

## **ABSTRACT**

*The development of the tourism sector has grown and transformed increasingly rapidly. It has become one of the sectors with the most significant and fastest growth in the world economy, bringing a wave of change to Indonesia's fast-food restaurant industry service. This change gave birth to a new concept in fast food distribution; for example, fast food restaurants as a service involve swift service handling, good service, cleanliness, payment methods, ordering methods (McDonald's delivery, food delivery app, drive-thru, self-ordering machines), space (room, parking space, toilets, etc.), waiting time and queues, the feeling of security, and professional employee service performance. Therefore, this business phenomenon affects fast-food restaurant services, especially customer loyalty. This research aims to answer the inconsistencies in the gap results from previous studies, especially in exploring and developing a conceptual framework involving main variables such as service quality, value of services used, customer involvement, memorable experiences, and customer loyalty. This research is based on the service dominant logic theory perspective, which is then strengthened by previous literature. Respondents in this research are McDonald's customers who live in Semarang City and have made dine-in purchases at McDonald's Semarang at least twice in the last year. This data collection involved 252 respondents, then analyzed quantitatively using Structural Equation Models (SEM) with the Structural Moment Analysis (AMOS) Version 26 program. The findings in this research show that the mediation of Customer Engagement and Memorable Experience can strengthen the relationship between Service Quality and Customer Loyalty.*

*Service Quality has a positive and insignificant effect on Customer Engagement, then Service Value in Use has a positive and significant relationship with Customer Engagement, then Service Value in Use has a positive and not significant relationship with Memorable Experience, Customer Engagement has a positive and significant relationship with Memorable Experience, Customer Engagement has a positive but not significant relationship with Customer Loyalty, Service Quality has a positive and significant relationship with Customer Loyalty. Memorable Experience has a positive and significant relationship with Customer Loyalty. In this way, the results of all hypotheses in this research can be used, and it is hoped that the implications for management policy can be helpful for managers to support the company's competitive advantage by designing strategies and determining the best marketing decisions.*

**Keywords:** *Service Quality, Service Value in Use, Customer Engagement, Memorable Experience, Customer Loyalty.*