive or significant effect, the effect of prices on customer satisfaction had a positive or significant effect. The value of R-Square 84,1% shows that changes in customer satisfaction are only influenced by service quality and price.

Keywords: Product Quality, Service Quality, Price And Customer Satisfaction

Abstrak– Tujuan penelitian adalah untuk mengetahui pengaruh kualitas produk, kualitas pelayanan, dan harga terhadap kepuasan pelanggan di PT. Biro klasifikasi Indonesia (persero), Jakarta utara.

Strategi yang digunakan dalam penelitian ini adalah strategi penelitian asosiatif dengan metode penelitan kuantitatif. Populasi pada penelitian ini adalah pelanggan shopee yang berada di PT. Biro klasifikasi Indonesia, sampel yang diambil 97 responden dengan kriteria yaitu pelanggan yang pernah berbelanja di shopee satu bulan terakhir. Teknik pengambilan sampel yang digunakan yaitu *purposive sampling* dengan instrumen pengumpulan data berupa kuesioner. Data yang di ambil adalah data primer. Teknik analisis data yang digunakan adalah analisis regresi berganda dengan menggunakan software SmartPLS versi 3.2.8 dan dievaluasi dengan *outer model* dan *inner model*.

Hasil penelitian menunjukan bahwa : pengaruh kualitas produk terhadap kepuasan pelanggan tidak berpengaruh positif atau tidak signifikan, pengaruh kualitas pelayanan terhadap kepuasan pelanggan berpengaruh positif atau signifikan, pengaruh harga terhadap kepuasan pelanggan berpengaruh positif atau signifikan. Nilai R- Square sebesar 84,1% menunjukan bahwa perubahan dari kepuasan pelanggan hanya di pengaruhi oleh kualitas pelayanan dan harga

Kata Kunci: Kualitas Produk, kualitas pelayanan, harga dan Kepuasan Pelanggan

I. PRELIMINARY

Globalization has had a big impact on the development of the business world. Markets are becoming more extensive and opportunities are everywhere, but on the other hand, competition is becoming increasingly fierce and difficult to predict. This condition requires the company to create a competitive advantage for its business to be able to compete on an ongoing basis. Companies that want to develop and gain a competitive advantage must be able to provide products in the form of quality goods or services and good service to customers.

Figure 1.2 Competition of E-commerce Online shop in Indonesia
(As of Q1 - 2019 in Hundreds)

No.	Toko Online	Pengunjung web	Rank. Playstore	Rank. Appstore
1	Tokopedia	137,200	#2	#2
2	BukaLapak	115,256	#3	#4
3	Shopee	74,995	#1	#1
4	Lazada	54,044	#4	#3
5	BliBli	32,597	#7	#6

No.	Toko Online	Twitter	Instagram	Facebook
1	Tokopedia	192,100	1,148	6,049
2	BukaLapak	161,500	711	2,423
3	Shopee	69,300	2,164	14,409
4	Lazada	365,300	1,173	28,245
5	BliBli	483,300	627	8,244

Source: iPrice Insight

The table above shows how tight the competition market in online shops in Indonesia is. According to Teknologi.bisnis Indonesia is Shopee's biggest market, the electronic trading platform recorded 83.8 million orders in the fourth quarter of 2018. On average, the number of orders served daily reaches 0.9 million or 900,000 orders. The success of Shopee is predictable because since it was first launched in Indonesia, Shopee has targeted women as its main target market. This can be seen from the brand identity in the form of an orange tote bag.

Apart from e - service quality, customer satisfaction can also influence the purchasing decisions of each customer. Customer satisfaction is the feeling of pleasure or disappointment of someone who appears after comparing the performance (results) of the product that has been thought. Before the customer decides to buy, the customer will think about whether or not satisfaction has been achieved beforehand. Customers will not be satisfied if the performance is below expectations, but if the performance has been able to meet expectations, the customer will feel satisfied and decide to buy back. Customer satisfaction goes hand in hand with dissatisfaction, which means customer response to evaluation and the perceived mismatch between previous expectations and perceived product performance after use

1.1. Formulation of the problem

Based on the background that has been described, the problem can be formulated as follows: "The Effect of Product Quality, Service Quality, and Price on Customer Satisfaction (Case Study at Shopee Online Shop at the Indonesian Classification Bureau)".

1.2. Research purposes
Based on the findings of the above problems, the research objectives are:
1. To determine the effect of product quality on customer satisfaction in the Indonesian classification bureau company?
2. To find out the quality of service on customer satisfaction at the Indonesian classification bureau company?
3. To determine the effect of price on customer satisfaction at the Indonesian classification bureau company?

II. LITERATURE REVIEW
2.1. Definition of Marketing
The marketing mix is part of the marketing concept which has an important role in influencing consumers to buy the products or services offered. Kotler and Armstrong (2013: 33) define the marketing mix as a set of tactical marketing tools in a company that combines the two to produce the desired response in the target market. According to Kotler and Keller (2014: 27) Marketing mix is a set of marketing tools that companies use to continuously achieve their marketing goals in target markets.

2.2. Product quality
According to Kotler and Armstrong (2014: 11) Product Quality is the ability of a product to demonstrate its function, this includes overall durability, reliability, accuracy, ease of operation, and product repair, as well as other product attributes. According to Kotler and Keller (2016: 164) product quality is the ability of an item to provide results or performance that is appropriate and even exceeds what the customer wants.

2.3. Service quality
Tjiptono and Gregorious Chandra (2016: 98) in the book service quality and satisfaction state that service quality starts with customer needs and ends with customer satisfaction and positive perceptions of service quality. And according to Goetsch and Davis in the book Tjiptono and Gregorius (2016: 102) in the same book, it states that quality is a dynamic condition related to products, services, human resources, and the environment that exceed or meet expectations.

2.4. Price
Private sector (2016: 21) says that the price is the amount of money charged or charged for a product or product. In other words, price is a value that must be exchanged for products that consumers want

2.5. Customer satisfaction
The creation of customer satisfaction is able to provide several benefits, among others, a harmonious relationship between the company and its consumers, gives a good impression for repurchasing and creates customer loyalty and is able to form a word-of-mouth recommendation which is quite profitable for the company. (Tjiptono, 2014: 86.)

2.6. Relationship Between Variables
2.6.1. Effect of Product Quality on Customer Satisfaction
The company's goal is to fulfill customer needs and wants through quality products. Therefore product quality is something that must be maintained by the company, because good product quality can shape customer satisfaction. According to Daryanto and Satyobudi (2014) customer satisfaction is influenced by the quality of products or goods provided to customers in the service delivery process, product or service quality, perceptions or prices, as well as situational and personal factors. The relationship between

product quality and customer satisfaction is strengthened by the opinion of Kotler and Armstrong (2012) which states that if the product quality is lower than expectations, then the consumer is not satisfied or disappointed. This can be interpreted that the quality of a product affects customer satisfaction.

2.6.2. Effect of Service Quality on Customer Satisfaction

Service is an activity or action provided by the company as a way to provide satisfaction to customers. According to Daryanto and Ismanto (2014) there are 5 main factors that are driving indicators of customer satisfaction, namely product quality, price, service quality, emotional, cost and convenience. If the company provides good service quality and in accordance with customer expectations, the company will get great benefits, namely customer satisfaction.

2.6.3. Effect of Price on Customer Satisfaction

Many companies offer their products at prices that customers can afford. Getting a product at an affordable price will certainly make consumers feel satisfied. They will come back again to repurchase the product because consumers feel the price set by the company is cheaper than the price set by its competitors. On the other hand, if the company sets prices that are difficult for consumers to reach, the consumers will turn to other similar companies with more affordable prices.

Thus it can be concluded that at a certain price level, if the perceived benefits increase, the value will also increase. If the value felt by the customer is higher, it will create maximum customer satisfaction.

2.7 Hypothesis Development

The hypotheses in this study are:
1. It is suspected that product quality affects Shopee customer satisfaction
2. It is suspected that service quality affects Shopee customer satisfaction
3. It is suspected that price affects Shopee's customer satisfaction

2.8 Research Conceptual Framework

Based on the description above, the following framework can be concluded

Figure 2.1

Framework
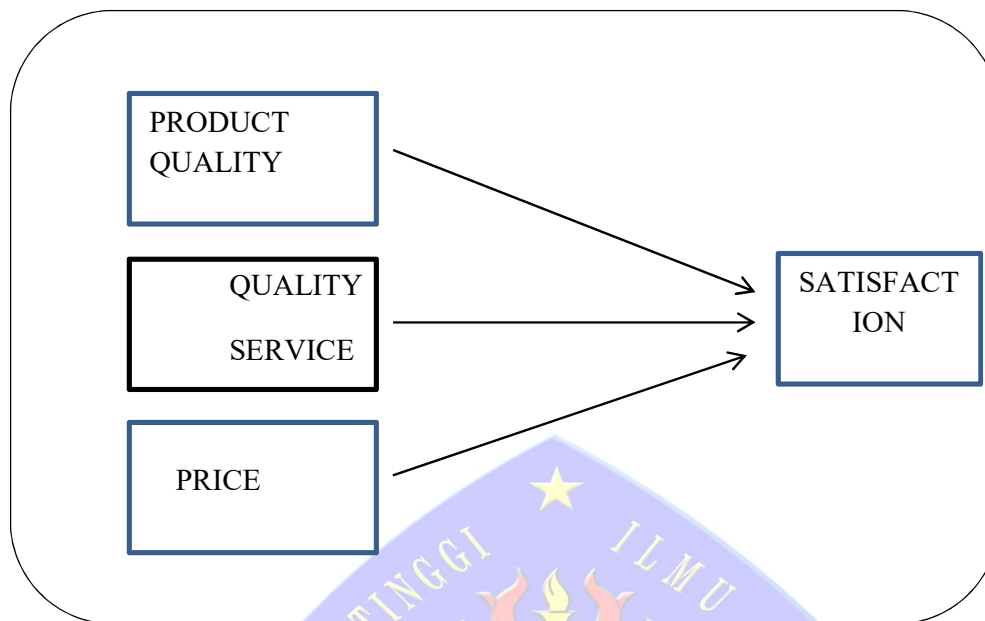
The model above is used to determine how much influence product quality has on Shopee customer satisfaction, the effect of service quality on Shopee customer satisfaction, and the effect of price on Shopee customer satisfaction.

III.   RESEARCH METHOD

3.1.   Research Strategy

Based on the research objectives that have been mentioned, the method used in this research is associative research. Associative research is research that aims to determine the relationship between two or more variables, looking for roles, influences, and causal relationships, namely between independent / exogenous variables and dependent / endogenous variables (Sugiyono, 2014: 55). In this study, researchers used quantitative research methods. The quantitative research method can be defined as a research method based on the philosophy of positivism, used to research on specific populations or samples, data collection using research instruments, quantitative or statistical data analysis, with the aim of testing predetermined hypotheses (Sugiyono, 2014: 55)

3.2.   Population and Sample Research

Population is a generalization area consisting of objects / subjects that have certain qualities and characteristics that have been determined by researchers to study and then draw conclusions (Sugiyono, 2017: 80). The population in this study are consumers who have transacted or bought in Shopee by employees of PT.biro classification Indonesia.
 Research Sample The sample is part of the number and characteristics of the population oren (Sugiyono, 2017: 81).
Determination of the number of samples used in this study is determined using the Moe formula as follows, with a large and unknown population. (Arikunto, 2013: 49)

n = z2 .... **(3.1)**
 4 (Moe) 2

n = 1,962
** 4 (0,1) 2**
n = 96.04

information :
n = number of samples
z = the level of confidence required in determining the 95% sample
    Moe = margin of error, that is, the maximum error rate obtained is tolerated is determined to be 10%

3.3.Data analysis method
3.3.1. Data processing
In this study, data management used the Partial Least Square (PLS) method, using the SmartPLS version 3.0 software.
3.3.2.Presentation of Data
In this research, the data collected is presented in the form of tables and figures to be more systematic in understanding and analyzing the data presented.

3.3.3.Statistical Analysis Methods
In this study, data management used the Partial Least Square (PLS) method using the SmartPLS version 3.2.8 software program. analysis on Partial Least Square (PLS) was carried out in three stages, namely:

3.3.4.Measurement Model (Outer Model)
*Outer model*conducted to assess the validity and reliability of the model, the Outer Model with reflective indicators is evaluated through Convergent Validity and Discriminant Validity from the latent construct-forming indicators and Composite Reliability for its indicator blocks (Ghozali, 2015: 73).
  a) *Convergent Validity*, reflexive Convergent Validity test with the SmartPLS 3.2.8 program. It can be seen from the loading factor value for each construct indicator. The loading factor value must be> 0.60 and the average variance extracted (AVE) value must be> 0.50 (Ghozali, 2015: 74).
  b) *Discriminant Validity*, to test Discriminant Validity with reflexive indicators, namely by looking at the cross loading value for each variable must be> 0.70 (Ghozali, 2015: 74).
  c) *Composite Reliability*, often referred to as Dillon-Goldstein's must be> 0.60 (Ghozali, 2015: 75).

The test performed above is a test on the Outer Model for reflexive indicators. While the Outer Model with formative indicators is evaluated through its Subtantive Content, namely by comparing the relative weight and seeing the significance of the construct indicators (Ghozali, 2015: 73).

3.3.5.Structural Model (Inner Model)
Inner Model Analysis, also known as structural model analysis, aims to predict the relationship between latent variables. The Inner Model is evaluated by looking at the percentage of variance described, namely by looking at the R-Square value for endogenous latent constructs, tests to test predictiveness using resampling procedures such as bootstrapping to obtain stability from estimates (Ghozali, 2015: 73). Inner Model evaluation can be seen from several indicators which include:
a) R-Square, is used to determine how much influence the independent variable has on the dependent variable. R2 value of 0.75 is good, R2 value is moderate 0.50, while R2 value is 0.25 weak (Ghozali, 2015: 78).

b) Q-Square, this technique can present the synthesis of cross validation and the fitting function with predictions from observed variables and estimates of construct parameters (Ghozali 2015: 79).

c) *Goodness of Fit*, was developed to evaluate the measurement model and structural model and in addition to provide a simple measurement for the overall model prediction. For this reason the Goodness of Fit index is calculated from the square root of the average communality index and average R-Square values. The recommended communality value is 0.50 and the GoF Small value is 0.10, GoF Medium is 0.25, GoF Large is 0.36 (Ghozali, 2015: 82).

3.3.6. Hypothesis test

After evaluating the Outer Model and Inner Model, then doing hypothesis testing. Hypothesis is interpreted as a temporary answer to the formulation of research problems. The truth of the hypothesis must be proven through the collected data (Sugiyono, 2017: 159).

A hypothesis can be accepted or rejected statistically and can be calculated through the bootstrap resampling method. To test the direct effect of the independent variable on the dependent variable, it is seen from P-Values <0.05 or T-Statistics <1.96. The following is used as a basis for decision making, namely:

1) Effect of Product Quality (X1) Customer Satisfaction (Y)
   H0: $\beta1 = 0$ There is no significant effect of Product Quality on Customer Satisfaction.
   Ha: $\beta1 \neq 0$ There is a significant effect on customer satisfaction.

   Criteria:
   H0 is rejected or Ha is accepted if P-Values <0.05 or T-Statistics <1.96.
   H0 is rejected or Ha is rejected if P-Values ≥ 0.05 or T-Statistics ≥ 1.96.

2) Effect of Service Quality (X2) Customer Satisfaction (Y)
   H0: $\beta2 = 0$ There is no significant effect of Service Quality on Customer Satisfaction.
   Ha: $\beta2 \neq 0$ There is a significant effect of Service Quality on Customer Loyalty.

   Criteria:
   H0 is rejected or Ha is accepted if P-Values <0.05 or T-Statistic <1.96.
   H0 is rejected or Ha is rejected if P-Values ≥ 0.05 or T-Statistics ≥ 1.96.

3) Effect of Price (X3) Customer Satisfaction (Y)
   H0: $\beta3 = 0$ There is no significant effect of price on customer satisfaction.
   Ha: $\beta3 \neq 0$ There is a significant effect of price on customer satisfaction.

   Criteria:
   H0 is rejected or Ha is accepted if P-Values <0.05 or T-Statistics <1.96.
   H0 is rejected or Ha is rejected if P-Values ≥ 0.05 or T-Statistics ≥ 1.96.

IV.   RESULTS AND DISCUSSION
4.1.   Description of Research Object

Shopee was founded in December 2015 as the first social-centric mobile marketplace where users can browse, shop, and sell their products at any time. Shopee was launched for the first time in Singapore, which has expanded to ASEAN countries, namely Shopee Indonesia, Shopee Malaysia, Shopee Thailand, Shopee Taiwan, Shopee Vietnam and Shopee Philippines. In 2017, this platform has recorded as many as 80 million

application downloads and more than 180 million active products from four million entrepreneurs. In Malaysia Shopee has become the 3rd most visited e-commerce portal, replacing Lelong and surpassing Lazada's ranking as the best app on Google Play and the iOs App Store.

4.2   Respondent Description

The respondent's description is a description of the profile of the respondents who use the shopee application at PT. Indonesian classification bureau, which was distributed to 97 respondents covering age, occupation, last time a transaction at Shopee and products purchased at Shopee. Based on the characteristics that have been mentioned, it can be shown in Table 4.1 as follows:

Table 4.1. Respondent Age

No.	Age	total	Percentage
1	18-30	71	73.19%
2	31 - 40	26	26.80%
		97	100%

Source: processed data (2020)

Table 4.1 shows that the largest number of respondents for the age category is 18 years to 30 years, which is 71 people or 73.19%, while for the 31 years to 40 years age category only 26 people or 26.80%. This shows that of the 97 respondents, Shopee consumers are dominated by respondents aged 18-30 years and have jobs as employees.

Table 4.2. Ever shopped at a shopee

No.	Information	total	Percentage
1	Yes	94	96.90%
2	Not	3	3.09%
		97	100%

Source: processed data (2020)

The characteristics of respondents aim to explain the number of respondents who have purchased Shopee products based on the classification of the types of Shopee products that have been purchased by consumers. Furthermore, to find out the number of respondents based on whether or not they have shopped at Shopee can be seen in table 4.2.

Based on table 4.2, there were 94 respondents who had shopped at shopee or 96.90% and those who never shopped at shopee were 3 people or 3.09%. This shows that of the 97 respondents, Shopee consumers are dominated by respondents who have shopped at Shopee.

Table 4.3. Tables have been shopping at shopee

No.	Information	total	Percentage
1	1 - 5 times	18	18.55%
2	5 - 10 times	41	42.27%
3	More than 10 times	38	39.17%
		97	100%

Source: processed data (2020)

Furthermore, to find out the number of respondents who have ever shopped at Shopee can be seen in table 4.3. Based on table 4.3 above, the results show that 18 people who have shopped at shopee 1 - 5 times or 18.55% have shopped at shopee 5 - 10 people as many as 41 people or 42.27% and have shopped at shopee more than 10 times as many as 38 people or 39.17%. This shows that out of 97 respondents, Shopee consumers are dominated by respondents who have shopped at Shopee 5 - 10 times. This shows that of the 97 respondents, Shopee consumers are dominated by respondents who shop 5 - 10 times at shopee.

Table 4.4. The last time you made a transaction at Shopee

No.	Respondents the last time you made a transaction at Shopee	total	Percentage
1	1 week ago	36	37.11%
2	1 - 2 months ago	61	62.88%
		97	100%

Source: processed data (2020)

Furthermore, to find out the number of respondents The last time you made a transaction at Shopee can be seen in table 4.4. Table 4.4 above shows that the largest number of respondents is for the category of respondents the last time you made a transaction at Shopeewere 1 - 2 months ago as many as 61 people, while for the category 1 week ago there were only 36 people. hereby shows that from a total of 97 respondents, 1-2 months is the most respondents, amounting to 61 people or 62.8%. This shows that of the 97 respondents, Shopee consumers are dominated by respondents who 1 - 2 months ago shopping at Shopee.

Table 4.5. Most Products Based on Products Purchased

No.	Most Products Based on Products Purchased	total	Percentage
1	Cellphones & Accessories	17	17.5%
2	Home equipment	8	8.2%
3	Menswear	7	7.2%
4	Women's clothing	21	21.6%
5	Household needs	7	7.2%
6	Beauty	12	12.3%
7	Hobbies & collectibles	13	13.5%
8	Automotive	12	12.3%
		97	100%

Source: processed data (2020)

Furthermore, to find out the largest number of respondents based on the product purchased can be seen in table 4.5. Based on table 4.5, the most products are based on products purchased, 17 people for cellphones & accessories, 8 people for home appliances, 7 for men, 21 for women, 7 for household needs, 12 for beauty, 13 for hobbies & collections, 12 for automotive people hereby indicate that from a total of 97 respondents, women's clothing is the most respondents, namely 21 people or 21.6%. This shows that of the 97 respondents, Shopee consumers are dominated by respondents who buy cellphones and accessories.

Table 4.6. Access shopee

No.	Information	total	Percentage
1	Smartphone	92	94.84%
2	Pc	3	3.09%
3	Laptop	2	2.06%
		97	100%

Source: processed data (2020)

Furthermore, to find out the largest number of respondents based on accessing shopee can be seen in table 4.6. Based on table 4.6, there are 92 respondents who shop via Smartphoe or 94.84% and 3 people who shop via PC or 3.09% who shop using a laptop are 2 people or 2.06%. This shows that of the 97 respondents, Shopee consumers are dominated by respondents who shop at Shopee using a smartphone.

4.3.   Analysis of Research Data
4.3.1   Measurement Model (*Outer model*)

The measurement model (outer model) is used to assess the validity and reliability of the model. Outer model with reflexive indicators is evaluated through convergent validity and discriminant validity of indicators for latent constructs and composite reliability for indicator blocks (Ghozali, 2015: 73).
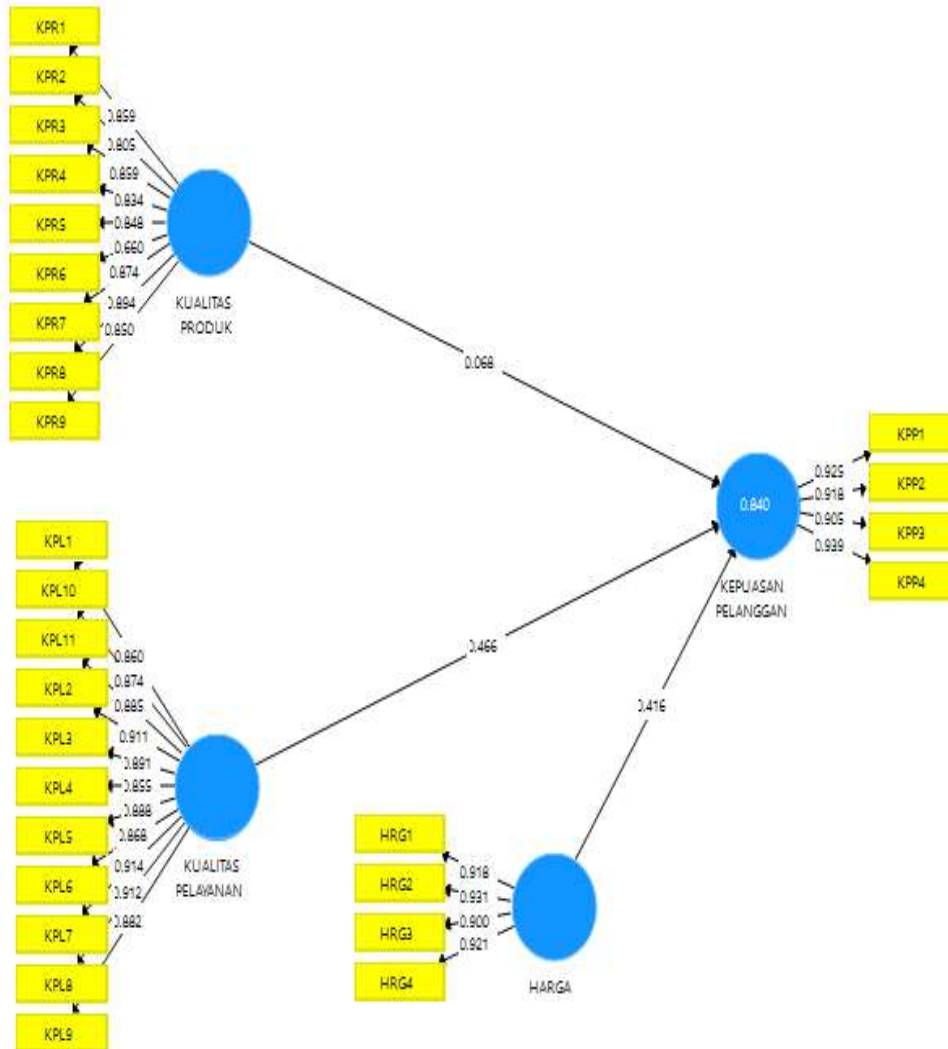
Figure 4.1. Results of employee data processing stage 1

(Source: SmartPLS3.2.8 output, data processed by researchers (2020)

4.3.1.1 Validity Test

The validity test is a test used to show the extent to which measuring instruments are used to measure what is being measured, the validity test is used to measure whether a questionnaire is valid or not (Ghozali, 2015: 74)

1.   Convergent validity

Convergent validity relates to the principle that the manifest variables of a construct should be highly correlated. The converegent validity test of the subjective indicators with the SmartPLS 3.2.8 program can be seen from the loading factor value for each construct indicator. The rule of thumb that is usually used to assess convergent validity is that the loading factor value must be more than 0.70 (Ghozali, 2015: 74), to see the results of the loading factor value can be seen in table 4.7.

Table 4.7. Results of Loading Factor stage I

Indicator	*Loading factor*	*Rule of thumb*	Information
KPR 1	0.859	0.70	Valid
KPR2	0.805	0.70	Valid
KPR3	0.859	0.70	Valid
KPR4	0834	0.70	Valid
KPR5	0848	0.70	Valid
KPR 6	0.660	0.70	Invalid
KPR7	0.874	0.70	Valid
KPR8	0894	0.70	Valid
KPR9	0850	0.70	Valid
KPL1	0860	0.70	Valid
KPL2	0.911	0.70	Valid
KPL3	0891	0.70	Valid
KPL4	0.855	0.70	Valid
KPL5	0.888	0.70	Valid
KPL6	0868	0.70	Valid
KPL7	0.914	0.70	Valid
KPL8	0.912	0.70	Valid
KPL9	0.882	0.70	Valid
KPL10	0.874	0.70	Valid
KPL11	0.885	0.70	Valid
HRG1	0.918	0.70	Valid
HRG2	0.931	0.70	Valid
HRG3	0.900	0.70	Valid
HRG4	0.921	0.70	Valid
KPP1	0.925	0.70	Valid
KPP2	0.918	0.70	Valid
KPP3	0.905	0.70	Valid
KPP4	0.939	0.70	Valid

(Source: SmartPLS3.2.8 output, data processed by researchers (2020)

Based on table 4.5, the convergent validity of the measurement model can be seen from the correlation between the item / indicator score and the construct score (loading factor) with the criteria for the loading value of each indicator> 0.70. Based on Phase I data processing, only one indicator was declared invalid, namely the KPR6 indicator and the

rest all indicators were declared valid, so the loading value <0.70 had to be eliminated or removed from the model.

Figure 4.2. Results of Phase II Employee Data Processing

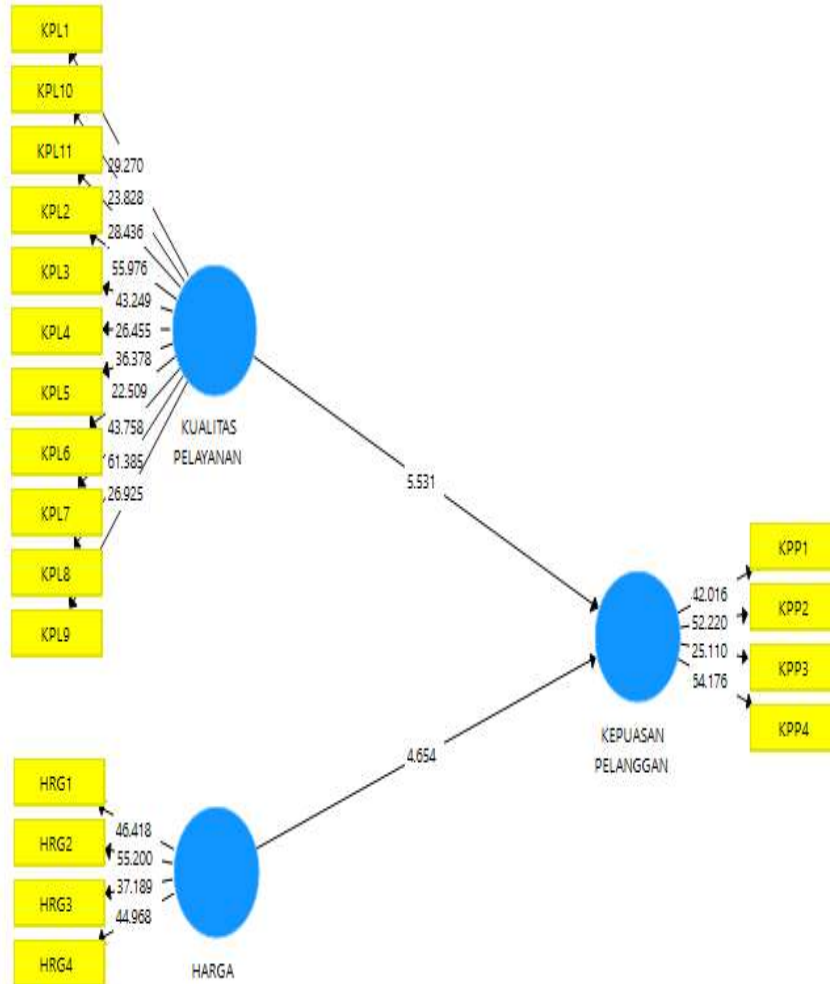(Source: SmartPLS3.2.8 output, data processed by researchers (2020)

Table 4.8. *Loading Factor Results* Phase II

Indicator	Loading factor	Rule of thumb	Information
KPR 1	0.865	0.70	Valid
KPR2	0.801	0.70	Valid
KPR3	0.872	0.70	Valid
KPR4	0.845	0.70	Valid
KPR5	0850	0.70	Valid
KPR7	0870	0.70	Valid
KPR8	0891	0.70	Valid
KPR9	0849	0.70	Valid
KPL1	0860	0.70	Valid
KPL2	0.911	0.70	Valid
KPL3	0891	0.70	Valid
KPL4	0.855	0.70	Valid

KPL5	0.888	0.70	Valid
KPL6	0868	0.70	Valid
KPL7	0.914	0.70	Valid
KPL8	0.912	0.70	Valid
KPL9	0.882	0.70	Valid
KPL10	0.874	0.70	Valid
KPL11	0.885	0.70	Valid
HRG1	0.918	0.70	Valid
HRG2	0.931	0.70	Valid
HRG3	0.900	0.70	Valid
HRG4	0.921	0.70	Valid
KPP1	0.925	0.70	Valid
KPP2	0.918	0.70	Valid
KPP3	0.905	0.70	Valid
KPP4	0.939	0.70	Valid

Source: By output data SmartPLS 3.2.8.

Based on table 4.8 above, it shows the results of the loading factor value for stage II is more than 0.70, which means that the value of all indicators is said to be valid and there are no problems in the Stage 2 Loading Factor Test.

Table 4.9. Average Variance Extracted Results

	Quality Product	Quality Service	Price	Satisfaction Customer
AVE	0.732	0.784	0842	0850

Source: By output data SmartPLS 3.2.8.

Based on table 4.9 above, the Average Variance Extracted value of all indicators has a value> 0.50 which means that all indicators have a good value.

2.   Discriminant validity

To see discriminant validity with a reflection indicator, by looking at the cross loading value for each variable, it must be> 0.70, the discriminant validity model (Ghozali, 2015: 74). The results of cross loading can be seen in table 4:10.

Table 4.10. Results of Cross loadings

	Price	Customer satisfaction	Service quality	Product quality
HRG1	0.918	0.845	0826	0.726
HRG2	0.931	0.825	0828	0.784
HRG3	0.900	0.759	0.770	0.718
HRG4	0.921	0819	0824	0.798
KPL1	0.761	0.742	0860	0.703
KPL10	0.775	0800	0.874	0.710
KPL11	0.779	0816	0.885	0.707
KPL2	0828	0.837	0.911	0.769
KPL3	0834	0780	0891	0.783
KPL4	0.775	0.728	0.855	0.756
KPL5	0.774	0.756	0.888	0.739
KPL6	0.732	0.742	0868	0.724
KPL7	0.797	0841	0.914	0.765
KPL8	0814	0861	0.912	0.808
KPL9	0.752	0.775	0.882	0.754
KPP1	0.806	0.925	0.807	0.726

KPP2	0.806	0.918	0.790	0.733
KPP3	0.810	0.905	0846	0.747
KPP4	0843	0.939	0848	0.787
KPR 1	0.670	0.679	0.699	0.865
KPR2	0.697	0.625	0.672	0.801
KPR3	0.758	0.738	0.718	0.872
KPR4	0.708	0.728	0.718	0.845
KPR5	0.660	0.665	0.715	0850
KPR7	0.723	0.715	0.760	0870
KPR8	0.735	0.707	0.768	0891
KPR9	0.688	0.694	0.722	0849
HRG1	0.918	0.845	0826	0.726

(Source: SmartPLS3.2.8 output, data processed by researchers (2020)

Based on table 4:10 the cross loading value of each variable has a value above 0.70, meaning that all indicators have a good value.

3.   Reliability Test

In addition to the validity test, model measurement is also carried out to test the reliability of a construct. The reliability test is carried out to prove the accuracy, consistency and accuracy of instruments in measuring constructs, to measure the reliability of a construct with composite reliability (Ghozali, 2015: 75). The composite reliability value must be greater than 0.70 for confirmatory research and values 0.6 - 0.7 are still acceptable for exlaratory research (Ghozali, 2015: 75).

Table 4.11. Composite Realibility Results

	Product quality	Service quality	Price	Customer satisfaction
composite realibility	0.956	0.976	0.955	0.958

Source: By output data SmartPLS3.2.8

Based on table 4.11 above, the results of composite reliability all have a value above 0.6, so that the values on all instruments can be said to be reliable.

4.3.2.   Structure Model (*inner model*)

In assessing a structural model with PLS, we begin by looking at the R-Square value for each endogenous latent variable as the predictive strength of the structural model. Changes in the R-Square value can be used to explain the effect of exogenous latent variables, especially on endogenous latent variables, whether they have a substantive effect. R-Square values of 0.75, 0.50, and 0.25 can be concluded that the model is strong, moderate and weak (Ghozali: 2015: 78). To see the R-Square results can be seen in table 4.9.

Table 4.12. R-Square Coefficients Results

Variable	R - Square
Customer satisfaction	0841

(Source: SmartPLS3.2.8 output, data processed by researchers (2020)

Based on table 4:12, it is obtained that the R-Square value is 0.841 which can be interpreted that the variability of the customer satisfaction construct which can be explained by the variability of the constructs of product quality, service quality and price is 84.1% while the remaining 15.9% is explained by other variables outside of the study. Based on this, the results of the calculation of R2 show that the value is good and strong.

Besides seeing the magnitude of the R-Square value, evaluation of the PLS model can also be done by looking at the magnitude of the predictive relevance Q2 value. The value of Q2> 0 indicates that the model has predictive relevance, while the value of Q2 <0 indicates that the model lacks predictive relevance (Ghozali, 2015: 79).

Total Q2 calculation is done with the formula:

Q2 = 1 - (1- R2)

Q2 = 1 - (1- 0.841 2)

Q2 = 0.707

Based on the results of the Q2 value, which is 0.707, which means that the Q2 value has predictive relevance.

After knowing the results of R2 and Q2, then calculating the goodness of fit is to evaluate the measurement model and structural model and besides providing a simple measurement for the overall model prediction. To calculate goodness of fit, it can be calculated from the square root of the average communality index and average R-square values. The recommended communality value is 0.25, Gof larage is 0.36 (Ghozali, 2015: 82).

The calculation of goodness of fit can be calculated using the formula:

Gof = $\sqrt{R2 \times AVE}$

Based on the above formula, where R2 is the variant of the endogenous construct, the percentage change in the dependent variable is related to the independent variable. Meanwhile, AVE is the average value of the variance extracted. According to (Ghozali, 2015: 83) the value of the Gof index is 0.1 (small), 0.25 (simple), 0.36 (large).

Table 4.13. Value of Goodness of fit (GOF)

| Construct	AVE	R- Square	AVE x R - Square
Product quality	0.956		0.98
Service quality	0.976		0.99
Price	0.955		0.98
Customer satisfaction	0.958	0841	0.9
Gof average			0.9625

(Source: SmartPLS3.2.8 output, data processed by researchers (2020)

Based on the table 4.13 above, the results of the GoF value of all variables are categorized as large values.

4.3.3 Bootstraping Results

Model evaluation is carried out by looking at the significance value to determine the effect between variables through the bootstrapping procedure (Ghozali, 2015: 80). The test results through bootstrapping can be seen in Figure 4:14.

Figure 4.3. Results of Boodstrapping Stage 1
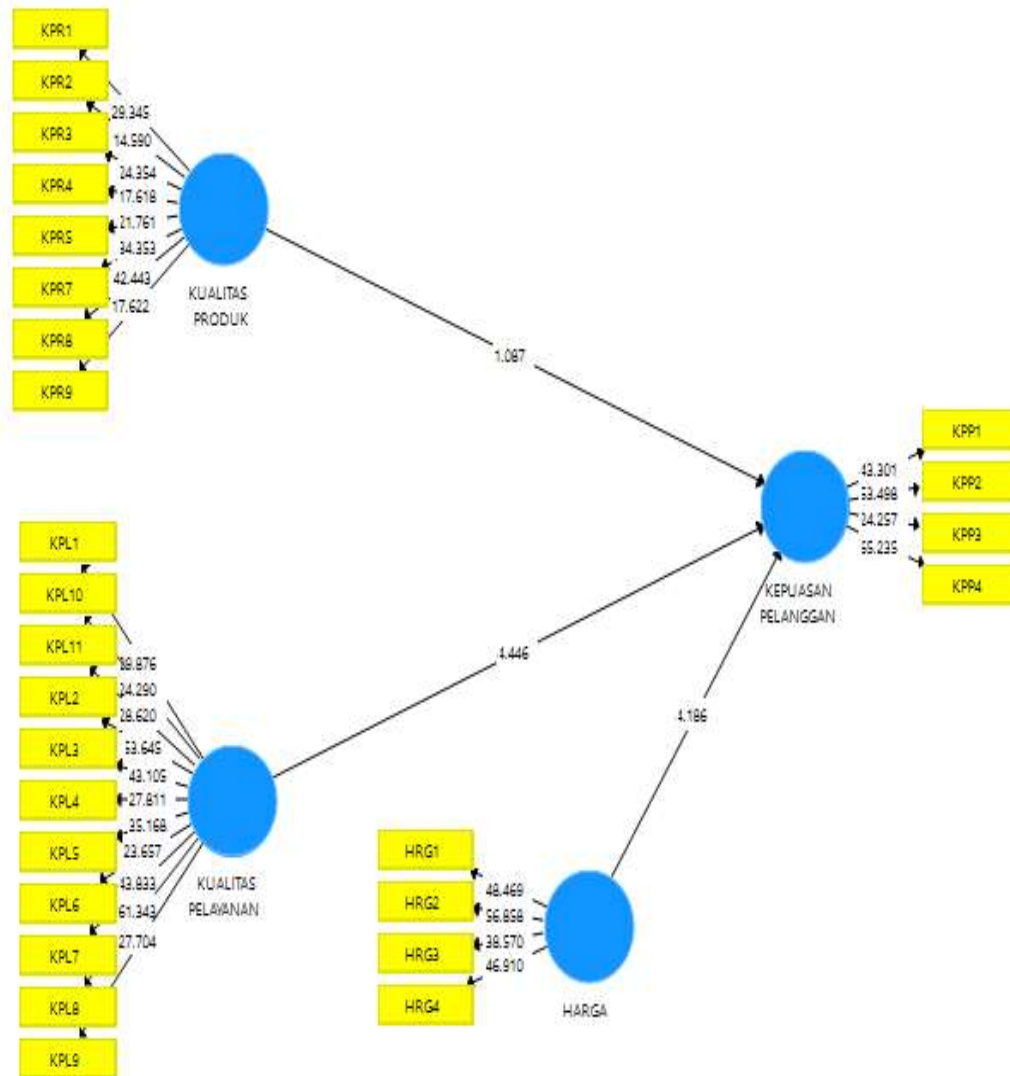
Source: By output data SmartPLS 3.2.8

4.3.4   Hypothesis Testing Phase I

Hypothesis testing is done by looking at the probability value and t-statistic. For probability values, the p-value with an alpha of 5% is <0.05. The t-table value for 5% alpha is 1.96 (Ghozali, 2015: 42). So that the criterion for acceptance of the Hypothesis is when the t-statistic> t-table. This test is intended to test the hypothesis which consists of the following 3 hypotheses:

1. There is an effect of product quality on Shopee customer satisfaction
2. There is an effect of service quality on Shopee customer satisfaction
3. There is an effect of price on Shopee customer satisfaction

The results of hypothesis examiners in this study can be seen in table 4:14 below.

Table 4.14. Direct Effect Stage I Results

Criteria	Product quality	Service quality	Price
T - Statistics	1,087	4,446	4,186

(Source: SmartPLS3.2.8 output, data processed by researchers (2020)

4.3.4.1 Hypothesis 1 Test (influence of product quality on customer satisfaction)

H0: $\beta1 = 0$ There is no effect of product quality on customer satisfaction.

Ha: $\beta1 \neq 0$ There is an effect of product quality on customer satisfaction.

Based on table 4.14, it shows that the P-Value results of 0.278 are greater than 0.05 or the T-Statistics values of 1.087 are smaller than 1.96. So Ho is accepted and Ha is rejected, which means that product quality has no effect on Shopee customer satisfaction. These results are not similar to the results of research conducted by Sri Rahayu Tri Astuti (2016) that there is an effect of product quality on customer satisfaction.

4.3.4.2 Hypothesis 2 Test (Effect of Service Quality on Customer Satisfaction).

H0: $\beta2 = 0$ There is no effect of product quality on customer satisfaction.

Ha: $\beta1 \neq 0$ There is an effect of product quality on customer satisfaction.

Based on table 4.14, it shows that the P-Value of 0.000 is smaller than 0.05 or the T-Statistical value of 4.446 is greater than 1.96. So Ho is rejected and Ha is accepted, which means that service quality affects Shopee customer satisfaction. These results are similar to the results of research conducted by Rini Kartika Sari (2016) that service quality has a positive and significant effect on customer satisfaction.

4.3.4.3 Hypothesis 3 Test (Effect of Price on Customer Satisfaction)

H0: $\beta3 = 0$ There is no effect of product quality on customer satisfaction.

Ha: $\beta1 \neq 0$ There is an effect of product quality on customer satisfaction.

Based on table 4.14, it shows that the P-Value of 0.000 is smaller than 0.05 or the T-Statistical value of 4.186 is greater than 1.96. So Ho is rejected and Ha is accepted, which means that price affects Shopee customer satisfaction. These results are similar to the results of research conducted by Diah Yuli Setiarini (2016) that price has a significant effect on customer satisfaction.

4.3.5   Bootstrapping Hypothesis Test Phase II

In the Phase II Bootstrapping test, the test conducted was to test the effect of service quality and price on customer satisfaction. The Phase II Bootstrapping test was carried out so that the results obtained were more optimal than before. The following is a picture of Bootstraping Phase II results.

Figure 4.5. Results of Bootstraping Phase II.
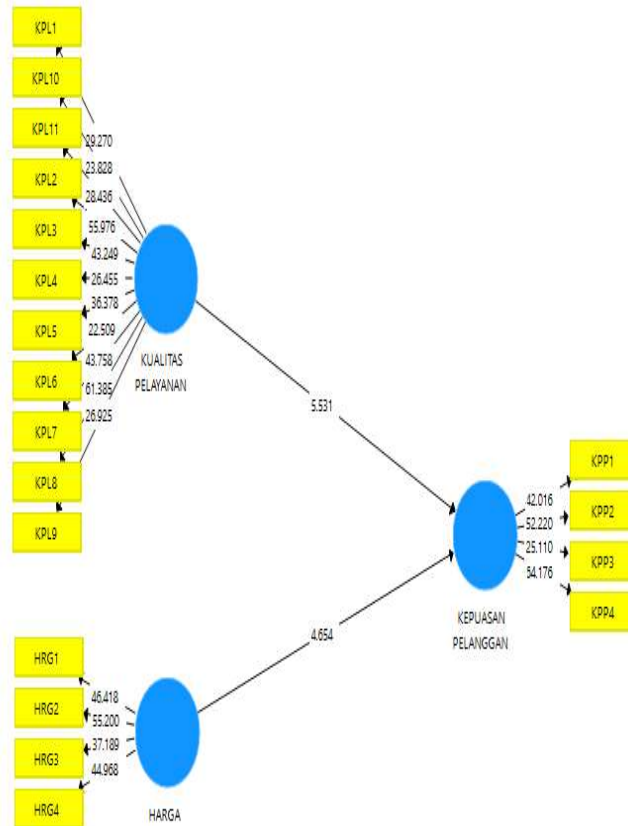
Source: By SmartPLS3.0 output data

4.3.5.1 Hypothesis Testing Phase II

Hypothesis testing is done by looking at the probability value and t-statistic. For the probability value, the p-value with an alpha of 5% is <0.05. the t-table value for alpha 5% is 1.96 (Ghozali, 2015: 42). So that the decision making criteria for the hypothesis is when the t-statistical value> t-table. This test is intended to test the hypothesis which consists of 2 hypotheses, namely:

1. There is an effect of service quality on Shopee customer satisfaction
2. There is an effect of price on Shopee customer satisfaction.

Table 4.15. *Direct Effect Results* Phase II

Criteria	Service quality	Price
T - Statistics	5,531	4,654

Source: By output data SmartPLS3.2.8

1.   Hypothesis 1 test (influence of service quality on customer satisfaction)

H0: $\beta1 = 0$ There is no effect of product quality on customer satisfaction.

Ha: $\beta1 \neq 0$There is an effect of product quality on customer satisfaction.

Based on table 4.15, it shows that the P-Value of 0.000 is smaller than 0.05 or the T-Statistical value of 5,531 is greater than 1.96. So Ho is rejected and Ha is accepted, which means that service quality affects Shopee customer satisfaction. These results are similar to the results of research conducted by Rini Kartika Sari (2016) that service quality has a significant effect on customer satisfaction.

2.   Hypothesis 2 Test (The Effect of Price on Customer Satisfaction).

H0: $\beta2 = 0$ There is no effect of product quality on customer satisfaction.

Ha: $\beta1 \neq 0$ There is an effect of product quality on customer satisfaction.

Based on table 4.14, it shows that the P-Value of 0.000 is smaller than 0.05 or the T-Statistical value of 4.654 is greater than 1.96. So Ho is rejected and Ha is accepted, which means that price affects Shopee customer satisfaction. These results are similar to the results of research conducted by Yulia Purnama Sari (2016) that price has a significant effect on customer satisfaction.

4.3.6 Discussion of research results

On the main research problem contained in chapter I, it is stated whether product quality, service quality, and price have an effect on shopee customer satisfaction at PT. Indonesian classification bureau (Persero). In testing the hypothesis it can be seen that there is no positive effect of product quality on shopee customer satisfaction, and furthermore that there is a positive effect of service quality on shopee customer satisfaction, and henceforth that there is a positive effect of price on shopee customer satisfaction.

1. Effect of product quality on customer satisfaction

Product quality does not have a positive and significant effect on shopee customer satisfaction at PT. Indonesian classification bureau (Persero). Based on the results of hypothesis testing in this study, there is no significant effect of product quality on customer satisfaction. This means shopee customers at PT. The Indonesian classification bureau (Persero) is not necessarily satisfied with shopees if they get a quality product.

According to some customers who use Shopee, it turns out that there are several things that cause customers to be dissatisfied with the products that Shopee sells. Even though Shopee has many products of different types and qualities, this is not a reason for customers to remain loyal Shopee customers because they also want to try online products other than Shopee.

2. Effect of service quality on customer satisfaction

Service quality has a positive and significant influence on shopee customer satisfaction at PT. Indonesian classification bureau (Persero). Based on the results of hypothesis testing in this study, there is a positive and significant influence on shopee customer satisfaction at PT. Indonesian classification bureau (Persero). Service quality also plays a role in determining customer satisfaction. This means that apart from the aspect of product quality, service quality is also a consideration for shopee customers at PT. The Indonesian classification bureau (Persero) makes service quality one of their considerations in measuring satisfaction in buying products at Shopee. Because service quality has an important role for customers. Service quality that can satisfy customers is good service.

Good service quality is if customers want to buy products at shopee, regular customers get fast service, sellers at shopee are also willing to help their customers if there are difficulties, the shopee application also creates chat features between sellers and buyers so they can communicate effectively and if there are customers Those who have problems shipping or sending the wrong product can be refunded or replaced. This means that if improving the quality of service to be better, it will make customers more satisfied, and vice versa if the quality of service is reduced or getting worse, it will make customers dissatisfied.

3. The effect of price on customer satisfaction

Price has a positive and significant effect on shopee customer satisfaction at PT. Indonesian classification bureau. Based on the results of hypothesis testing in this study, there is a positive and significant influence on customer satisfaction shopee do PT. Indonesian classification bureau (Persero). This means that shopee customers make price one of their considerations in measuring satisfaction in buying Shopee products, because price has an important role for customers. There are customers who prefer products that are cheaper or more affordable, there are also customers who buy products at high or expensive

prices. Maybe because they think that if the price is high then it is feasibleNyai good product quality.

According to one consumer who often shopped the shopee, the price of the product at shopee is affordable for the buyer, the price paid is also in accordance with the quality, the price of the product at shopee is also in accordance with its benefits and the price offered at shopee can compete with other online stores. Because price is a consideration for customers in measuring their satisfaction, if the shopee provides an affordable price or even provides a more affordable price, it can increase the level of customer satisfaction to increase and the usual possibility of making customers feel more satisfied.

V.   CONCLUSIONS AND SUGGESTIONS
5.1.   Conclusion
Based on the results of research and discussion of the influence of product quality, service quality and price on customer satisfaction by using Partial Least Square (PLS) method, it can be concluded that:
1. Product quality affects Shopee customer satisfaction.
2. Service quality affects Shopee customer satisfaction.
3. Price affects Shopee customer satisfaction.

5.2.   Suggestion
Based on the results of the research and the conclusions previously described, the researchers provide suggestions, namely:
1. Shopee companies must maintain the quality of service provided by Shopee so that customers continue to buy Shopee products because they are satisfied with the services provided by Shopee
2. Shopee companies also have to maintain the suitability of the prices of the products they sell so that customers are satisfied with the products purchased.

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