

INCLUSIVITY PRACTICES IN A QUICK SERVICE RESTAURANT

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Abstract

This study examined the influence of inclusivity practices on corporate image in the quick service restaurant (QSR) industry in the Philippines, with customer-perceived empathy as a mediating variable. Focusing on millennial customers aged 29 to 44 of selected McDonald's branches in Metro Manila, the study was anchored on Social Identity Theory and Empathy-Altruism Theory. A quantitative, non-experimental explanatory-causal research design was employed using a cross-sectional survey and mediation analysis. Data were collected from 392 valid respondents through a validated questionnaire and analyzed using descriptive statistics, correlation, regression, and mediation analysis. Findings showed that inclusivity practices ($M = 4.24$, $SD = 0.67$), customer-perceived empathy ($M = 4.21$, $SD = 0.67$), and corporate image ($M = 4.28$, $SD = 0.63$) were all rated very high. Regression results revealed that inclusivity practices significantly influenced corporate image ($\beta = 0.62$, $p = 0.001$) and customer-perceived empathy ($\beta = 0.68$, $p < 0.001$). Customer-perceived empathy also significantly influenced corporate image ($\beta = 0.55$, $p < 0.001$). Mediation analysis confirmed a significant indirect effect of inclusivity practices on corporate image through customer-perceived empathy ($\beta = 0.37$, $p < 0.001$), with a strong total effect ($\beta = 0.99$, $p < 0.001$). The findings suggest that inclusivity strengthens corporate image both directly and indirectly when customers experience inclusive practices as genuine empathy, respect, and care. The study contributes to service management and marketing literature by integrating inclusivity practices, empathy, and corporate image into a unified explanatory model within the Philippine QSR context.

Keywords – *Inclusivity Practices, Customer-Perceived Empathy, Corporate Image, McDonald's, Quick Service Restaurant*

INTRODUCTION

Quick service restaurants (QSRs) are traditionally evaluated according to speed, accessibility, affordability, consistency, and convenience. However, contemporary customers increasingly assess service organizations not only by functional efficiency but also by fairness, accessibility, respect for diversity, emotional responsiveness, and social responsibility. In this context, inclusivity has become an important service and branding dimension in the QSR industry.

Empathy is a vital element in delivering inclusive service experiences. Without empathy, inclusivity may be reduced to a procedural practice rather than a meaningful lived experience for customers. In the Philippine setting, this idea is closely connected with the cultural value of *malasakit*, which emphasizes compassion, sincere concern, and respectful treatment of others.

Therefore, customer experience in QSRs is shaped not only by fast service but also by whether customers feel acknowledged, respected, and genuinely cared for during service encounters.

The principle of inclusion is also consistent with the direction of the United Nations Sustainable Development Goals, particularly reducing inequality and upholding the commitment to leave no one behind (United Nations, 2015). In business practice, diversity, equity, and inclusion have shifted from optional corporate programs to strategic practices that influence stakeholder trust, brand value, and customer loyalty (Shore et al., 2018; Lee et al., 2022). For QSRs, this means that accessible service, respectful interactions, and inclusive communication may influence customers' overall impression of the organization.

Although previous literature has separately examined inclusivity practices, perceived empathy, and corporate image, limited empirical work has integrated these constructs into a single explanatory model in the Philippine QSR context. Most existing studies treat inclusivity as part of corporate social responsibility or empathy as a service quality dimension, but fewer studies examine whether customer-perceived empathy explains

how inclusivity practices influence corporate image.

This study addressed this gap by examining the direct influence of inclusivity practices on corporate image and the indirect influence of inclusivity practices through customer-perceived empathy. Anchored on Social Identity Theory and Empathy-Altruism Theory, the study proposed that inclusive service practices signal recognition, fairness, and belongingness, while customer-perceived empathy explains how such practices are emotionally interpreted during service encounters.

OBJECTIVES OF THE STUDY

The main objective of the study is to examine the influence of inclusivity practices on corporate image in the quick service restaurant (QSR) industry in the Philippines (specifically among millennial customers of selected McDonald’s branches in Metro Manila), using customer-perceived empathy as a mediating variable.

1. To evaluate the direct effect of inclusivity practices on corporate image

2. To evaluate the direct effect of inclusivity practices on customer-perceived empathy

3. To evaluate the direct effect of customer-perceived empathy on corporate image

4. To determine whether customer-perceived empathy significantly mediates the relationship between inclusivity practices and corporate image

METHODOLOGY

The study used a quantitative, non-experimental, explanatory-causal research design with a cross-sectional survey. This design was appropriate because the study examined statistically measurable relationships among inclusivity practices, customer-perceived empathy, and corporate image at a single point in time. Mediation analysis was used to determine whether customer-perceived empathy served as the intervening mechanism between inclusivity practices and corporate image.

PARTICIPANTS AND SAMPLING

The respondents were millennial customers aged 29 to 44 of selected McDonald's branches in Metro Manila. Because the exact population size was unknown, Cochran's formula was used to determine the minimum sample size, yielding a required minimum of 380 respondents. A total of 392 valid responses were collected and retained for analysis.

A non-probability sampling approach was used, specifically a combination of purposive and convenience sampling. Purposive sampling ensured that respondents met the study criteria, while convenience sampling allowed efficient survey distribution through accessible online platforms.

RESULTS AND DISCUSSION

This section presents the empirical findings integrated directly with theoretical interpretation and contextual discussion. Rather than separating statistical outputs from critical analysis, each construct—Inclusivity Practices, Customer-Perceived Empathy, Corporate Image, and Hypothesis Testing—is analyzed comprehensively to demonstrate both

statistical significance and practical service management implications within the quick service restaurant (QSR) context in Metro Manila.

Demographic Profile of Respondents

Data were gathered from a final valid sample of 392 millennial customers aged 29 to 44 residing in Metro Manila who patronize selected McDonald's branches. Sampling was conducted using a combination of purposive and convenience sampling based on Cochran's minimum sample size requirement ($N = 380$). Table 1 outlines the demographic distribution of respondents.

Variable	Largest Category	Frequency (f)	Percentage (%)
Age Group	29–34 years old	226	57.65%
Gender	Female	244	62.24%
Civil Status	Single	226	57.70%
Occupation	Employed (full-time/part-time)	178	45.40%
Educational Attainment	College graduate	177	45.20%
Monthly Household Income	P10,001–P20,000	167	42.60%

Assessment and Discussion of Inclusivity Practices

Respondents evaluated inclusivity practices in selected McDonald's branches as Very High overall ($M =$

4.24, SD = 0.67). This demonstrates that millennial customers perceive strong organizational commitment toward fair, respectful, and accessible service encounters.

Indicator	Mean (M)	Std. Deviation (SD)	Verbal Interpretation
Equal treatment of customers	4.32	0.61	Very High
Respect for diversity	4.28	0.65	Very High
Inclusive communication	4.20	0.68	High
Accessibility of services	4.15	0.72	High
Overall Mean / Assessment	4.24	0.67	Very High

Integrated Discussion on Inclusivity Practices: As shown in Table 2, Equal treatment of customers (M = 4.32, SD = 0.61) and Respect for diversity (M = 4.28, SD = 0.65) obtained the highest ratings. This indicates that front-line service personnel excel in non-discriminatory service delivery and interpersonal courtesy. On the other hand, Accessibility of services obtained the lowest mean (M = 4.15, SD = 0.72), although it remains within the High category.

Assessment and Discussion of Customer-Perceived Empathy

Customer-perceived empathy was evaluated at a **Very High level overall (M = 4.21, SD = 0.67)**. In the Philippine hospitality context, empathy is deeply tied to the cultural values of *malasakit* (sincere care and concern) and *pakikitungo* (respectful interpersonal interaction).

Indicator	Mean (M)	Std. Deviation (SD)	Verbal Interpretation
Employees respond respectfully	4.30	0.59	Very High
Staff listen attentively	4.22	0.66	Very High
Employees show concern	4.18	0.70	High
Employees understand customer needs	4.14	0.73	High
Overall Mean / Assessment	4.21	0.67	Very High

Integrated Discussion on Customer-Perceived Empathy: Table 3 reveals that Employees respond respectfully (M = 4.30, SD = 0.59) and Staff listen attentively (M = 4.22, SD = 0.66) scored highest among empathy indicators. Conversely, Employees

understand customer needs received the lowest mean ($M = 4.14$, $SD = 0.73$). This divergence indicates that while employees display excellent emotional etiquette and politeness, there is a relative gap in deeper cognitive empathy—specifically in proactively anticipating unique customer requests or specialized dining requirements.

Assessment and Discussion of Corporate Image

Corporate image was assessed as Very High overall ($M = 4.28$, $SD = 0.63$), confirming that selected McDonald's branches maintain a highly favorable market reputation among millennial consumers.

Indicator	Mean (M)	Std. Deviation (SD)	Verbal Interpretation
Good reputation	4.35	0.58	Very High
Professionalism	4.31	0.60	Very High
Trustworthiness	4.27	0.63	Very High
Social responsibility	4.18	0.69	High
Overall Mean / Assessment	4.28	0.63	Very High

Integrated Discussion on Corporate Image: As detailed in Table 4, Good reputation ($M = 4.35$, $SD = 0.58$) and Professionalism ($M = 4.31$, $SD = 0.60$) lead the evaluation, proving that

operational efficiency and brand heritage heavily shape customer perceptions. In contrast, Social responsibility obtained the lowest rating ($M = 4.18$, $SD = 0.69$). This implies that while customers directly experience high operational standards during restaurant visits, corporate social responsibility (CSR) initiatives and environmental programs are less visible or less frequently communicated at the store level.

Hypothesis Testing and Integrated Path Discussion

Regression and mediation analyses were conducted to evaluate the direct and indirect relationships among inclusivity practices, customer-perceived empathy, and corporate image. Table 5 summarizes the statistical outputs and hypothesis decisions.

Path Relationship	Effect Type	Beta (β)	t-value	p-value	Decision
Inclusivity Practices → Corporate Image (H1)	Direct Effect	0.62	9.45	0.001	Supported
Inclusivity Practices → Perceived Empathy (H2)	Direct Effect	0.68	10.21	<0.001	Supported
Perceived Empathy → Corporate Image (H3)	Direct Effect	0.55	8.37	<0.001	Supported
Inclusivity → Empathy → Corporate Image (H4)	Indirect Effect	0.37	---	<0.001	Supported
Total Model Effect	Total Effect	0.99	---	<0.001	Supported

Hypothesis 1: Direct Effect of Inclusivity Practices on Corporate Image ($\beta = 0.62$, $t = 9.45$, $p = 0.001$).

H1 is statistically supported. This confirms that organizational inclusivity directly strengthens corporate image. Grounded in Social Identity Theory, inclusive service practices act as identity-affirming signals. When customers perceive fair treatment, respect for diversity, and open communication, they identify positively with the brand, enhancing its reputation, trust, and professionalism.

Hypothesis 2: Direct Effect of Inclusivity Practices on Customer-Perceived Empathy ($\beta = 0.68$, $t = 10.21$, $p < 0.001$).

H2 is statistically supported. The strong path coefficient indicates that inclusivity practices provide the operational foundation for customer-perceived empathy. Inclusivity is not viewed merely as a cold policy; rather, inclusive store environments encourage service personnel to exhibit attentive listening and respectful behavior, fostering a climate of genuine care.

Hypothesis 3: Direct Effect of Customer-Perceived Empathy on

Corporate Image ($\beta = 0.55$, $t = 8.37$, $p < 0.001$).

H3 is statistically supported. Anchored on Empathy-Altruism Theory, when employees demonstrate authentic concern and respectful listening (malasakit), customers experience emotional delight. This positive emotional connection directly enhances their evaluation of the company's brand image, reputation, and trustworthiness.

Hypothesis 4: Mediating Role of Customer-Perceived Empathy ($\beta = 0.37$, $p < 0.001$, Total Effect $\beta = 0.99$).

H4 is statistically supported. Mediation analysis confirms that customer-perceived empathy serves as a statistically significant indirect mechanism. Inclusivity practices alone enhance corporate image, but their impact is substantially amplified when translated into felt empathy during service encounters. Empathy bridges structural inclusivity with customer brand perception.

CONCLUSION

Based on the integrated statistical findings and theoretical analysis, the following conclusions are established:

High Evaluation of Core Constructs:

Millennial customers in Metro Manila evaluate Inclusivity Practices ($M = 4.24$), Customer-Perceived Empathy ($M = 4.21$), and Corporate Image ($M = 4.28$) at Very High levels, confirming that selected McDonald's branches operate with high baseline service standards.

Direct Strategic Value of Inclusivity:

Inclusivity practices significantly boost corporate image ($\beta = 0.62$) and perceived empathy ($\beta = 0.68$). Inclusivity functions not merely as an ethical obligation but as a critical strategic branding driver in the QSR sector.

Emotional Driving Power of Empathy:

Customer-perceived empathy directly improves corporate image ($\beta = 0.55$), proving that emotional service encounters heavily influence brand trust and reputation even in fast-paced dining environments.

Essential Mediating Role of Empathy:

Customer-perceived empathy acts as a vital mediator ($\beta = 0.37$, total effect $\beta = 0.99$). Inclusivity practices achieve their maximum brand impact when customers interpret them as authentic care, respectful listening, and personal empathy (malasakit).

RECOMMENDATIONS

To address the lowest-rated indicators and capitalize on the strong indirect effects identified in the model, the following actionable recommendations are offered:

Improve Operational and Physical

Accessibility: Conduct comprehensive accessibility audits across QSR branches. Enhance physical seating arrangements, install braille or high-contrast digital kiosk menus, ensure step-free access, and train staff to assist senior citizens and PWDs effectively.

Strengthen Cognitive Empathy and

Personalized Service: Implement employee training programs focused on active listening, emotional intelligence, and perspective-taking to address the lowest empathy score ('understanding customer needs'). Staff should be empowered to customize service for special dietary or seating needs.

Increase Store-Level CSR Visibility:

Amplify store-level communications regarding corporate social responsibility and environmental initiatives through digital menu screens, tray liners, QR codes, and community engagement

campaigns to elevate the lowest corporate image indicator.

Embed Inclusivity into Strategic Brand Management:

Integrate inclusivity and empathy metrics into new employee orientation, performance evaluations, and standard operating procedures (SOPs), aligning operational standards with UN Sustainable Development Goal 10 (Reduced Inequalities).

Establish Dual Feedback Monitoring Systems:

Develop real-time customer feedback mechanisms that specifically measure customer perceptions of inclusion and empathy alongside operational speed and food quality.

Directions for Future Research:

Future scholars should extend research to other QSR brands, non-millennial demographics, and regional areas outside Metro Manila. Incorporating qualitative methods (FGDs, interviews) and longitudinal tracking of customer loyalty and financial performance is highly recommended.

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