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Price Perception and Promotional Effectiveness in Airport Food & Beverage Consumption: An Exploratory Survey with Implications for Rajiv Gandhi International Airport, Hyderabad

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Abstract

Airport food and beverage (F&B) outlets operate in a distinctive retail environment in which passengers balance convenience, time constraints and reference prices shaped by alternatives outside the terminal. This study examines perceived airport F&B prices, reported price-related purchase deterrence, promotional visibility and preferred purchase triggers, drawing on an online questionnaire completed by 86 respondents and a qualitative secondary-research review undertaken as part of a Summer Internship Project (SIP). The secondary review covered airport commercial environments and F&B practices at Rajiv Gandhi International Airport (RGIA), Delhi, Mumbai and Bengaluru. In the survey, 60.0% of valid respondents rated airport F&B prices in the two highest categories on a five-point scale, and 91.8% reported that high prices had deterred a purchase at least sometimes. Promotional visibility was relatively high (87.1% noticed promotions always, often or sometimes), while 6.0% reported being frequently influenced by promotions. Combo offers were selected by 67.1% as an activity that could encourage trial, and 72.6% identified lower prices as a change that would encourage purchase. Overall experience averaged 3.07 (SD = 0.80; n = 84). The findings point to perceived value and offer design as important issues for further investigation. The survey questions refer to airport F&B generally rather than documenting transactions at RGIA specifically; therefore, the findings are interpreted as exploratory evidence with implications for RGIA, not as representative estimates of its passengers. The sample is non-probability based and self-reported.

Keywords: airport retail; food and beverage; price perception; perceived value; promotional effectiveness; consumer behaviour; India.

1. Introduction

Airports are increasingly understood not only as transport infrastructure but also as complex commercial environments. Alongside aeronautical income, airports generate non-aeronautical revenue through retail, food and beverage (F&B), duty-free sales, parking, advertising and other commercial activities. Graham (2009) discusses the importance of commercial revenue to airport economics and the role of management decisions in shaping commercial performance. Within this environment, F&B is a

distinctive category because it addresses a basic passenger need while also competing for attention, time and spending against other terminal activities.

Rajiv Gandhi International Airport (RGIA), Hyderabad, provides a relevant setting for examining airport F&B consumer behaviour. The airport serves passengers with different travel purposes, travel frequencies, budgets and time constraints. The airport environment may shape perceived value: passengers compare terminal prices with familiar city prices, assess the convenience of available outlets and make purchase decisions within the time available before departure.

The central problem addressed in this study is that passenger presence and exposure to F&B outlets do not necessarily result in purchase. A passenger may notice an outlet or promotion but decide not to buy because the perceived price is too high, the offer is not sufficiently attractive, the product does not fit the occasion, or the passenger has limited time. The study therefore examines price perception, price-linked purchase deterrence, promotional visibility, promotional influence and preferred purchase triggers.

1.1 Research questions

- How do respondents perceive airport F&B prices relative to comparable city outlets, and how do they report price-related purchase deterrence?
- To what extent do respondents notice airport F&B promotions, and how frequently do they report being influenced by them?
- Which offer formats and changes do respondents identify as likely to encourage F&B purchase?
- How do reported purchase frequency and overall experience characterise the sample's engagement with airport F&B?

1.2 Objectives

- Describe passenger perceptions of airport F&B prices and reported price deterrence.
- Examine promotional visibility and self-reported promotional influence.
- Identify preferred offers and changes that respondents say would encourage purchase.
- Describe airport F&B purchase frequency, purchase categories and overall experience in the sample.
- Use qualitative airport benchmarking from the SIP to contextualise the survey findings and identify areas for further investigation at RGIA.

2. Literature Review and Conceptual Background

2.1 Airport commercial activity

Airport commercial activity is shaped by the interaction between passenger flows, terminal design, retail mix and the time passengers spend in commercial areas. Graham (2009) highlights the importance of commercial revenue to airport performance. Research on airport retail environments also considers the role of airport malls and passenger characteristics in shaping consumer activity (Castillo-Manzano et al., 2018; Choi & Park, 2022). These perspectives support examining airport F&B as a specialised retail context rather than assuming that conventional high-street purchase patterns apply unchanged.

2.2 Price perception and perceived value

Zeithaml (1988) conceptualises perceived value as a consumer assessment involving the benefits received and the sacrifices made, including monetary and non-monetary costs. This distinction is relevant to airport F&B because a price may be evaluated against a passenger's reference price for similar products in city outlets. A higher price may be accepted when convenience, quality, time savings or experience are perceived to compensate for the additional cost. Conversely, a price premium may deter purchase when the perceived benefits do not justify the sacrifice.

2.3 Servicescape and airport experience

Bitner (1992) explains how the physical surroundings of a service environment can influence customer and employee responses. In an airport, signage, layout, ambience, queue conditions, seating and outlet visibility can affect the ease and attractiveness of an F&B purchase. The present study focuses primarily on price and promotional factors; however, overall experience is included as a descriptive outcome that may reflect a wider combination of service and environmental factors.

2.4 Promotion and purchase response

Promotional communication can create awareness, but awareness does not necessarily translate into purchase. The distinction between exposure and influence is important in an airport setting, where passengers may notice digital screens, LED displays, outlet signage or other messages while remaining unwilling or unable to act on them. The present study treats promotional visibility and self-reported promotional influence as separate constructs and examines which offer formats respondents identify as more compelling.

2.5 Research gap and conceptual orientation

The reviewed literature provides theoretical foundations for understanding airport commercial activity, perceived value and servicescape. The applied question addressed here is how respondents describe airport F&B prices, promotional exposure and purchase-related preferences, and how these findings can inform discussion of RGIA's F&B environment. The study combines a respondent survey using general airport wording with a qualitative desk review of RGIA and three peer airports. It therefore contributes an exploratory, context-specific analysis rather than a representative measurement of RGIA passenger behaviour.

The conceptual orientation treats perceived price and reported price deterrence as related but distinct measures of purchase behaviour, while promotional visibility and self-reported promotional influence are examined as separate dimensions of marketing communication. The secondary review provides context on airport outlet mix, pricing accessibility, digital ordering and marketing communication. Given the design and sample, the study does not test causal relationships or estimate actual purchase conversion.

2.6 Secondary research and comparative airport context

As part of the SIP, the researcher conducted a qualitative desk review using the official websites of RGIA, Delhi Airport, Mumbai Airport and Bengaluru Airport; GMR-related annual reports and investor presentations; industry publications and trade articles; airport social-media channels; and publicly accessible passenger-experience material, including ACI Airport Service Quality summaries where available. The comparative review considered outlet and brand mix, pricing accessibility, passenger-facing digital ordering, lounge integration, marketing communication and initiatives intended to improve F&B awareness and purchase. The SIP describes this as a qualitative benchmarking exercise rather than a quantitative or independently audited comparison.

The SIP review described RGIA's F&B environment as combining a public-access Aero Plaza concept with terminal outlets across quick-service, café, premium-dining and local-brand formats. It also documented the Eat@RGIA and HOI digital ecosystem as channels for food pre-ordering and related airport services. In the peer review, Delhi was characterised by a broad premium dining portfolio and a storytelling-oriented media partnership; Mumbai was noted for compact, gate-adjacent formats and the coexistence of premium outlets with lower-entry-price options; and Bengaluru was described as emphasising regional food identity, café formats and digital integration. These are qualitative

observations recorded in the researcher's SIP, not current verified rankings or like-for-like performance measures.

The benchmarking provides context for interpreting the survey's emphasis on value and offer design. In particular, the reported presence of affordable entry-level options in the Mumbai benchmark and the prominence of regional food identity in the Bengaluru benchmark suggest two areas for further investigation at RGIA: the visibility of accessible price points alongside premium offers, and the communication of local food propositions. These implications are hypotheses for managerial testing; the present study does not establish that either practice causes higher purchase conversion.

A limitation of this secondary review is that the SIP records the categories of sources consulted but does not provide a complete source-by-source audit trail, access dates or archived copies for every airport website and social-media observation. Accordingly, the comparative material is used as contextual, exploratory evidence. Claims about specific current prices, outlet availability, campaigns or digital features should be independently rechecked against dated primary sources before publication or operational use.

3. Research Methodology

3.1 Research design

The study adopts an exploratory, descriptive and cross-sectional design. It combines (i) a structured online questionnaire, (ii) qualitative secondary research and comparative desk review conducted during the SIP, and (iii) field observations at RGIA recorded in the SIP. The questionnaire covered respondent demographics, air-travel behaviour, airport F&B purchase frequency, products purchased, price perception, price deterrence, promotional visibility, promotional influence, preferred offers and overall experience. The survey items use general airport wording; the secondary review supplies the RGIA-specific setting and comparative context.

3.2 Sampling and respondents

The questionnaire received 86 responses. A non-probability sampling approach combining convenience and snowball sampling was used, with distribution through personal and professional networks and social media. The SIP indicates that the questionnaire was circulated to people with recent airport-travel experience; it was not a formal terminal-intercept sample. The survey is therefore not statistically representative of RGIA passengers or of all air travellers. Item-level response counts varied from 80 to 86 because of non-response.

3.3 Instrument and measures

The questionnaire contained 18 substantive items (Q2–Q19). It included single-response and multiple-response questions and five-point rating/agreement scales. The price-perception item asked respondents to compare airport F&B prices with similar city outlets. Other items recorded whether high prices had stopped a purchase, how often promotions were noticed, how often promotions influenced purchase, which promotional formats attracted attention, which offers could encourage trial, and the respondent's overall F&B experience.

3.4 Data analysis

The respondent-level Excel export was re-analysed for this manuscript using frequency counts, valid-item percentages, means and standard deviations. Two one-sample t-tests compare the mean five-point price-perception and overall-experience scores with the scale midpoint of 3; these tests are supplementary and should be interpreted cautiously because the sample is non-probability based and

Likert-type responses are ordinal. Multiple-response items are reported as the percentage of valid respondents selecting each option, so totals can exceed 100%. The secondary airport comparison was synthesised qualitatively from the SIP desk review; no inferential comparison between airports was attempted.

3.5 Ethical considerations

Before completing the questionnaire, participants gave their consent to take part. Respondents were recruited from the researcher's personal and professional networks, including friends, family members and colleagues. Participation was based on prior agreement to respond to the survey. The questionnaire export contained a name field; however, names have been excluded from the analysis and from this manuscript, and the findings are reported in aggregate. Because the available project records do not establish whether formal institutional ethics approval or an exemption was obtained or required, no such approval or exemption is claimed here. The authors should confirm the applicable institutional requirements before submission.

4. Results

4.1 Respondent profile

The respondent profile indicates that 36.0% were aged 18–25 (31 of 86) and 32.6% were aged 36–45 (28 of 86). Salaried employees represented 66.3% (57 of 86) and students 24.4% (21 of 86). The sample was 73.3% male (63 of 86) and 26.7% female (23 of 86); 58.1% (50 of 86) reported Hyderabad as their city. Among the 80 respondents who reported monthly household income, the largest category was ₹1,00,000–₹2,00,000 (23 of 80; 28.8%). The profile is concentrated in Hyderabad-based, male and salaried respondents, limiting generalisation.

4.2 Purchase behaviour

Among the 85 valid responses, 10.6% (9) reported always purchasing F&B at airports, 24.7% (21) often did so, 38.8% (33) sometimes did so, 18.8% (16) rarely did so and 7.1% (6) never did so. Coffee or tea (65.9%; 56 of 85) and snacks (56.5%; 48 of 85) were the most frequently selected purchase categories. Full meals were selected by 12.9% (11 of 85), while 10.6% (9 of 85) selected the “nothing” option. Purchase-category results are multiple-response data and are reported using the valid respondent denominator.

4.3 Price perception and reported deterrence

The recalculated mean price-perception score was 3.68 (SD = 1.41; n = 85) on a five-point scale, where higher scores indicated that airport F&B was perceived as more expensive than comparable city outlets. A total of 60.0% (51 of 85 valid responses) selected the two highest response categories. In addition, 91.8% (78 of 85) reported being deterred from purchasing by high prices at least sometimes. A one-sample t-test against the scale midpoint of 3 produced $t(84) = 4.47$, $p < .001$ (95% CI [3.38, 3.99]; Cohen’s $d = 0.49$). This test treats the five-point item as approximately interval and should be interpreted cautiously given the ordinal measure and non-probability sample. These results describe respondents and should not be interpreted as estimates for the entire RGIA passenger population.

4.4 Promotional visibility and influence

The recalculated responses show that 87.1% of respondents (74 of 85) noticed F&B promotions always, often or sometimes. Digital screens (60.0%; 51 of 85) and LED video walls (41.2%; 35 of 85) were the most frequently selected formats for attracting attention, followed by outlet signage (38.8%; 33 of 85). In contrast, only 6.0% (5 of 84 valid responses) reported being frequently influenced by airport F&B

promotions. The difference between reported visibility and reported influence suggests that exposure alone may not be sufficient to motivate purchase. Because these measures come from separate questionnaire items, they should not be treated as successive stages of a measured conversion funnel.

4.5 Preferred offers and desired changes

Combo offers were selected by 67.1% (55 of 82 valid responses) of respondents as an activity that could encourage them to try an outlet. Discount coupons were selected by 39.0% (32 of 82), and buy-one-get-one offers by 26.8% (22 of 82). When asked which changes would encourage F&B purchase, 72.6% (61 of 84 valid responses) selected lower prices, 35.7% (30 of 84) selected combo meals and 29.8% (25 of 84) selected more local food options. Only 6.0% (5 of 84) selected better promotion. Taken together, the responses suggest that respondents placed greater emphasis on value and offer structure than on increasing promotional activity.

4.6 Overall experience

The recalculated mean overall F&B experience score was 3.07 on a five-point scale (SD = 0.80; n = 84). Forty-five of 84 respondents (53.6%) selected the midpoint score of 3. The score indicates a broadly moderate assessment within this sample. It should not be interpreted as a comprehensive measure of service quality because the instrument does not separately report all relevant service dimensions. A one-sample t-test against the scale midpoint of 3 produced $t(83) = 0.81$, $p = .417$ (95% CI [2.90, 3.25]); the sample mean was not statistically distinguishable from the midpoint under this test.

Table 1. Selected survey indicators (valid item-level denominators)

Indicator	Result	Valid N
Mean perceived price (1–5)	3.68 (SD 1.41)	85
Rated airport prices 4 or 5	60.0% (51/85)	85
Price deterred purchase at least sometimes	91.8% (78/85)	85
Notice promotions always/often/sometimes	87.1% (74/85)	85
Always purchase airport F&B	10.6% (9/85)	85
Frequently influenced by promotions	6.0% (5/84)	84
Prefer combo offers	67.1% (55/82)	82
Want lower prices	72.6% (61/84)	84
Mean overall experience (1–5)	3.07 (SD 0.80)	84

Note. Multiple-response questions allow more than one selection per respondent; percentages are calculated using valid respondents for the relevant item. Percentages may therefore sum to more than 100%.

5. Discussion

The descriptive findings point to perceived value as a relevant issue in airport F&B purchase behaviour. Respondents commonly rated airport prices as higher than city alternatives and reported that high prices had sometimes or frequently stopped them from purchasing. This pattern is consistent with Zeithaml's (1988) distinction between objective price and perceived value: consumers evaluate monetary sacrifice

in relation to perceived benefits and reference prices. The present data do not establish that price perception causes non-purchase, but they identify it as a prominent self-reported barrier in this sample.

A second pattern concerns the difference between promotional visibility and reported influence. Most respondents noticed promotions, particularly on digital screens and LED displays, while a small proportion reported being frequently influenced. One possible interpretation is that the message or offer may not provide a sufficiently compelling value proposition, even when the communication is visible. This interpretation requires testing through campaign-level redemption and point-of-sale data rather than relying only on stated survey responses.

Respondents' preference for combo offers and lower prices is consistent with a value-oriented approach to offer design. Bundles may make the total value of a purchase easier to evaluate, while entry-level options may address passengers who are reluctant to purchase at perceived premium prices. These are managerial implications to be tested, not established effects of specific price points. The study does not estimate price elasticity or determine the profitability of any proposed bundle.

The secondary airport review provides a practical context for these survey patterns. The SIP comparison described a differentiated outlet mix at RGIA, including Aero Plaza and local food brands, alongside examples from peer airports of premium dining, accessible entry-level options, regional food identity and digital ordering. Read together, the desk review and survey suggest that a broad outlet portfolio and visible promotional infrastructure may not, by themselves, resolve passengers' value concerns. This interpretation is exploratory: the survey did not measure awareness of individual RGIA outlets or campaigns, and the benchmarking did not compare audited transaction or conversion data.

The moderate overall experience rating also suggests that price and promotion should not be considered in isolation from the wider service environment. Convenience, waiting time, product availability, seating, menu relevance and the terminal environment may shape perceived value. Future research could measure these factors separately and examine their association with actual purchase behaviour.

6. Managerial Implications

- Test clearly communicated entry-level products and combo bundles in selected outlets, subject to commercial feasibility and operator approval.
- Evaluate promotional effectiveness through offer redemption, transaction counts and point-of-sale data rather than display visibility alone.
- Use digital screens to communicate a specific product, price and bundle benefit, and compare results with existing creative formats.
- Examine whether preferences differ by travel frequency, travel purpose and respondent profile, using adequately sized subgroups.
- Track customer experience through separate measures of value, speed, menu relevance, service and ambience.
- Any implementation should be evaluated through a controlled or phased pilot. Relevant measures may include transaction conversion, average transaction value, offer redemption, contribution margin, repeat purchase and customer satisfaction. The survey results alone do not establish the financial impact of these interventions.

7. Limitations and Future Research

The study has several limitations. First, the 86 respondents were recruited through convenience and sno-

wball sampling; the sample is not representative of RGIA passengers. Second, the questionnaire asks about airport F&B generally and was distributed online rather than administered as a formal terminal-intercept survey at RGIA. The findings therefore cannot be attributed specifically to transactions or experiences at RGIA. Third, responses capture stated perceptions and self-reported behaviour rather than observed purchases. Fourth, the sample is skewed toward Hyderabad-based, male and salaried respondents. Fifth, item-level denominators vary because of non-response, and multiple-response items permit more than one selection. Sixth, the secondary benchmarking is qualitative and the SIP does not provide a complete dated audit trail for every website, social-media post or industry source consulted; airport-specific claims should therefore be independently reverified. Finally, the study covers one research exercise and cannot establish causal effects or generalise across airports.

Future research could use a larger terminal-intercept sample with a more systematic sampling frame, include passengers across different times and terminal locations, and link survey responses to anonymised transaction data where consent and organisational permissions allow. Experimental or quasi-experimental pilots could test the effects of entry-level pricing, combo offers and different promotional messages. Comparative studies across multiple Indian airports would also help assess which findings are context-specific and which are more widely observed.

8. Conclusion

This exploratory study examines perceived price, promotional exposure and airport F&B purchase-related responses using an online survey of 86 respondents, interpreted alongside qualitative secondary research conducted during an SIP on RGIA. Respondents commonly rated airport F&B prices as higher than city alternatives and reported price-related purchase deterrence. They noticed promotions more often than they reported being influenced by them, and frequently selected lower prices and combo offers as changes that could encourage purchase. The secondary review places these findings within a wider airport-commercial context, including RGIA's outlet and digital ecosystem and qualitative practices observed in Delhi, Mumbai and Bengaluru. The evidence points to perceived value and offer design as worthwhile areas for further testing. Because the survey uses general airport wording, non-probability sampling and self-reported measures, its findings should be treated as exploratory implications for RGIA rather than representative RGIA passenger estimates.

Declarations and information to complete before submission

- Author details: Author names, institutional affiliation and corresponding-author designation are provided in the separate title-page file. This manuscript remains anonymised for double-blind review.
- Funding: State the actual funding position. Do not state "no funding" until confirmed by the author.
- Conflict of interest: Author to declare any actual or potential conflicts.
- Ethics and consent: Prior participant consent was obtained before responses were collected. The questionnaire export included names, which have been excluded from analysis and the manuscript; results are presented in aggregate. Formal institutional ethics approval or exemption has not been confirmed and must be checked against the relevant institutional requirements before submission.
- Data availability: State whether anonymised survey data can be shared and under what conditions. Do not share the raw file containing respondent names.
- Originality: Confirm that the manuscript is not under consideration elsewhere and that all sources are properly cited.

- Operational data: Internal GHIAL sales, revenue, brand-level performance, campaign dashboards and unpublished platform information have been excluded. The secondary research retained here is limited to qualitative benchmarking and contextual observations recorded in the author's SIP report.

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