***ABSTRACT***

*Sheila Ariani / 25150030/2019 / The Influence of Product Quality and Service Quality with Consumer Satisfaction as an Intervening Variable on Consumer Loyalty at Lazada Indonesia / Advisors: Ir. Tumpal J.R. Sitinjak, M.M.*

*In this modern era, where technology is getting better and more sophisticated, one of them is the internet that has changed the lifestyle of humans, including the people of Indonesia. The growth of internet usage that occurred in Indonesia also turned out to encourage the growth of e-commerce use in Indonesia and the growth of e-commerce companies in Indonesia was getting more intense so that competition among companies was getting tougher. Lazada Indonesia is one of the most visited e-commerce sites in Indonesia. Being an E-commerce that have the great interest from the Indonesian people is of course not arbitrary, this can happened because Lazada Indonesia has provided product quality and service quality that creates consumer satisfaction resulting in consumer loyalty. Therefore the authors are interested in conducting research on the Effect of Product Quality and Service Quality with Consumer Satisfaction as Intervening Variables on Consumer Loyalty at Lazada Indonesia.*

*There are several theories used to support this research are definitions of Product Quality, Service Quality, Consumer Satisfaction and Consumer Loyalty. Then there is also supported by a theory that explains the dimensions of Product Quality, Service Quality, Consumer Satisfaction ,and Consumer Loyalty that are used to measure both the performance of the product, the performance of the service and the satisfaction that consumers feel that will ultimately shape consumer loyalty.*

*The object of this research is Lazada Indonesia. This research collecting the data through an online questionnaire using Google Docs as the media distributed to 100 respondents who had shopped at Lazada Indonesia and sampling using nonprobability sampling with judgment sampling techniques. The procedure used for model testing and data processing is a structural equation model (Structural Equation Modeling) using WarpPLS 5.0 and SPSS 20.0.*

*The results of this research indicate that Product Quality has a significant and positive effect on Consumer Satisfaction and Consumer Loyalty, Service Quality has a significant and positive effect on Consumer Satisfaction and Consumer Loyalty, Consumer Satisfaction has a significant and positive effect on Consumer Loyalty.*

*This research concludes that product quality and service quality affect the formation of customer satisfaction expressed by a positive and significant influence on customer satisfaction. Product quality and service quality also have a positive and significant effect on Consumer Loyalty both directly, indirectly and totally except for the effect of Product Quality on Consumer Loyalty indirectly proved to be insignificant and for Consumer Satisfaction proved to influence the formation of Consumer Loyalty.*