

STUDY ON COSTOMER PERCEPTION TOWARDS SERVICE QUALITY: A SPECIAL REFERENCE TO INTERNATIONAL FASTFOOD CHAIN IN DELHI

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Abstract

The rapid expansion of international fast-food chains in Delhi has significantly transformed the urban food landscape, making service quality a critical determinant of customer satisfaction and loyalty. This study aims to assess consumer perceptions of service quality at leading international fast-food chains operating in Delhi, including brands such as McDonald's, KFC, Burger King, and Subway. Using the SERVQUAL model as a framework, the study evaluates five key dimensions of service quality: tangibles, reliability, responsiveness, assurance, and empathy. A structured questionnaire was administered to 200 customers across multiple outlets in Delhi. The findings reveal that while consumers generally perceive the tangibles and reliability of these chains positively, there are gaps in responsiveness and empathy. The study highlights the importance of personalized service and staff attentiveness in enhancing the overall customer experience. Recommendations are provided for improving service quality and strengthening consumer-brand relationships in a highly competitive market. This study contributes to service quality literature in the Indian QSR context by integrating traditional SERVQUAL dimensions with technology-driven factors that are increasingly shaping consumer experiences. For practitioners, the findings highlight the need to balance speed and efficiency with personalized human interaction, ensure consistency in service delivery across outlets, and invest in digital platforms that enhance rather than substitute service quality.

Keywords: Service Quality, Consumer Perception, Fast-Food Chains, SERVQUAL, Delhi, International Brands.

INTRODUCTION

Tourism is one of the sectors that has the most positive influence on the economic development of a country, because it has a unique multiplier effect (Pitana, I G. dan Gayatri, 2005). Business in the tourism sector can also create demand, both consumption and investment, which in turn will lead to the production of goods and services (Yakup, 2019). Thus, tourism is a business that has various derivative businesses with different specifications and functions, but has the same benefits in order to meet the welfare of the community.

The emergence of a global pandemic due to Covid-19 has had a profound impact on all aspects of human life in the world, especially in the health sector and the global social and economic system (Tozan, 2021). As one of the business sectors that generates many jobs because it is able to accommodate a very large workforce, tourism is considered by some people as the most affected entity, and tourism in Bali is no exception.

The liberalization of the Indian economy in the early 1990s marked a turning point in consumer habits. With increased exposure to global trends and the entry of international brands, Indian food preferences began to evolve. Among the sectors that experienced significant growth was the fast-food industry. Initially, international fast-food chains faced challenges such as cultural resistance and consumer misconceptions—particularly the belief that these outlets served only non-vegetarian food and neglected local dietary norms. Concerns over high pricing and deviation from traditional eating habits also contributed to their slow initial acceptance.

Over time, however, multinational fast-food brands adapted their menus to align with Indian tastes and preferences. Many introduced vegetarian options and removed beef and pork items to cater to cultural sensitivities.

These efforts, combined with aggressive marketing and increasing brand familiarity, led to a gradual shift in perception.

Today, international fast-food chains have gained considerable popularity, especially among the Indian youth. Fast food is no longer viewed merely as a Western novelty, but as an integral part of the evolving urban lifestyle. This study focuses on understanding the factors that influence the perception and preferences of Indian youth—particularly those in the age group of 20 to 30 years—regarding fast-food consumption and the selection of fast-food outlets.

Fast Food

From crispy onion rings to indulgent double cheeseburgers, fast food has emerged as one of the most rapidly expanding segments of the global food industry. These foods provide a quick, affordable, and easily accessible substitute for traditional home-cooked meals. Although convenient and cost-effective for individuals with busy routines, fast food is generally high in calories, fats (including saturated fats), sugar, and sodium. Several scholars and sources have defined the term “fast food” in various ways, some of which are highlighted below:

Definition 1: Bender and Bender (1995) described fast food as a “broad term used for a restricted menu of items that are suitable for mass production; providers usually specialize in specific categories such as burgers, pizzas, chicken, or sandwiches.”

Definition 2: According to Data Monitor (2005), the fast food market involves “the sale of food and beverages for immediate consumption, whether eaten on-site, in shared dining areas with other vendors, or taken away for consumption elsewhere.”

Definition 3: The Free Dictionary defines fast food as “low-cost food, such as burgers or fried chicken, that is prepared and served rapidly.”

Definition 4: As per the Merriam-Webster Online Dictionary, fast food refers to food that is “made for quick availability and consumption, often with minimal attention to quality or nutritional value.”

The fast food sector is witnessing remarkable growth globally, and India is no exception—particularly in its urban centers, both large and small. Despite this expansion, there remains a scarcity of research on the preferences and consumption patterns of fast food among Indian consumers, especially the youth. The present article, based on an exploratory investigation, attempts to address this gap by examining fast food consumption trends in the northern region of India.

Indian Fast Food Industry

The Indian fast food industry is experiencing rapid growth, driven by favourable market dynamics and substantial investments from both domestic and international players. Key factors fuelling this expansion include hectic urban lifestyles, an increase in working women, a rising young population, and growing disposable incomes among middle-class households. The fast food sector's core appeal lies in its quick service, affordability, and convenience—features that have made it increasingly popular among the masses.

India's diverse food culture, shaped by its multitude of regions, religions, and communities, has traditionally emphasized home-cooked meals. These meals have long been associated with health, tradition, and religious significance. However, economic liberalization in 1991 marked a turning point in consumer behaviour, with the opening of Indian markets to global brands. This led to significant changes in lifestyle and food preferences, especially in urban areas.

To gain acceptance in the Indian market, international fast food chains adapted their offerings to align with local tastes and cultural sensitivities. A notable example is McDonald's introduction of its first pure vegetarian outlet in Ahmedabad. Similarly, most multinational chains have eliminated pork and beef from their menus to respect religious sentiments, especially among Hindu and Muslim consumers (Goyal and Singh, 2007). These adaptations have played a crucial role in gaining consumer trust and expanding the footprint of global fast food brands across India.

With continued urbanization, changing consumer preferences, and a growing appetite for convenience, the Indian fast food market presents immense opportunities for growth and innovation. Fast food operators in India, particularly those in major segments such as burgers, pizzas, and fried chicken, have increasingly diversified their menus to cater to evolving consumer preferences. Recognizing the growing demand for variety, many brands have expanded beyond their core offerings to introduce a broader range of food options. This strategic diversification reflects the changing expectations of Indian consumers, who are now more inclined to explore new and alternative food choices when dining out.

The remarkable growth of the Indian fast food industry can be attributed to several socio-economic factors, including the rise of the middle class, favourable demographics, rapid urbanization, and increased spending power among the youth. These drivers have not only fuelled domestic demand but have also positioned India as a significant contributor to global food trade.

Furthermore, the Indian fast food sector holds immense potential for value addition within the broader food processing industry. With its promising growth trajectory and profitability, it is increasingly recognized as one of the high-potential sectors in the Indian economy.

Service Quality

Service quality is a multifaceted concept that encompasses products, services, human resources, operational processes, and the overall environment, all of which work together to meet—or ideally surpass—customer expectations (Tjiptono, 2005). It serves as a crucial determinant of customer satisfaction, as an organization can

be regarded as successful only when it consistently delivers goods or services that align with or exceed customer needs and preferences. Service quality is also viewed as a comparative measure of customer satisfaction, where consumers evaluate one company's services against those of others to assess relative performance and quality levels.

Kotler (2012) defines service quality as the performance delivered by one individual or entity to another, typically in the form of intangible activities that do not result in ownership of any physical goods. Similarly, Ratminto and Atik (2013) emphasized that the success of service delivery is gauged by the extent to which service recipients feel satisfied—satisfaction being achieved when the provided service meets or exceeds their expectations.

In the Indian context, the Quick Service Restaurant (QSR) industry has shown remarkable growth momentum. The market, valued at approximately USD 26.12 billion in 2025, is anticipated to reach USD 38.42 billion by 2030, reflecting a compound annual growth rate (CAGR) of 8.02% over the forecast period (2025–2030). This rapid expansion is largely driven by the growing consumer inclination toward fast, convenient, and affordable food options. Factors such as increased preference for quick deliveries, hygienically prepared food, and customizable meal choices have further fueled the industry's rise.

The millennial demographic, known for its evolving food habits and preference for smart, balanced eating, has been a significant contributor to the surge in QSR demand. Popular categories such as burgers, pizzas, and chicken-based dishes continue to dominate the segment, with pizza outlets expected to experience strong growth in the coming years. The market is also witnessing a trend toward independent QSR operators, who attract customers by offering competitively priced products compared to established chains.

Leading international players such as McDonald's, Domino's, KFC, and Yum! Brands are steadily expanding their reach across India, setting up outlets not only in major metropolitan cities but also in emerging urban centers. Overall, the Indian QSR market is poised for sustained growth, supported by shifting consumer preferences, rising urbanization, and increasing demand for accessible and high-quality dining experiences.



Objectives of the study

- To examine customer perception of service quality dimensions (tangibility, reliability, responsiveness, assurance, and empathy) in selected international fast food chains in Delhi.
- To analyse the relationship between service quality and customer satisfaction in international fast food chains operating in Delhi.

LITERATURE REVIEW

A considerable amount of research has been carried out globally to understand young consumers' perceptions and attitudes toward fast food. Ozdemir et al., in their study "Consumer Preferences for Fast Food Brands: Evidence from an Emerging Country," highlighted that convenience and consistency are the most influential factors driving young consumers toward fast food outlets. Brand reputation also played a major role in their choice of restaurant. Respondents particularly preferred popular international brands such as McDonald's and Burger King for their burgers and fries, valuing the combination of quick service, quality food, affordability, and consistent taste.

Thakkar and Thatte (2014) conducted a study on consumer perception of food franchises, focusing on McDonald's and KFC in Thane. Their research revealed that consumers placed strong emphasis on the quality of food, layout and ambience of the facility, speed and efficiency of service, and cleanliness. Among these, taste and overall food quality emerged as the most critical factors influencing customer satisfaction and preference.

Pooja (2015) observed that several factors determine how frequently customers visit quick service restaurants (QSRs). These include changing lifestyles, evolving work schedules, and shifting family dynamics, which have

collectively enhanced the popularity of fast food. The study emphasized that competition among fast food brands depends heavily on the quality, promptness, and consistency of the goods and services they provide.

Koranne (2016) noted that quick service restaurants have become an established part of India's food industry, with significant potential for growth through national and international franchising. Traditional home-cooked meals have increasingly been replaced by QSR options due to convenience, changing family structures, and modern work patterns. The study also found that branding, quality, accessibility, and recommendations from peers influence customer preferences. Factors such as accurate billing, technological integration, and convenient locations further shape consumer decisions.

Tabaku and Cerri (2016), in their research on hotels along the Albanian coast, confirmed that service quality has a direct and positive impact on customer satisfaction, reinforcing the importance of consistent service delivery in hospitality settings.

Bhagat (2016) analyzed customer satisfaction levels in the fast food industry across Delhi-NCR, focusing on leading chains such as McDonald's, Pizza Hut, KFC, Subway, and Domino's. The findings revealed that taste, pricing, menu variety, and employee behavior were among the most significant determinants of customer satisfaction.

Kalotra and Sharma (2017) applied the SERVQUAL model to measure service quality in the hospitality sector in Delhi. Their study reported negative gap scores across all five dimensions, suggesting that consumer expectations were not being met, resulting in overall dissatisfaction with service delivery.

Anitharaj (2018) identified several factors driving the growth of the fast food industry, including western cultural influence, changing lifestyles, increasing work commitments, and greater acceptance of quick dining options. The study indicated that customers value service quality, hygiene, nutrition, and ambiance, all of which contribute to the industry's continuous expansion and potential for future growth.

M.S. (2018) discussed the evolution of the fast food industry in India, noting that although Indian consumers were initially resistant due to their preference for home-cooked meals, global brands eventually adapted their offerings to local tastes. This localization strategy helped international chains gain popularity, particularly among younger consumers.

According to Down To Earth (2019), rising disposable incomes in India have led to an increase in dining frequency at fast food outlets. Established global chains such as McDonald's, KFC, Pizza Hut, and Domino's have expanded significantly across the country. However, the study also cautioned that overconsumption of fast food could contribute to health issues like obesity, underscoring the need for balanced dietary habits.

A report by the Business Insider India Bureau (2019) noted that around 67% of Indians prefer exercising over monitoring their eating habits, indicating an evolving mindset toward health and wellness amid increased fast food consumption.

Shaban and Alkazemi (2019) examined the motivations behind fast food consumption and found that taste and availability were the primary drivers. Although no direct link between fast food consumption and obesity was established, the study did reveal that many individuals began eating fast food at a young age—often before elementary school. Peer influence and limited cooking skills were also found to contribute to frequent fast food consumption.

Giachino et al. (2021), in their study "Local vs. International Hamburger Foodservice in the Consumer's Mind," observed that while consumers often preferred visiting international fast food outlets, local chains were more highly valued for their ethical sourcing, animal welfare practices, and use of local ingredients.

Stiletto et al. (2021) explored how sensory experiences influence consumer behavior. Their findings suggested that when consumers taste a product, their reliance on brand reputation decreases, as sensory preferences—such as sweetness and texture—become the dominant factors influencing their choices.

Collectively, these studies demonstrate that customer satisfaction and service quality are deeply interconnected, each reinforcing the other and contributing to the profitability and long-term success of organizations (Luo & Homburg, 2007; Blesic et al., 2011). Considering India's rapidly expanding fast food market, particularly in urban centers like Delhi-NCR, numerous international franchises have established a strong presence. Against this backdrop, the present study aims to examine diners' experiences and identify the key determinants influencing customer satisfaction within the fast food sector.

METHODOLOGY

Research Design

This study employs a mixed-methods research design, combining quantitative and qualitative approaches to comprehensively investigate the factors.

Data Collection

Quantitative data was collected through structured questionnaires distributed to hotel management students. The survey included both closed-ended and Likert-scale questions designed to measure various aspects of the service quality. The objective of the study is to evaluate service quality provided by fast food outlets based on customers' expectations and perceptions. The data was taken from all fast food brands like McDonalds, Dominos, Pizza hut, KFC, Subway etc.

Sample size – A sample size of 200 respondents was taken in account, however a total of 50 responses obtained were somewhat incomplete hence considered invalid and analysis on 150 responses was applied.

| Descriptive Statistics | | | | | |
|---|-----------|-----------|------------|----------------|-----------|
| | N | Mean | | Std. Deviation | Variance |
| | Statistic | Statistic | Std. Error | Statistic | Statistic |
| Taste of Food | 150 | 2.88 | 0.08133 | 0.9961 | 0.992 |
| Price | 150 | 4.4933 | 0.05072 | 0.62118 | 0.386 |
| Speed of Service | 150 | 4.3333 | 0.06106 | 0.74785 | 0.559 |
| Knowledge of the service | 150 | 4.5267 | 0.05409 | 0.66248 | 0.439 |
| Cleanliness of Environment | 150 | 4.4933 | 0.05245 | 0.64242 | 0.413 |
| Variety of Menu Options | 150 | 3.7933 | 0.08099 | 0.99189 | 0.984 |
| Brand Reputation | 150 | 4.4867 | 0.05245 | 0.64232 | 0.413 |
| Convenience of Location | 150 | 4.42 | 0.05775 | 0.7073 | 0.5 |
| Ambiance | 150 | 4.1667 | 0.05709 | 0.69915 | 0.489 |
| Courtesy and friendliness of staff | 150 | 4.2067 | 0.06574 | 0.80516 | 0.648 |
| Speed and efficiency of service | 150 | 4.08 | 0.06095 | 0.74654 | 0.557 |
| Accuracy of order fulfillment | 150 | 3.96 | 0.06814 | 0.83449 | 0.696 |
| Cleanliness and hygiene of premises | 150 | 3.9133 | 0.06883 | 0.84295 | 0.711 |
| Availability of seating | 150 | 3.3267 | 0.08328 | 1.01991 | 1.04 |
| Accuracy of billing | 150 | 3.54 | 0.08172 | 1.00087 | 1.002 |
| Professional appearance of employees | 150 | 3.8333 | 0.07938 | 0.97221 | 0.945 |
| Modernity of equipment and technology used | 150 | 4.08 | 0.07359 | 0.9013 | 0.812 |
| Quick responses to customer inquiries | 150 | 4.2 | 0.06821 | 0.83546 | 0.698 |
| Physical safety measures for customers and employees | 150 | 3.9533 | 0.07348 | 0.89994 | 0.81 |
| Offering self-service options | 150 | 3.9533 | 0.071 | 0.8696 | 0.756 |
| Understanding and addressing unique customer needs | 150 | 4.52 | 0.04797 | 0.58757 | 0.345 |
| Providing eco-friendly packaging or delivery options | 150 | 4.4867 | 0.05071 | 0.62107 | 0.386 |
| Providing transparent records of transactions | 150 | 3.92 | 0.05395 | 0.66069 | 0.437 |
| Offering contact-less payment options and delivery services | 150 | 3.7133 | 0.071 | 0.8696 | 0.756 |

The table provides descriptive statistics for 24 variables related to customer satisfaction in a service setting, likely a restaurant, based on responses from 150 participants (N = 150). Each variable is evaluated using four metrics: Mean, Standard Error, Standard Deviation, and Variance. The Mean reflects the average rating on a presumed 1-to-5 scale, where higher values indicate greater satisfaction. For instance, "Knowledge of the Service" scores highest with a mean of 4.5267, while "Taste of Food" has the lowest at 2.88, suggesting moderate satisfaction. The Standard Error, indicating the precision of the mean, is generally low across variables, such as 0.05072 for "Price," implying reliable estimates. Standard Deviation measures response variability, with "Availability of Seating" showing high variability (1.01991) and "Understanding and Addressing Unique Customer Needs" showing low variability (0.58757), indicating consistent opinions. Variance, the square of standard deviation, follows a similar pattern, with "Availability of Seating" at 1.04 (high dispersion) and "Understanding and Addressing Unique Customer Needs" at 0.345 (low dispersion). High-performing areas (mean ≥ 4.4) include "Knowledge of the Service," "Price," "Cleanliness of Environment," "Brand Reputation," "Eco-Friendly Packaging," and "Understanding Customer Needs," with low variability indicating consistent satisfaction. Moderate performers (mean 3.5–4.4), like "Speed of Service" (4.3333) and "Ambiance" (4.1667), show slightly more variability, while lower-rated areas like "Taste of Food" (2.88) and "Availability of Seating" (3.3267) suggest areas for improvement due to lower means and higher variability.

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