

# Golden Arches East

## *McDonald's in East Asia*

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## INTRODUCTION

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# Transnationalism, Localization, and Fast Foods in East Asia

James L. Watson

On November 22, 1994, the *Wall Street Journal* announced that the world's busiest McDonald's restaurant,<sup>1</sup> located in the heart of Beijing, would have to move to make room for a new commercial development. Within hours the story was picked up by wire services and splashed across the pages of newspapers and magazines around the world.<sup>2</sup> McDonald's managers had situated their first Beijing outlet within a stone's throw of Tiananmen Square, one of China's primary tourist spots and a public arena for the celebration and contestation of Chinese national identity.<sup>3</sup> News of the move came as a shock to company officials who were operating on the assumption that they had a 20-year lease on the premises. The message of the surprise relocation far outweighed its immediate commercial impact: If this could happen to McDonald's, potential investors reasoned, no one was safe.

Under ordinary circumstances, news of a restaurant relocation is unlikely to attract much attention. But this, of course, was no ordinary restaurant: it was McDonald's. The very name, its "Mc" prefix, and the ubiquitous Golden Arches are

recognized and imitated throughout the world. McDonald's has become a saturated symbol, so laden with contradictory associations and meanings that the company stands for something greater than the sum of its corporate parts.

As the essays in this book demonstrate, McDonald's sells more than food. In Beijing, for instance, a new class of yuppies has embraced the company as a means of connecting to the world outside China. Many of the people Yunxiang Yan interviewed said they did not like the food, but assumed that something more profound was at issue when eating at McDonald's. In Korea, by contrast, hamburgers and similar meat products have long been a feature of the national diet, so the actual taste of McDonald's standard fare is not considered new. But, as Sangmee Bak demonstrates in Chapter 4, many Koreans equate eating a Big Mac with cultural and economic treason. Similarly in Taiwan, eating has become a political act and one's choice of restaurant—mainlander-owned or Taiwanese—may be taken as a reflection of attitudes toward independence or reunification with China. In Chapter 3, David Wu shows how McDonald's and other fast food chains have boomed on this precarious terrain, assisted perhaps by the common perception that "foreign" foods are politically neutral. Meanwhile, in Japan McDonald's has made the transition from exotic to ordinary and, as Emiko Ohnuki-Tierney argues in Chapter 5, the restaurants have blended into the local scene. Much the same can be said of Hong Kong. Since the early 1970s, an entire generation of Japanese and Hong Kong children has grown up with McDonald's; to these people the Big Mac, fries, and Coke do not represent something foreign. McDonald's is, quite simply, "local" cuisine.

### *McDonald's and the Cultural Imperialism Debate*

Today over 30 million customers will be served at approximately 20,000 McDonald's restaurants in over 100 countries (see Table 1). In 1995 the system-wide sales of McDonald's Corporation totaled US\$30 billion, \$14 billion of which derived from restaurants outside the United States. A new McDonald's opens somewhere in the world every three hours.<sup>4</sup>

TABLE 1  
*McDonald's Restaurants by Country, 1990-1995*

	1990	1995
Systemwide	11,803	18,380
United States	8,576	11,368
<i>Japan</i>	776	1,482
Canada	626	902
Germany	349	649
England	356	577
Australia	269	530
France	150	429
Brazil	63	243
Mexico	21	132
<i>Taiwan</i>	43	111
Sweden	49	106
<i>Hong Kong</i>	51	98
New Zealand	46	98
Philippines	32	83
Singapore	34	78
<i>China</i>	1 <sup>a</sup>	62
Malaysia	22	58
<i>South Korea</i>	4	48
Thailand	6	39
Indonesia	0	38

SOURCE: 1995 Annual Report, McDonald's Corp., McD-3030, p. ii.  
<sup>a</sup>Shenzhen Special Economic Zone.

What do these statistics mean? The answer, of course, depends upon one's point of view. Some readers no doubt welcome McDonald's ascendancy as evidence that free market values prevail everywhere, irrespective of geography or cultural differences ("All the World's a McStage").<sup>5</sup> This viewpoint is reflected in the news media that track McDonald's and report on its every triumph ("Big Mac Goes to Mecca").<sup>6</sup> In preparing for this project I read thousands of newspaper, magazine, and trade journal articles about the worldwide fast food industry (see endnotes beginning on p. 203 for a sampling). There can be little doubt that McDonald's enjoys a special, perhaps even privileged, relationship with U.S. media—a tribute to the company's virtuosity in public relations. Positive articles far outweigh negative or even neutral ones. The reverse appears to be true in Britain, owing largely to McDonald's disastrous decision to sue local environmentalists ("Big Mac Makes a Meal of It As Libel Trial Drags On").<sup>7</sup> With the possible exception of Korea, media reports in East Asia tend to be positive. The Chinese media could barely restrain their enthusiasm for McDonald's during the restaurants' first three years of operation in the People's Republic; the company was celebrated as a model of modernization, sanitation, and responsible management.

More recently, however, Chinese political leaders have expressed alarm at the growing influence of McDonald's, Kentucky Fried Chicken (KFC), Pizza Hut, and other foreign food firms. As Chinese state policy has begun to encourage an indigenous fast food industry, local media coverage has shifted accordingly.<sup>8</sup> Chinese leaders appear to be aligning themselves with European and American intellectuals who have long equated McDonald's and its rivals in the fast food industry as

agents of cultural imperialism—a new form of exploitation that results from the export of popular culture from the United States, Japan, and Europe to other parts of the world.<sup>9</sup> "Culture" in this context is defined as popular music, television, film, video, pulp fiction, comics, advertising, fashion, home design, and mass-produced food. Corporations that are capable of manipulating personal "tastes" will thrive as state authorities lose control over the distribution and consumption of goods and services. Popular culture, in this view, generates a vision, a fantasy, of the good life, and if the Big Mac, Coke, and Disney cartoons are perceived as an integral part of that life, American companies cannot lose.<sup>10</sup>

Theorists who write about cultural imperialism argue that it is the domination of popular culture—rather than outright military or political control—that matters most in the postmodern, postsocialist, postindustrial world.<sup>11</sup> One of the clearest expressions of this view appeared recently on the Op-Ed page of the *New York Times*. The voice is Ronald Steel's: "It was never the Soviet Union, but the United States itself that is the true revolutionary power.... We purvey a culture based on mass entertainment and mass gratification.... The cultural message we transmit through Hollywood and McDonald's goes out across the world to capture, and also to undermine, other societies.... Unlike more traditional conquerors, we are not content merely to subdue others: We insist that they be like us."<sup>12</sup>

### *McDonald's as a Corrosive Force?*

Does the spread of fast food undermine the integrity of indigenous cuisines? Are food chains helping to create a ho-

definition of culture =

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homogenous, global culture better suited to the needs of a capitalist world order?

This book is specifically designed to address such questions. The authors of the following case studies have different perspectives on the cultural imperialism debate, reflecting circumstances in the societies studied. We do not celebrate McDonald's as a paragon of capitalist virtue, nor do we condemn the corporation as an evil empire. Our goal is to produce ethnographic accounts of McDonald's social, political, and economic impact on five local cultures. These are not small-scale cultures under imminent threat of extinction; we are dealing with economically resilient, technologically advanced societies noted for their haute cuisines. If McDonald's can make inroads in these societies, one might be tempted to conclude, it may indeed be an irresistible force for world culinary change. But isn't another scenario possible? Have people in East Asia conspired to change McDonald's, modifying this seemingly monolithic institution to fit local conditions?

The essays in this book demonstrate that the interaction process works both ways. McDonald's has effected small but influential changes in East Asian dietary patterns. Until the introduction of McDonald's, for example, Japanese consumers rarely, if ever, ate with their hands; as Emiko Ohnuki-Tierney shows in Chapter 5, this is now an acceptable mode of dining. In Hong Kong, McDonald's has replaced traditional teahouses and street stalls as the most popular breakfast venue. And among Taiwanese youth, french fries have become a dietary staple, owing almost entirely to the influence of McDonald's.

At the same time, however, East Asian consumers have quietly, and in some cases stubbornly, transformed their neighborhood McDonald's into local institutions. In the United

States fast food may indeed imply fast consumption, but this is certainly not the case everywhere. In Beijing, Seoul, and Taipei, for instance, McDonald's restaurants are treated as leisure centers, where people can retreat from the stresses of urban life. In Hong Kong, middle school students often sit in McDonald's for hours—studying, gossiping, and picking over snacks; for them, the restaurants are the equivalent of youth clubs. More will be said about the localization process in the following chapters. Suffice it to note here that McDonald's does not always call the shots.

### Globalism and Local Cultures

Those who have followed academic and business trends in recent years are aware that two new "isms" are much in vogue—globalism and transnationalism. Many writers use these terms interchangeably. In my view the two -isms represent different social processes and should not be conflated. Globalism describes an essentially impossible condition that is said to prevail when people the world over share a homogenous, mutually intelligible culture. Proponents of globalism assume that electronic communications and mass media (especially television) will create a "global village."<sup>13</sup> This global system is sustained, the argument proceeds, by technologically sophisticated elites who speak the same language (American English), maintain a common lifestyle, and share similar aspirations. To quote one observer of globalism, Benjamin Barber, the "future [is] a busy portrait of onrushing economic, technological, and economic forces that demand integration and uniformity and that mesmerize peoples everywhere with fast music, fast computers, and fast food—MTV, Macintosh, and McDonald's—pressing nations into one homogeneous global theme park, one

McWorld tied together by communications, information, entertainment, and commerce."<sup>14</sup>

In its most recent guise, globalism has resurfaced as a logical projection of the digital revolution. According to various digital, notably those associated with *Wired* magazine, Internet enthusiasts have already begun to create a global culture that will negate—or at least undermine—the traditional state.<sup>15</sup> Web visionaries also predict that ideologies based on class, religion, and ethnicity will recede as the global system becomes a reality. This new utopian literature is reminiscent of early Marxist visions of a stateless, classless world devoid of ethnic and religious divisions. Underlying globalist theories is the idea that people the world over will share a common culture, but few of these modern visionaries bother to clarify what they mean by "culture"—it is simply taken for granted.

From the very beginning of anthropology as an academic discipline, debates about the meaning of culture have united and divided anthropologists.<sup>16</sup> Of late, the tone of this debate has become especially strident, separating the good from the bad, the enlightened from the ignorant. In its earlier usage culture was defined by most anthropologists as a shared set of beliefs, customs, and ideas that held people together in coherent groups.<sup>17</sup> In recent decades, however, the notion of coherence has come under attack by ethnosemanticists, who have discovered that people in supposedly close-knit groups (bands of hunters, factory workers, bureaucrats) do not share a single system of knowledge.<sup>18</sup> Culture, therefore, is not something that people inherit as an undifferentiated bloc of knowledge from their ancestors. Culture is a set of ideas, reactions, and expectations that is constantly changing as people and groups themselves change.

*Culture subject to change with people*

In this book the operative term is "local culture," shorthand for the experience of everyday life as lived by ordinary people in specific localities. In using it, we attempt to capture the feelings of appropriateness, comfort, and correctness that govern the construction of personal preferences, or "tastes."<sup>19</sup> Dietary patterns, attitudes toward food, and notions of what constitutes a proper meal (a concept discussed by all contributors) are central to the experience of everyday life and hence are integral to the maintenance of local cultures.

As noted above, there are serious questions attending the use of the term "culture," and the word "local" is similarly problematic. Both notions imply an inherent sameness within a given population, irrespective of class, gender, or status differences. When this style of analysis is carried to its logical extreme the result is essentialism, which leads one to assume that "the Chinese" (for example) share an essential, irreducible core of beliefs and attributes that separates them from other categories of people, such as "the Koreans." It is obvious that all Chinese do not share the same mental framework, nor do they always agree on what constitutes appropriate or correct behavior.

Readers will note that the authors of this book have made efforts to highlight class, gender, and status differences, especially in relation to consumption practices. One surprise was the discovery that many McDonald's restaurants in East Asia have become sanctuaries for women who wish to avoid male-dominated settings. In Beijing and Seoul, new categories of yuppies treat McDonald's as an arena for conspicuous consumption. Anthropologists who work in such settings must pay close attention to rapid changes in consumer preferences. Twenty years ago McDonald's catered to the children of Hong

Kong's wealthy elite; the current generation of Hong Kong hyperconsumers has long since abandoned the Golden Arches and moved upmarket to more expensive watering holes (e.g., Planet Hollywood). Meanwhile, McDonald's has become a mainstay for working-class people, who are attracted by its low cost, convenience, and predictability.

One of our conclusions in this book is that societies in East Asia are changing as fast as cuisines—there is nothing immutable or primordial about cultural systems. In Hong Kong, for instance, it would be impossible to isolate what is specifically "local" about the cuisine, given the propensity of Hong Kong people to adopt new foods. As argued in Chapter 2, Hong Kong's cuisine, and with it Hong Kong's local culture, is a moving target. Hong Kong is the quintessential postmodern environment, where the boundaries of status, style, and taste dissolve almost as fast as they are formed. What is "in" today is "out" tomorrow.

### *Transnationalism and the Multilocal Corporation*

It has become an academic cliché to argue that people are constantly reinventing themselves. Nevertheless, the speed of that reinvention process in places like Hong Kong, Taipei, and Seoul is so rapid that it defies description. In the realm of popular culture, it is no longer possible to distinguish between what is "local" and what is "foreign."<sup>20</sup> Who is to say that Mickey Mouse is not Japanese, or that Ronald McDonald is not Chinese? To millions of children who watch Chinese television, "Uncle McDonald" (alias Ronald) is probably more familiar than the mythical characters of Chinese folklore.

We have entered here the realm of the transnational, a new field of study that focuses on the "deterritorialization" of popu-

lar culture. As Arjun Appadurai notes, the world economy can no longer be understood by assuming that the original producers of a commodity necessarily control its consumption. A good example is the spread of "Asian" martial arts to North and South America, fostered by Hollywood and the Hong Kong film industry.<sup>21</sup> Transnationalism describes a condition by which people, commodities, and ideas literally cross—transgress—national boundaries and are not identified with a single place of origin. One of the leading theorists of this new field argues that transnational phenomena are best perceived as the building blocks of "third cultures," which are "oriented beyond national boundaries."<sup>22</sup>

Transnational corporations are popularly regarded as the clearest expressions of this new adaptation, given that business operations, manufacturing, and marketing are often spread around the globe, to dozens of societies.<sup>23</sup> The Nike Corporation, a U.S.-based firm that began operation in Japan, is an excellent case in point. One of the company's most popular products is the Air Max Penny, inspired by an American basketball player whose nickname is Penny. The shoe contains 52 separate components produced in five countries (Japan, South Korea, Taiwan, Indonesia, and the United States). By the time it is finished, the Penny has passed through at least 120 pairs of hands. The final product is assembled by Chinese workers in a Taiwanese-owned factory just north of Hong Kong; design work is done by American technicians at a research center in Tennessee. Nike itself does not own any factories. Instead, the company relies on an international team of specialists who negotiate with manufacturers, monitor production, and arrange shipment.<sup>24</sup>

The classic model of the transnational corporation assumes a non-national, or even antinational, mode of production controlled from a headquarters complex located somewhere in the First World.<sup>25</sup> Dispersed production and centralized control would certainly appear to be the norm in the transnational food and beverage industry: Coca-Cola's far-flung empire is based in Atlanta; KFC in Louisville; Heinz in Pittsburgh; Kellogg's in Battle Creek, Michigan; Carr's, the biscuit maker, in Carlisle, England. The list could easily fill this page and the next.

At first glance, McDonald's would appear to be the quintessential transnational. It operates in more than 100 countries and maintains a sprawling headquarters complex in Oak Brook, Illinois—the home of Hamburger University. On closer inspection, however, the company does not conform to expectations; it resembles a federation of semiautonomous enterprises.<sup>26</sup> James Cantalupo, President of McDonald's International, claims that the goal of McDonald's is to "become as much a part of the local culture as possible." He objects when "[p]eople call us a multinational. I like to call us *multilocal*," meaning that McDonald's goes to great lengths to find local suppliers and local partners whenever new branches are opened. To support his claims, Cantalupo notes that, in 1991, there were fewer than 20 American expatriate managers working in overseas operations.<sup>27</sup> Yunxiang Yan discovered that only one American—a Chinese-speaker—worked in the Beijing headquarters of McDonald's; all of the managers encountered by Sangmeek Bak in Seoul were Korean nationals; and in Japan, decisions have been in local hands since the company's opening in 1971. In fact, it was McDonald's early experience in Japan that set the tone for future overseas operations. As John

Love notes, the Japanese case "proved that the key to success in the international market was the same as it was [in the United States]: local control by local owner-operators."<sup>28</sup>

Research in this book reveals that McDonald's International retains at least a 50 percent stake in its East Asian enterprises; the other half is owned by local operators. Soon after McDonald's opened in Korea, a major political debate erupted over the disposition of local profits. Was the goal of the company to enrich American stockholders or to help build the Korean economy? Korean managers confronted their critics by arguing that local franchisees owned half the business and that a high percentage of profits was plowed back into its Korea-based operations. Sangmeek Bak notes that local managers insisted that the Korean business environment was so complicated that foreigners could not hope to survive on their own. They took great pride in their accomplishments and told Bak that theirs was a Korean business. In Korea—as in China, Taiwan, and Japan—McDonald's goes out of its way to find local suppliers for its operations.<sup>29</sup> Hong Kong, as noted in Chapter 2, is the lone exception; owing to its special geographic circumstances, raw materials are no longer produced there, and nearly everything McDonald's uses has to be imported. (Since its repatriation on July 1, 1997, however, one could argue that Hong Kong no longer relies on "imports," given that most of its supplies come from mainland China.)

McDonald's localization strategy has been so successful that two of its East Asian managers have become international celebrities: Den Fujita, Managing Director, Japan, and Daniel Ng, Managing Director, Hong Kong. These men are credited with turning what appeared to be impossible tasks ("Selling hamburgers in Tokyo or Hong Kong? You must be joking!")

Local CEOs  
celebrities



into dramatic success stories.<sup>30</sup> Fujita and Ng are media stars in their respective countries; like Ray Kroc, founder of McDonald's in the United States, they have become entrepreneurial legends who extol the virtues of hard work, personal discipline, and the free market.<sup>31</sup> (Another such living legend is, of course, George Cohon, President of McDonald's Canada and the impresario of McDonald's Moscow; in 1991 *Pravda* proved it had a sense of humor by designating Cohon a "Hero of Capitalist Labor.")<sup>32</sup>

Behind each of these success stories lies the ability to discern, and respond to, consumer needs. Daniel Ng, for instance, established his own research unit and ran focus groups to monitor the changing attitudes of ordinary customers; he is also a keen observer of the popular culture scene in Hong Kong. The independent natures of these local managers (not to mention their sheer chutzpah) underline the obvious: McDonald's transnational success is due in large part to its multilocal mode of operation. There is, however, another critical factor in the equation—good timing.

#### *The Family Revolution in East Asia: Children as Consumers*

It is certainly no coincidence that the startup dates for McDonald's (see Table 2) correspond to the emergence of new classes of affluent consumers in the various East Asian countries.<sup>33</sup> Rising incomes have produced dramatic changes in lifestyles, especially among young people who live and work in metropolitan areas. Decisions regarding employment and consumption no longer require consultations with an extended network of parents, grandparents, adult siblings, and other kin. Married women are working outside the home in increasing numbers, which in turn has affected gender relations, child-

TABLE 2  
Startup Dates for McDonald's in Various Countries

1955	Franchising begins in U.S.A.	1984	Taiwan
1967	Canada	1985	Thailand
1971	Japan	1985	Mexico
1971	Australia	1986	Turkey
1971	Germany	1988	South Korea
1972	France	1990	China (Shenzhen Special Economic Zone)
1973	Sweden	1990	Russia
1974	England	1991	Indonesia
1975	Hong Kong	1992	China (Beijing)
1976	New Zealand	1992	Poland
1979	Brazil	1993	Israel
1979	Singapore	1994	Saudi Arabia
1981	Philippines	1995	South Africa
1982	Malaysia	1996	Croatia

SOURCES: 1994 *Student Information Packet*, McDonald's Corporation, McD1-1274, p. 38; *New York Times*, Nov. 12, 1995, and Feb. 5, 1996.

rearing practices, and residence patterns.<sup>34</sup> A majority of newlyweds are opting for neolocality (forming a new household separate from those of their parents) or creating new arrangements that defy convention. In Taiwan, for instance, professional women often insist on living near their own parents, rather than follow the more "traditional" pattern of patrilocal-ity (living with or near the husband's parents). The crucial factor here is the household labor—childminding, cooking, shopping—provided by the working woman's mother, whose assistance makes her daughter's professional life possible.<sup>35</sup>

In response to these changes a new family structure has emerged, one that focuses on the needs and aspirations of the conjugal unit, the married couple. *Conjugal* brings with it an

entire set of attitudes and practices that undermine older assumptions regarding the meaning of life.<sup>36</sup> Should married couples strive, regardless of personal cost, to promote the welfare of the larger kin group and support aging parents? Or should they concentrate on building a more comfortable life for themselves and their immediate offspring? Increasingly, the balance is shifting toward conjugality and away from the family norms that guided earlier generations.

The shift also coincides with a dramatic decline in the birth rate and a rise in the amount of money and attention lavished on children. China's single-child-family policy has helped produce a generation of Little Emperors and Empresses, each commanding the affection and economic support of two parents and in many cases four grandparents.<sup>37</sup> In Chapter 1, Yunxiang Yan shows how McDonald's has capitalized on the Little Emperor/ress phenomenon, treating children as independent decision makers who command substantial resources. Similar patterns of indulgence are common in Taiwan (see Chapter 3) and in Japan, where children command impressive amounts of spending money.<sup>38</sup> In 1995, Hong Kong parents gave junior high school students an average of US\$107 per month to spend on snacks and entertainment.<sup>39</sup>

McDonald's restaurants first appeared in East Asian cities during the early phases of this family revolution. When one looks closely at the historical sequence summarized below, it is obvious that entrepreneurial flair alone cannot explain the corporation's phenomenal success rate.

#### *Tokyo, 1971*

An affluent middle class has matured by the early 1970s,<sup>40</sup> and a new generation of consumers can afford to eat out on a regular basis. McDonald's takeoff corresponds to the

"teenager" new period in Japanese life

emergence of the "teens," a hitherto unrecognized stage in the Japanese life course. For the first time in Japanese history, all young people are expected to stay in school until age 18.<sup>41</sup> These leisured youths become avid consumers of American-style fast foods and popular culture.<sup>42</sup>

#### *Hong Kong, 1975*

McDonald's opening date marks the beginning of a long economic boom in Hong Kong as the British colony becomes an international services center and a transshipment port for the China trade. A white-collar middle class rapidly replaces Hong Kong's postwar working class.<sup>43</sup> By the mid-1970s the majority of residents are living in neolocal, conjugal units and are preoccupied with their own offspring rather than a wider network of kin.<sup>44</sup> Children and young adults emerge as full-fledged consumers in the late 1970s and early 1980s. McDonald's becomes the "in" place to eat.

#### *Taipei, 1984*

McDonald's is the first foreign food company allowed to operate in Taiwan's previously closed market. The start-up corresponds to the beginning of a new political era, one in which local interests challenge the authoritarian rule of the Nationalist Party. The Golden Arches arrive just as Taiwan reaches takeoff as a major player in the global electronics and computer markets. Taiwan's emerging middle class begins to have time and money to spend on leisure activities. Family patterns change rapidly to accommodate urban life and the regular employment of married women.<sup>45</sup> Older forms of childhood socialization, emphasizing filiality and obedience, are gradually de-emphasized to accommodate

practices that encourage consumerism.<sup>46</sup> Taipei's youth embrace McDonald's as a symbol of their new lifestyle.

#### Seoul, 1988

McDonald's is the first foreign food chain permitted to operate in Korea. An indigenous middle class has emerged after decades of personal sacrifice and deferred gratification by the previous generation of workers. Salaried employees (mostly male) have little spare time for family activities, but their dependents begin to enjoy a lifestyle defined by consumerism.<sup>47</sup> Korean children rapidly become knowledgeable consumers, eager to eat hamburgers, pizza, and American-style chicken. The persuasive power of this new generation is impressive: Many parents who object to foreign imports find themselves arranging birthday parties for their children at McDonald's.<sup>48</sup>

#### Beijing, 1992

Family patterns in urban China have been changing rapidly since the introduction of economic reforms in the late 1970s and early 1980s. McDonald's enters the Chinese scene during a critical period of class formation; for the first time since the communist victory of 1949, independent entrepreneurs and business people are allowed to operate openly. Affluent families begin to distinguish themselves by engaging in conspicuous consumption and, as outlined in Chapter 1, McDonald's becomes a powerful symbol of the new lifestyle. By the mid-1990s a booming market in children's entertainment (theme parks, video parlors, computer games) has emerged. McDonald's is expanding rapidly in China to capitalize on these cultural developments; plans call for up to 600 outlets by the year 2003.<sup>49</sup>

One conclusion is obvious: McDonald's could not have succeeded in East Asia without appealing to younger generations of consumers, children and teenagers. The corporation makes a point of cultivating this market and invests heavily in television advertising aimed specifically at children. Birthday parties have become a key element in this strategy. Prior to McDonald's entry into the local scene, festivities to mark the specific birthdates of youngsters were unknown in most parts of East Asia. In Hong Kong, for instance, calendrical dates of birth were recorded for use later in life (in matching the horoscopes of prospective marriage partners, for instance), but until the late 1970s most people paid little attention to the annual event—if indeed they remembered it at all.

McDonald's and its rivals in the fast food industry have promoted the birthday party—complete with cake and candles—in their advertising and, as the case studies in this book make clear, the celebrations have become the rage among upwardly mobile youngsters throughout East Asia. McDonald's also introduced other, localized innovations that appeal directly to their youngest customers. In Beijing, the company's ubiquitous male mascot, Ronald, has been paired with a female companion known as Aunt McDonald, whose job it is to entertain children and attend parties. In Taipei and Hong Kong, McDonald's offers parents a special party package that includes gifts and toys for each participant, plus the services of a hostess who leads the children in songs and games. Parties of this type have become an integral feature of the local culture.

More than any other factor, therefore, McDonald's success is attributable to the revolution in family values that has transformed East Asia. Furthermore, as demonstrated repeatedly in this book, the localization process depends heavily upon chil-

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"birthday party"

dren: In Japan and Hong Kong, McDonald's did not make the transition from foreign import to "local" institution until the first generation of childhood consumers began to have children of their own. Generational succession is not yet complete in Taiwan, although as David Wu illustrates in Chapter 3, children are driving the localization process. It is too early to call the outcome in Korea and China, but the research by Bak and Yan (Chapters 4 and 1) demonstrates that children everywhere are powerful agents of social change.

### *Standardization and Taste: The McDonald's System*

One characteristic of this book distinguishing it from previous studies of the fast food industry is our focus on *consumption*: we place primary emphasis on the role of consumers. As noted in the Preface, we have chosen not to concentrate exclusively on *production*. Before we proceed, however, something needs to be said about McDonald's efforts to standardize its product, given that consistency and predictability are important keys to the company's worldwide appeal. What follows is a brief summary of the fast food industry, its history and productive processes. Readers who are interested in specific aspects of production (including management, labor relations, food sourcing, and mechanization) might wish to pursue the references cited in the endnotes.

McDonald's, of course, did not invent fast food, although the corporation is largely responsible for the standardization and automation we now take for granted in the industry. Nearly every country has a candidate for the original "fast" cuisine: fish and chips in Britain, noodles in China, station box lunches (*ekiben*) in Japan, street kebabs in Turkey, sausage and bread in Germany (which later metamorphosed into the

ubiquitous American hot dog).<sup>50</sup> One key to McDonald's success is the constant push to speed up production without sacrificing consistency. Corporate goals announced in late 1995 include the filling of walk-in orders within 90 seconds and a guarantee that customers will never have to wait more than three-and-a-half minutes at drive-through windows. Company representatives monitor performance by making surprise visits to McDonald's outlets every quarter.<sup>51</sup>

McDonald's has created a system that depends upon standardized procedures in everything from sandwich assembly to advanced management training at Hamburger University.<sup>52</sup> An excellent summary of McDonald's operating procedures can be found in *Fast Food, Fast Talk*, a study of the standardization of work in the United States; the author, Robin Leidner, characterizes McDonald's as "an exemplar of extreme standardization."<sup>53</sup> A 600-page *Operations and Training Manual* guides production. Nothing is left to chance; photo layouts show where the sauces should be placed on the bun, and the exact thickness of sliced pickles is specified. All equipment at McDonald's restaurants must be purchased from approved suppliers, and the architectural design of both interior and exterior is carefully controlled.<sup>54</sup> McDonald's does not condone "absentee" owners, nor will it work with partnerships (i.e., multiple owners); franchise holders must be involved in the day-to-day management of the restaurant.<sup>55</sup> In 1991 over 20,000 people contacted the company to inquire about new franchises; only 2,000 reached the interview stage and fewer than 200 were accepted.<sup>56</sup>

As Robert Kwan, Managing Director of McDonald's in Singapore, puts it: "McDonald's sells ... a system, not products."<sup>57</sup> The aim is to create a standardized set of items that taste the

Speed & standard units

same in Singapore, Spain, and South Africa. Many travelers have told me (with a tone of triumph in their voices) that they can indeed perceive slight differences in the taste of Big Macs they have sampled in Beijing or Paris. Such claims are, however, difficult to verify. Thomas Friedman of the *New York Times* reports that he has eaten Big Macs at McDonald's in 14 countries (all, no doubt, in the line of journalistic duty) and maintains that "they all *really* do taste the same."<sup>58</sup> Based on personal visits to McDonald's in the five sites surveyed in this book—plus England, Germany, the Netherlands, and the United States—I side with Mr. Friedman on the question of taste.<sup>59</sup>

McDonald's may not be able to control the taste responses of individual consumers, but it *can* make the experience of eating relatively predictable. The corporation pays close attention to restaurant design, down to the exact measurements of service counters, placement of overhead backlit menus (an innovation that is now widely imitated throughout the world), arrangement of seats and booths, color of walls and style of decorations, and the location of (standardized) disposal bins. Who has not had the uncanny sensation of *déjà vu* when entering a McDonald's restaurant in a foreign country? "It's just like home."

The familiarity factor is central to McDonald's success, especially in societies like the United States, where job mobility is a regular feature of family life. To many disoriented, lonely children, the Golden Arches symbolize more than just food: McDonald's stands for home, familiarity, and friendship. One finding of this book is that American children are not alone in this response. A surprisingly high percentage of young people in Tokyo, Taipei, and Hong Kong have grown up with Mc-

Donald's as their favorite venue for entertaining family and friends.<sup>60</sup> It was not the power of corporate sponsorship alone that made McDonald's the "official food service partner" during the 1996 Olympic Games in Atlanta. Athletes from around the world were familiar enough with McDonald's fare to accept it without question, thereby avoiding potentially disastrous encounters with strange foods.<sup>61</sup> Americans abroad report similar reactions. On his way home from China after an exhausting business trip, the CEO of Microsoft, Bill Gates, found himself in Hong Kong with a colleague, looking for a place to eat after midnight: "We were really happy to discover that they have 24-hour McDonald's in Hong Kong," said Gates, as he "wolfed down hamburgers."<sup>62</sup>

#### *Modified Menus and Local Sensitivities: McDonald's Adapts*

The key to McDonald's worldwide success is that people everywhere know what to expect when they pass through the Golden Arches. This does not mean, however, that the corporation has resisted change or refused to adapt when local customs require flexibility. In Israel, after initial protests, Big Macs are now served without cheese in several outlets, thereby permitting the separation of meat and dairy products required of kosher restaurants.<sup>63</sup> McDonald's restaurants in India serve Vegetable McNuggets and a mutton-based Maharaja Mac, innovations that are necessary in a country where Hindus do not eat beef, Muslims do not eat pork, and Jains (among others) do not eat meat of any type.<sup>64</sup> In Malaysia and Singapore, McDonald's underwent rigorous inspections by Muslim clerics to ensure ritual cleanliness; the chain was rewarded with a *halal* ("clean," "acceptable") certificate, indicating the total absence of pork products.<sup>65</sup>

Variations on McDonald's original, American-style menu exist in many parts of the world. Chilled yogurt drinks (*ayran*) in Turkey, espresso and cold pasta in Italy, teriyaki burgers in Japan (also in Taiwan and Hong Kong), vegetarian burgers in the Netherlands, McSpagetti in the Philippines, McLaks (grilled salmon sandwich) in Norway, frankfurters and beer in Germany, McHuevo (poached egg hamburger) in Uruguay.<sup>66</sup>

Not all McDonald's menu innovations have been embraced by consumers. Witness the famous McLean Deluxe fiasco in the United States and a less publicized disaster called McPloughman's in Britain (a cheese-and-pickle sandwich).<sup>67</sup> The corporation has responded to constant criticism from nutritionists and natural food activists by introducing prepackaged salads, fresh celery and carrot sticks, fat-free bran muffins, and low-fat milk shakes.<sup>68</sup> These efforts may satisfy critics but they are unlikely to change McDonald's public image among consumers, few of whom stop at the Golden Arches for health food.

Irrespective of local variations (espresso, McLaks) and recent additions (carrot sticks), the structure of the McDonald's menu remains essentially uniform the world over: main course burger/sandwich, fries, and a drink—overwhelmingly Coca-Cola. The keystone of this winning combination is *not*, as most observers might assume, the Big Mac or even the generic hamburger. It is the fries. The main course may vary widely (fish sandwiches in Hong Kong, vegetable burgers in Amsterdam), but the signature innovation of McDonald's—thin, elongated fries cut from russet potatoes—is ever-present and consumed with great gusto by Muslims, Jews, Christians, Buddhists, Hindus, vegetarians (now that vegetable oil is used), communists, Tories, marathoners, and armchair athletes. It is under-

standable, therefore, why McDonald's has made such a fetish of its deep-fried potatoes and continues to work on improving the delivery of this industry winner. The Chairman of Burger King acknowledges that his company's fries are second-best in comparison to those of its archrival: "Our fries just don't hold up." A research program, code-named "stealth fries," is specifically designed to upgrade Burger King's offerings.<sup>69</sup>

### *Fast Gets Faster: Automation and the Industrialization of Food*

A central feature of the McDonald's system is the devolution of work into a series of tasks that can be performed by an average worker with a minimum of training. There are no chefs in a McDonald's restaurant; hamburgers and fries are produced in assembly-line fashion, following the industrial model popularized by Henry Ford.<sup>70</sup> As one observer of the restaurant business notes, the end products of work at McDonald's are neat boxes stored in chutes, hamburgers ready for immediate sale.<sup>71</sup>

McDonald's was certainly not the first enterprise to follow Fordist methods of food production. Starting in the late nineteenth century (and probably much earlier), public dining halls in China divided the cooking process into elementary procedures—cleaning, peeling, chopping, boiling, frying, serving—each performed by a separate team of workers. The results can hardly be called haute cuisine (ask any Chinese student who has had to endure canteen food), but the system does feed hundreds of people in a relatively short time. Assembly-line methods were also followed by various American enterprises that predated McDonald's, including railway dining cars and the Howard Johnson restaurant chain. The first Howard Johnson

franchise opened in 1935, and by 1941 the company had grown to 150 outlets serving an emerging market of middle-class motorists.<sup>72</sup> McDonald's expansion can be traced to the post-World War I boom in automobile traffic and the American infatuation with brand-name products that promised consistency, predictability, and safety.<sup>73</sup> Franchising began in 1955, and by 1963 McDonald's was selling one million hamburgers a day; the first drive-through operation started in 1975, an innovation that today accounts for approximately half of McDonald's sales in the United States.<sup>74</sup>

Advances in automation have revolutionized the worldwide food industry. Even sushi is now becoming a fast food. For \$86,000 the Suzumo Machinery Company will provide a sushi robot that turns out 1,200 pieces per hour, four to six times the rate of the most accomplished sushi chef.<sup>75</sup> McDonald's was the first fast food company to use computers that automatically adjust cooking time and temperatures. French fries offer a case in point. In conjunction with researchers at the Argonne National Laboratory near Chicago, McDonald's devised a rapid frying system for frozen potatoes that reduced delivery time by 30 to 40 seconds.<sup>76</sup> Assuming that a high percentage of McDonald's 30 million daily customers order fries, the multiplier effect of 30 seconds more than covers the costs of automation.

Fast food operators in the United States report that their biggest problems are rising labor costs and shortages of reliable workers. The turnover rate for nonmanagerial employees now approaches 300 percent per year in many American cities.<sup>77</sup> Although comparable figures are not readily available for East Asia, management interviews conducted by the five anthropologists who worked on this project reveal a much lower turnover rate in the cities they studied. The cost of labor, how-

ever, continues to rise in East Asia, and local operators are quick to embrace new technology that promises to speed up production. The next step in automation is touch-screen computerized ordering systems that release workers from counter duty. A system pioneered by Arby's reduced ordering time from 100 seconds to 45, increasing sales per working hour from \$23 to \$32 for the average employee.<sup>78</sup>

### *Consumer Discipline, Education, and Resistance*

Does the increasing speed of production necessarily encourage an equally fast rate of consumption? Do customers always conform to management expectations? The fast food business is based on the assumption that customers will hold up their end of an implicit contract: The company promises to provide fast, reliable, inexpensive service if the consumer agrees to pay in advance, eat quickly, and leave without delay, thereby making room for others. The contract also assumes that fast food patrons know what is expected of them, that they have been educated, or disciplined, to behave like "proper" consumers in a modern economy. Scholars who support the cultural imperialism hypothesis would argue that the goal is to turn Russians, Chinese, and Saudis into Americans. As we shall see, however, corporate campaigns to modify consumer behavior do not always go according to plan.

Children in Hong Kong, Tokyo, and Boston learn at a very early age how to place orders, find a table, and eat without embarrassing their friends. Such skills cannot, however, be taken for granted. During McDonald's first weeks of operation in Moscow, employees distributed information sheets to people standing in queues, telling them how to order and what to do after paying. During particularly busy periods, a young

Assumptions of fast food

Consumer education -  
socialization



woman stood outside the restaurant and spoke through a bullhorn: "The employees inside will smile at you. This does not mean that they are laughing at you. We smile because we are happy to serve you." The tray liners featured illustrations of Big Macs, fries, and shakes, with their component raw materials (cheese, pickles, potatoes, strawberries) in the background.<sup>79</sup> Many Muscovites needed such guidance because their previous experience of service personnel had left them unprepared to be smiled at and because they had no idea what was inside a hamburger, let alone how to eat one.<sup>80</sup> I observed a similar process of consumer education in 1994, outside McDonald's in Beijing. Chinese families frequently gathered around a large, pictorial menu and held lengthy discussions before venturing inside to place an order. In Hong Kong, by contrast, the restaurants have become such a routine feature of the urban landscape that pictorial menus are no longer necessary, although scaled-down versions are still provided for tourists (mostly from the Chinese countryside) who may not be familiar with the fare.

There can be little doubt that McDonald's excels at educating its customers. Convincing them to behave like orderly, disciplined consumers is another matter altogether. An essential feature of any industrialized food system is the queue, a remarkable social institution that is too often taken for granted. Standing in line is not a "natural" human reaction to bottlenecks resulting when one person serves many. In Hong Kong, for instance, queuing for services (at banks, ticket offices, restaurants) was largely unknown until the mid-1970s, when a new generation of locally born people began to transform the social environment. McDonald's is often credited with introducing the queue to Hong Kong consumers, although other innovations (restraining barriers at ferries and taxi ranks)

started the trend at least a decade before the company opened for business in 1975. The orderly queues that one sees in Hong Kong today are reflections of a dramatic shift from the immigrant-based culture of the 1950s-1970s ("Hong Kong is a borrowed place and we are living on borrowed time") to the self-confident, affluent culture of the 1980s and 1990s ("Hong Kong is our home and we are proud of it"). When free-for-alls do break out, often instigated by recent arrivals from China, Hong Kong residents stand back and glare their disapproval—a highly effective means of socializing, and thereby disciplining, newcomers.

One must not assume, however, that the queue is a universally accepted feature of modern consumerism. In Leiden, for instance, McDonald's customers regularly refuse to line up during busy periods and form tightly packed clumps in front of order takers. Under normal circumstances Dutch clumps are not disorderly because the local rules of behavior encourage people to negotiate politely among themselves and order in sequence of arrival. Peter Stephenson observed the clumps forming at Leiden's McDonald's and concluded that the local rules of courtesy do not apply in this setting. Dutch teenagers experience "a kind of instant emigration" and behave in a manner they perceive to be American: "Me! Me!" they shout as they struggle for attention at the counter.<sup>81</sup> Rick Fantasia found a similar, although less boisterous, neglect of queuing in French McDonald's, and Melissa Caldwell notes that queues in Moscow tend to dissolve into scurms during busy periods unless corralled by an employee.<sup>82</sup>

On the whole, however, the vast majority of McDonald's customers around the world soon learn to accept the queue, and in some places (such as Hong Kong) they enforce their



own form of discipline on miscreants. The physical setting of fast food restaurants encourages this discipline. As Allen Sheldon notes, both customer and employee are standing, thereby establishing an egalitarian relationship, which in turn makes it seem reasonable for consumers to perform tasks that would otherwise be delegated to paid staff: drawing one's own drinks, distributing napkins and flatware, clearing the table. In Sheldon's view McDonald's is a "theater of equality,"<sup>83</sup> especially in contrast to conventional restaurants, where the customer sits and the employee stands, "waiting" for orders.

The egalitarian model does not apply to all McDonald's restaurants, however. Exceptions are made where local dining customs demand more formality. In Rio de Janeiro, for instance, waiters serve Big Macs with champagne in candle-lit restaurants; in Caracas hostesses seat customers, take orders, and deliver meals.<sup>84</sup> Expectations are exactly the opposite in Taipei, Hong Kong, and Beijing: Interviews revealed that consumers preferred the egalitarian model of fast food service. They were attracted to McDonald's precisely because of its lack of pomp and its unrelenting predictability. As Yan notes in Chapter 1, the alternatives to McDonald's are not only expensive, they can lead to embarrassing incidents: What does one do when the big spender at an adjoining table orders shark's fin soup and braised quail? Compete or lose face? At McDonald's the menu is comfortably limited and there is little opportunity for competition. Bak reports that the egalitarian model is also followed in Korea, but with one modification introduced by management: employees sometimes seat diners at tables occupied by others, a practice that maximizes the use of space and incidentally increases the speed of eating. Rather than seeing this practice as an imposition, however, Korean

consumers generally appreciate the intervention because it is considered impolite to seat oneself at an occupied table.

### *Service with a Smile?*

*Smile*

To outsiders one of the most peculiar characteristics of American society is the indiscriminate display of goodwill toward perfect strangers, a quality referred to as "friendliness." In the United States customers expect a smile from the clerk, not just an acknowledgment of thanks. Many Americans judge businesses and bureaucracies by the "sincerity" of these smiles. Cities and regions are ranked on a scale of friendliness: Houston is high, Boston is most assuredly low.

Since its inception McDonald's has made friendliness a hallmark of its corporate image. It could be argued that American fast food chains, following McDonald's lead, have transformed a cultural expectation—smiling service—into a commodity. Prior to this intervention, friendly service may have been expected but, as all Americans know, was not always delivered. McDonald's and its imitators promote the cordiality associated with the smile as an integral part of their product: convenience, cleanliness, predictability, and friendliness.<sup>85</sup> Counter staff are trained to project the requisite standard of amiability and to vary their "Thank you" phrases so that customers receive what appear to be personalized messages.<sup>86</sup>

If therefore comes as a shock to many Americans when they travel abroad for the first time and discover that public friendliness is not the universal norm. In fact, the human smile—a complex alignment of facial muscles—is not always interpreted as a symbol of congeniality, openness, or honesty; quite the opposite is often true. In Russia, a visible smile can be tantamount to a challenge.<sup>87</sup> Eye contact is another aspect of the

*Culture into commodity*

*Friendliness not universal*

*Is it uniformly American?*

McDonald's service model that is taken for granted in the United States but has to be taught to new employees in many post-socialist societies. No more than a decade ago, service workers in Russia and China were ranked at the very bottom of the communist status hierarchy. Not surprisingly, they treated the general public with utter contempt. Getting the attention of a waiter or a clerk during the heyday of state socialism took considerable patience and skill.\*

McDonald's campaign to make "smiling service" a mainstay of its business image in East Asia may be swimming against the tide of cultural expectations. In Hong Kong, for instance, consumers are automatically suspicious of clerks, hawkers, or service personnel who smile on the job. As outlined in Chapter 2, Hong Kong residents place a high value on public expressions of "seriousness"; workers are expected to assume a facial expression that reflects attention to detail and determination—the result may look more like a frown than a smile, but it projects the right message. Similar reactions are reported by contributors who worked in Taiwan and Korea. In fact, the longer McDonald's operates in an East Asian city, the less evident are the forced smiles.<sup>88</sup> Customers are far more concerned with efficiency, reliability, and hygiene.

\*I must confess that I still miss this challenge when traveling in China today; rudeness among hotel and restaurant staff had become a high art form in the 1970s. Following Deng Xiaoping's economic reforms of the 1980s, standards of service began to improve, along with salaries and working conditions.

### *Cleanliness, Hygiene, and the Public Toilet*

Phil Donahue, the original television talk show host, once asked Ray Kroc if he really had cleaned toilets when McDonald's was still a start-up company: "You're damn right I did," Kroc shot back, "and I'd clean one today if it needed it."<sup>89</sup> Cleanliness, in contrast to smiling service, is one feature of the McDonald's corporate system that needs no explanation: clean toilets are universally appreciated. McDonald's is widely credited with starting a revolution of rising expectations among East Asian consumers who had never experienced high standards of public hygiene in the catering trade. In Taipei, Beijing, Seoul, and Hong Kong, local restaurateurs had to match this new standard or watch their customers go elsewhere. Young people, in particular, began to draw an equation between the condition of a restaurant's toilet and the state of its kitchen. Earlier generations of diners had little choice but to ignore unsanitary conditions; there were no alternatives, unless one was prepared to eat at expensive restaurants in major hotels.

One consequence of rising affluence in East Asian cities has been a rejection of traditional street cuisine and a preoccupation with food hygiene. Parents now worry about what their children consume outside the home. There is considerable fear of food poisoning, adulteration, and unsanitary packaging—witness the mass hysteria that erupted over the 1996 outbreak of *e. coli* food poisoning in Japan.<sup>90</sup> In 1994 and 1995 rumors swept through Beijing that dozens of people had died after eating contaminated *youtiao* (deep-fried dough sticks) at roadside stalls. The local press ignored the rumors, but given the high level of cynicism regarding the enforcement of sanitation regulations, this only served to confirm suspicions.<sup>91</sup>

McDonald's appeals to the busy, upwardly mobile middle

Public Hygiene

classes in East Asian cities precisely because it promises—and delivers—predictability and cleanliness. The Golden Arches brook no surprises. Competing chains, many of which are small operations, try to capitalize on McDonald's reputation with varying degrees of success. In Beijing, Shanghai, and Xi'an a large number of imitators have emerged, with names like McDuck's, McDonald's, and Modornal, in Seoul, restaurants called McKiver's (written in Korean) and McDonny's (in English) are common.<sup>92</sup> (Other notable clones are Macdonalds in Durban, South Africa; MacFastFood in Bangalore; McAllan in Copenhagen; and McDharma's in Santa Cruz, California.)<sup>93</sup> Nor are the Golden Arches safe: Winner's Burger, a South Korean chain, featured two upside-down arches as their logo; in Shanghai, a local restaurant called Nancy's Express used a sign with one leg of the double arches missing, thus forming an N; and in Beijing a chain of noodle shops called Honggaoliang ("Red Sorghum") advertises itself with a large H which bears an uncanny resemblance to the Golden Arches.<sup>94</sup>

The equation between McDonald's and reliability is especially strong in China, where competitors not only dress their staff in McDonald's-style uniforms but also engage in what are perhaps best described as public exhibitions of cleanliness. In Beijing, local fast food chains regularly employ one or more workers to mop floors and polish windows—all day long, every day. The cleaners usually restrict their efforts to the entryway, where their performance can best be observed by prospective customers. Beijing residents often watch for such signs before they choose a place to eat.<sup>95</sup> McDonald's is one of the few chains that carries this preoccupation with cleanliness into the kitchens, which are also on display. Yan notes that company officials were happy to conduct tours of their restaurants

for the edification of customers, government officials, and even potential rivals.

### *Conclusion: McDonaldization versus Localization*

McDonald's has become such a powerful symbol of the standardization and routinization of modern life that it has inspired a new vocabulary: McThink, McMyth, McJobs, McSpirituality, and, of course, McDonaldization.<sup>96</sup> George Ritzer, author of a popular book entitled *The McDonaldization of Society*, uses the term to describe "the process by which the principles of the fast food restaurant are coming to dominate more and more sectors of society."<sup>97</sup> Ritzer treats McDonald's as the "paradigm case" of social regimentation and argues that "McDonaldization has shown every sign of being an inexorable process as it sweeps through seemingly impervious institutions and parts of the world."<sup>98</sup>

Is McDonald's in fact the revolutionary, disruptive institution that theorists of cultural imperialism deem it to be? Evidence from this book could be marshaled in support of such a view, but only at the risk of ignoring historical process. There is indeed an initial, "intrusive" encounter when McDonald's enters a new market—especially in an environment where American-style fast food is largely unknown to the ordinary consumer. In all five cases surveyed in this book, McDonald's was treated as an exotic import—a taste of Americana—during its first few years of operation. Indeed, the company drew on this association to establish itself in foreign markets. But this initial euphoria cannot sustain a mature business.

Unlike Coca-Cola and Spam, for instance, McDonald's standard fare (the burger-and-fries combo) could not be absorbed into the preexisting cuisines of East Asia. As Bak notes

in Chapter 4, Spam quickly became an integral feature of Korean cooking in the aftermath of the Korean War; it was a recognizable form of meat that required no special preparation. Coca-Cola, too, was a relatively neutral import when first introduced to Chinese consumers. During the 1960s, villagers in rural Hong Kong treated Coke as a special beverage, reserved primarily for medicinal use. It was served most frequently as *bo ho la*, Cantonese for "boiled Cola," a tangy blend of fresh ginger and herbs served in piping hot Coke—an excellent remedy for colds. Only later was the beverage consumed by itself, first at banquets (mixed with brandy) and later for special events such as a visit by relatives. There was nothing particularly revolutionary about Coca-Cola or Spam; both products were quickly adapted to suit local needs and did not require any radical adjustments on the part of consumers.

McDonald's is something altogether different. Eating at the Golden Arches is a total experience, one that takes people out of their ordinary routines. One "goes to" McDonald's; it does not come to the consumer, nor is it taken home (in most parts of the world, that is). Unlike packaged products, McDonald's items are sold hot and ready-to-eat, thereby separating the buyer from the acts of cooking and preparation. One consumes a completed set of products, not the component parts of a home-cooked meal.

From this vantage point it would appear that McDonald's may indeed have been an intrusive force, undermining the integrity of East Asian cuisines. On closer inspection, however, it is clear that consumers are not the automaton many analysts would have us believe. The initial encounter soon begins to fade as McDonald's loses its exotic appeal and gradually gains acceptance (or rejection) as ordinary food for busy consumers.

The hamburger-fries combo becomes simply another alternative among many types of ready-made food.

The process of localization is a two-way street: It implies changes in the local culture as well as modifications in the company's standard operating procedures. Key elements of McDonald's industrialized system—queuing, self-provisioning, self-seating—have been accepted by consumers throughout East Asia. Other aspects of the industrial model have been rejected, notably those relating to time and space. In many parts of East Asia, consumers have turned their local McDonald's into leisure centers and after-school clubs. The meaning of "fast" has been subverted in these settings: It refers to the *delivery* of food, not to its consumption. Resident managers have had little choice but to embrace these consumer trends and make virtues of them: "Students create a good atmosphere which is good for our business," one Hong Kong manager told me as he surveyed a sea of young people chatting, studying, and snacking in his restaurant.

The process of localization correlates closely with the maturation of a generation of local people who grew up eating at the Golden Arches. By the time the children of these original consumers enter the scene, McDonald's is no longer perceived as a foreign enterprise. Parents see it as a haven of cleanliness and predictability. For children McDonald's represents fun, familiarity, and a place where they can choose their own food—something that may not be permitted at home.

The case studies in this book also make it clear that localization is not a unilinear process that ends the same everywhere. McDonald's has become a routine, unremarkable feature of the urban landscape in Japan and Hong Kong. It is so "local" that many younger consumers do not know of the company's for-

Localization  
2-way process

Generations of consumers

eign origins. The process of localization has hardly begun in China, where McDonald's outlets are still treated as exotic outposts, selling a cultural experience rather than food. At this writing it is unclear what will happen to expansion efforts in Korea; the political environment there is such that many citizens will continue to treat the Golden Arches as a symbol of American imperialism. In Taiwan the confused, and exhilarating, pace of identity politics may well rebound on American corporations, in ways as yet unseen. Irrespective of these imponderables, McDonald's is no longer dependent on the United States market for its future development. In 1994 McDonald's operating revenues from non-U.S. sales passed the 50 percent mark; market analysts predict that by the end of the 1990s this figure will rise to 60 percent.<sup>99</sup>

As McDonald's enters the twenty-first century, its multilateral strategy, like its famous double-arches logo, is being pirated by a vast array of corporations eager to emulate its success. In the end, however, McDonald's is likely to prove difficult to clone. The reason, of course, is that the Golden Arches have always represented something other than food. McDonald's symbolizes different things to different people at different times in their lives: Predictability, safety, convenience, fun, familiarity, sanctuary, cleanliness, modernity, culinary tourism, and "connectedness" to the world beyond. Few commodities can match this list of often contradictory attributes. One is tempted to conclude that, in McDonald's case, the primary product is the experience itself.

## CHAPTER 1

### McDonald's in Beijing: The Localization of Americana

Yunxiang Yan

On April 23, 1992, the largest McDonald's restaurant in the world opened in Beijing. With 700 seats and 29 cash registers, the Beijing McDonald's served 40,000 customers on its first day of business.<sup>1</sup> Built on the southern end of Wangfujing Street near Tiananmen Square—the center of all public politics in the People's Republic of China—this restaurant had become an important landmark in Beijing by the summer of 1994, and the image of the Golden Arches appeared frequently on national television programs. It also became an attraction for domestic tourists, as a place where ordinary people could literally taste a bit of American culture. New McDonald's restaurants appeared in Beijing one after another: two were opened in 1993, four in 1994, and ten more in 1995; by the end of 1996, there were 29 outlets in Beijing.<sup>2</sup> According to Tim Lai, the company's General Manager, the Beijing market is big enough to support 100 McDonald's restaurants, and McDonald's plans to open 600 outlets in China by century's end.<sup>3</sup>

The astonishing growth of the Beijing McDonald's has to be understood in the context of recent changes in Chinese society.