American Fast Food in Chinese Market: 
A Cross-Cultural Perspective

----The Case of KFC and McDonald’s

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Abstract

Culture differences play a significant role in the international marketing, which has drawn many researchers’ attention. This dissertation will focus on how the cross-cultural environments influence the choice of marketing strategies.

The theoretical framework of this study mainly contains cross-culture theories and 4P marketing strategy. These theories are put together in an analytical model where a connection between the two theories is explained that will be used as a foundation in gathering and analyzing the empirical findings.

The qualitative research strategy is employed in this dissertation. Utilizing the multiple case studies, we choose two sample companies both from USA. The empirical data was gathered through semi-structured interviews on the telephone. Data was also supplemented with secondary data such as company web pages and scientific articles.

The conclusion can be drawn from this study is that culture differences influence the 4P marketing strategies in both of the companies in different ways. Language, value and customer behaviors of a national culture are main factors to affect the implementation of marketing strategy in the international markets.

Key words: Culture, cross-culture, marketing strategy, fast food industry
TABLE OF CONTENTS

American Fast Food in Chinese Market: ..................................................................................i
A Cross-Cultural Perspective .................................................................................................i
---- The Case of KFC and McDonald’s ..................................................................................i

1 Introduction ..........................................................................................................................1
  1.1 Background .....................................................................................................................1
  1.2 Research Problem Discussion .......................................................................................2
  1.3 Problem Formulation .....................................................................................................3
  1.4 Research Purpose ..........................................................................................................3
  1.5 Delimitation ....................................................................................................................4
  1.6 Previous Studies ...........................................................................................................4
  1.7 Definition .......................................................................................................................5

2. Theoretical Frameworks .....................................................................................................5
  2.1 Culture and Cross-Culture ............................................................................................6
    2.1.1 Culture ....................................................................................................................6
    2.1.2 Cross-Culture Analysis ...........................................................................................8
  2.2 4P Marketing Strategy ..................................................................................................10
    2.2.1 4Ps ........................................................................................................................10
    2.2.2 Cross-culture and Choice of 4Ps ..............................................................................11
  2.3 Analytical Model ..........................................................................................................12

3 Methodology .......................................................................................................................16
  3.1 Choice of methodology .................................................................................................16
  3.2 Choice of companies .....................................................................................................17
  3.3 Data collection ...............................................................................................................18
  3.4 Research criteria ...........................................................................................................19

4 General Information .............................................................................................................20
  4.1 Introduction of American Fast Food ..............................................................................20
    4.1.1 The Development of American Fast Food ..............................................................20
    4.1.2 The Characteristics of American Fast Food ...........................................................20
    4.1.3 Biggest Fast Food Companies of USA ......................................................................21
  4.2 Information about Fast-food Culture of China ...............................................................22
    4.2.1 The Development of Fast-food in Chinese Market ..................................................22
    4.2.2 The Main Characteristics of fast-food in Chinese Market ........................................23
    4.2.3 The Impact from Western-style Fast-food ...............................................................23

5 Empirical Finding ................................................................................................................24
  5.1 KFC ...............................................................................................................................24
    5.1.1 History and Introduction .........................................................................................24
    5.1.2 KFC In China .........................................................................................................25
  5.2 McDonald’s ....................................................................................................................25
    5.2.1 McDonald’s History and Introduction .....................................................................25
    5.2.2 McDonald’s In China ...............................................................................................26

6 Analysis ................................................................................................................................38
  6.1 KFC ................................................................................................................................38
American Fast Food in Chinese Market: A Cross-Cultural Perspective —— The Case of KFC and McDonald's

6.1.1 Product Strategy ................................................................. 38
6.1.2 Price Strategy ................................................................. 39
6.1.3 Place Strategy ................................................................. 40
6.1.4 Promotion Strategy .......................................................... 41
6.2 McDonald’s ............................................................... 43
   6.2.1 Product Strategy .......................................................... 43
   6.2.2 Price Strategy ............................................................. 44
   6.2.3 Place Strategy ............................................................. 45
   6.2.4 Promotion Strategy ....................................................... 46
7 Conclusion ...................................................................................... 48
   7.1 Conclusion and Discussion .................................................. 48
   7.2 Implication ........................................................................... 50
   7.3 Further Research ............................................................... 50
Reference: ....................................................................................... 52
Appendix . Semi-structured interview guide ........................................ 57
1 Introduction

1.1 Background

Over the last years the world has been touched by an increase in the number of multinational companies. It has become common that some big leading companies are expanding their products in many countries and becoming huge both in size and economically. This phenomenon draws many researchers’ attention, and some studies are taken in this field. Something interesting can be found and which also have to pay attention to is when these kinds of companies want to reach a new market away from the domestic market, the marketing managers have to make the choice either to follow a similar strategy as the one applied in their domestic market or to change it to fit in with the host country.

When we discuss the international marketing strategy, this involves both standardization and adaptation. The International Marketing Review provides several excellent summaries of this line of research (Agarwal, 1995). According to Doole and Lowe (2008, chp.8), standardization or globalization means to develop a marketing strategy as if the whole world was a unique market. It means to propose a standard product or service everywhere and to develop the same marketing-mix for every country. It will offer standardized products, prices and promotions campaigns and use a common distribution channels across all markets. On the other hand, adaptation or localization considers every region as a specific one and focuses on the cultural, regional and national uniqueness. This strategy means that the company will adapt itself to each market in order to suit to the demands of every different region.

When choosing the international marketing strategy, one of the factors that should be considered seriously is the culture difference because culture is a significant factor in influencing the consumer market and shopping behavior (Subramanian and Bala, 2001). Many definitions have been formulated for culture, Kroeber and Kluckhohn
(1952) devoted an article to a review of more than 164 definitions of culture. In this study, researchers will discuss some of these definitions and choose one of them to develop the research problem. Most researchers agree that cultural differences lead to different consumer responses across countries (Herrmann and Heitmann, 2006). Also a lot of cases proved that, no matter how a company sells products or offers its services to another country, the marketing strategy will be influenced by the local cultural environment of the specific country and region. Thus, today’s body of knowledge suggests that international marketing managers should at the very least, be cautious about ensuring they understand the cultural differences when developing marketing activities (Herrmann and Heitmann, 2006). In fact, the cultural variable is difficult to isolate and operate. Especially nowadays, with the increasingly globalized economy, and increasingly blending culture, multinational companies should pay even more attention to analyzing the cultural environment, identifying the differences between values, and also establishing the strategy of cross-marketing accordingly.

As mentioned above, standardization strategy and adaptation strategy can be seen as the two entry strategies which represent the two extremes and, usually, companies lie somewhere in between, and adapt some parts of the marketing mix to the specific culture and country, and let other parts of the marketing mix be standardized throughout all markets (Doole and Lowe, 2008). Considering the impact cultural differences have on companies’ entry strategies to new markets, these differences should also be crucial for a company’s marketing strategy in the foreign market. This is especially the case when considering the consumers’ buying behaviors varies across cultures (Usunier, 2000).

### 1.2 Research Problem Discussion

Even though different researchers have contributed theories and developed models with the definition of culture and marketing strategy as their basis, few of those existing models and theories focus on international marketing strategy
implementation in different cultural environments. However, some international marketing literature (Doole and Lowe, 2008; Griffin, 1994) supplies the theory support which refers to the cultural differences in different countries and regions and how these differences in culture affect the way a company should enter the new market. According to Usunier (2002), these cultural differences are very important in consumer markets; this is because of the great impact culture has on the buying behavior of the individual.

For some companies, if they want to gain market share in different markets as much as possible, they should not only supply some same products and services in every market but also implement different strategies based on the different culture in the actual market. This study will focus on how the different cultural environments affect the implementation of international marketing strategies in some companies.

1.3 Problem Formulation

Thus, the problem formulation of this study will be: how do some big leading companies carry out their marketing strategies according to the cultural differences? And how does the specific culture influence the international marketing strategies of multinational companies?

1.4 Research Purpose

Related to the research problem, the main purpose and aim of this study is to research the different marketing strategies in different cultural environments and to find out how the specific national culture affects the strategies which are implemented by some multinational companies in a certain industry.
1.5 Delimitation

This study is limited to investigating American fast food companies operating in some other countries especially in Chinese market, and supplying products and services to the consumers in different countries and regions. This selection of companies delimits this study to only investigating multinational companies that are big and famous in the fast food industry. Therefore, the choice of the cases is KFC and McDonald’s, which are both typical, and representative of, American fast food companies. Most of their marketing strategies are attractive and fascinating in the Chinese market. This study is delimited to the present time and does not investigate other fast food companies or consider the future marketing undertaken by the two companies which the researchers chose for this study.

1.6 Previous Studies

In recent years, a great many researchers have studied the subject of cultural differences and cross-culture comparisons within different sectors and areas (e.g. Kim, Forsythe and Gu, 2002; Sokling, S, 2004; Monika and Morven, 2005). However, most of the previous studies in this area compared the cultural differences between two, or more than two, nations and regions, and some of them also studied the effects of culture differences to consumers’ values, needs and buying behaviors. Only a few studies investigated the international marketing strategy implementation from a cross-cultural perspective. In the article “Cross-cultural consumer values, needs and purchase behavior”, written by Kim, Forsythe and Gu (2002), a study of consumer values, needs and purchasing behavior in two Asian countries is presented. This research investigates the relationship between consumer values, needs and purchasing behaviors and the loyalty to a certain brands in two different countries. The research concluded that consumers in different cultural environments will be affected by their cultural values, needs and behaviors when choosing some brand and so retain their brand loyalty (Kim et al, 2002). Even though how a specific brand or company should
implement the marketing strategy according to the cross culture was not investigated and the two countries they chose are both Asian countries so the culture contexts are similar in some extent. Consequently, Kim, Forsythe and Gu (2002)’s research is different from the research presented in this dissertation, as strategy implementation in different cultures is not investigated.

In the article “Fast food and ethical consumer value: a focus on McDonald’s and KFC”, Monika and Morven (2005) present research of how McDonald’s and KFC carry out their strategies in an ethical and socially responsible, way to young consumers in the UK. This research concludes that ethical strategies are very important in fast food industry. Their investigation mainly focused on the ethical consumer’s values. Monika and Morven’s study (2005) did not, however, point out other specific considerations of marketing strategies or, from a cross-cultural perspective, because different cultural environments may influence the understanding of ethic issues. This means that Monika and Morven’s study had a focus other than the study that will be conducted in this dissertation.

1.7 Definition

Throughout this study, the terms culture will be frequently used and the definitions for it is in this study as follow:

**Culture:** “The sum total of learned beliefs, values and customs that serve to direct consumer behavior in a particular country market.” (Doole and Lowe, 2008, p. 66)

2. Theoretical Frameworks

The theoretical framework of this study is based on a number of relevant theories that are discussed in this part. The model which authors constructed in this study integrates cross-culture and 4P marketing strategy. It can be divided into two parts. Firstly, the authors will analyze some components of culture which lead to the
phenomenon of cross culture, such as the different values, languages and customer behaviors. During this process, Hofstede’s culture dimensions will be employed as the approach to understand cross-culture better. Secondly, based on the analysis of marketing standardization and adaptation, the marketing mix 4ps as main international marketing strategies will be used to achieve our research purpose.

2.1 Culture and Cross-Culture

2.1.1 Culture

![Figure 1: Three components of culture (constructed by authors)](image)

When marketers discuss international marketing, one of the important issues often considered is the cultural differences. In relation to international marketing, culture can be defined as “the sum total of learned beliefs, values, and customs that serve to direct consumer behavior in a particular country’s market” (Doole and Lowe, 2008, p.73). Such components as beliefs, values and customs are often ingrained in a society and have obvious differences among different countries.

Cultural differences manifest themselves in several ways. Hofstede (2001) distinguishes symbols, heroes, rituals and values. Among these, the underlying values are invisible. Although values are always invisible and may be hard to measure, they often play an important role when the marketers try to make decisions, which help to enter a foreign market. Also, according to Mooij (2004), the values that characterize a society cannot be observed directly. They can be inferred from various cultural
products (fairy tales, children’s books, or advertising) or by asking members of society to score personal values by stating their preferences among alternatives, and then calculating the central tendency of the answers. When it comes to marketing, the value concept is often used in an ethnocentric way. Besides, values are learned unconsciously, people are only partly aware of them, and measuring values is not an easy job (Lowe et al, 1998). Often, the problems they face are a result of their mistaken assumption that foreign markets will be similar to the home market, and so they can do the business in a similar way. Doole and Lowe (2007) point out that the values of a culture satisfy a need within that society for order, direction and guidance. Culture sets the standards shared by significant sections of that society which, in turn, set the rules for operating in that market.

As one of the most basic manifestations of culture, language difference easily gives rise to cultural differences. Some sociologists believe that language is the cornerstone of culture, and that not having a language means not having a culture. From another perspective, the languages are influenced by cultures, but also reflect the culture. Doole and Lowe (2008, p.71) mentioned that language can be divided into two major elements, the spoken language and silent language. Chinese is spoken as the mother tongue by three times more people than the next largest language, English. However, Chinese is overtaken by English when official language population numbers are taken into account. However, the official language is not always spoken by the whole population of a country. In Doole and Lowe’s mind (2008), spoken language is an important means of communication, and silent language is a powerful means of communication. Hall and Hall (1987) saw languages as the most important component of culture; because they thought one culture will be different from another if it understood and communicated in different ways. They also mentioned language as the most important component of culture.

As we can see in the literature, market analysts often use the “country” as a surrogate for “culture” (C. Samuel Craig and Susan P. Douglas, 2006). Doole and Lowe (2008)
thought that culture is not something granted to citizens of a country, or something we are born with, it is something we learn as we grow in our environment. Similar environments provide similar experiences and opportunities and hence tend to shape similar behaviours. Consumers’ behaviours are culture bound as a consumer’s decision to buy a certain product is influenced by a number of factors, where culture is one (Hofstede, 1994). Blackwella (2001) suggested some steps which should be undertaken when analysing consumer behaviour in international markets, namely determine relevant motivations in the culture, determine characteristic behaviour patterns, determine what broad cultural values are relevant to this product, determine characteristic forms of decision making, evaluate promotion methods appropriate to the culture, and determine appropriate institutions for this product in the minds of consumers.

2.1.2 Cross-Culture Analysis

In this dissertation, the authors employ three elements of culture to explain and analyse the phenomenon of cross-culture. They are value, language and customer behaviours. The differences among these elements lead to the phenomenon of cross-culture (Mooij, 2004). Doole and Lowe (2001) mentioned that the work of Hofstede (2001) is seen as holding the maximum potential for providing methods for cross-cultural analysis. Geert Hofstede (2001) developed a model of five dimensions of national culture that help to understand basic values. Hofstede’s cultural dimensions can explain many differences on consumption and consumer behaviour. In Doole and Lowe’s view (2008, p.81), these dimensions also largely account for cross-cultural differences in people’s belief systems and behavior patterns around the globe.

Individualism (IDV) describes the relationship between an individual and his or her fellow individuals in society. High individualism societies allow a large degree of freedom and display loose integration. Low IDV societies show tight integration.
Power distance (PDI) involves the way societies deal with human inequality. People possess unequal physical and intellectual capacities which some societies allow to grow into inequalities in power and wealth. However, some other societies de-emphasize such inequalities. Uncertainty avoidance (UA) reflects how a society deals with uncertainty about the future, a fundamental fact of human existence. At one extreme, weak UA cultures socialize members to accept and handle uncertainty. High UA societies foster the need to try to beat the future. Masculinity (MAS) deals with the degree to which societies subscribe to the typical stereotypes associated with males and females. Masculine values stress making money and the pursuit of visible achievements. Such societies admire individual brilliance and idolize the successful achiever. Later, Hofstede developed a fifth dimension, “Confucian dynamism”. Confucian dynamism assesses cultures to the degree they are universalistic or particularistic.

According to Marieke de Mooij (2004), it is necessary that, when the market managers want to study consumers’ behaviour within each country, they should compare the cultures to discover how these national cultures are different from, or similar to, each other before they carry out their international marketing strategies. Thus, authors of this dissertation compare the different dimensions of USA and China in order to make the distinction between these two cultures.

<table>
<thead>
<tr>
<th>Country Culture dimensions</th>
<th>USA</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individualism</td>
<td>86</td>
<td>11</td>
</tr>
<tr>
<td>Power distance</td>
<td>37</td>
<td>86</td>
</tr>
<tr>
<td>Uncertainty avoidance</td>
<td>42</td>
<td>36</td>
</tr>
<tr>
<td>masculinity</td>
<td>58</td>
<td>52</td>
</tr>
<tr>
<td>Confucian dynamism</td>
<td>29</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 1: Cultural differences between the USA and China (www.geert-hofstede.com)
Hofstede’s model has a scale from 0 to 100, and is based on quantitative research (Mooij, 2003; Hofstede, 1994). The two countries that will be researched in this study, USA and China, show big cultural differences in most of the dimensions, except for the masculinity dimension, and the uncertainty avoidance dimension. The table above shows the differences between the two countries in every dimension. Therefore, in some following parts, the authors will take some most different dimensions between USA and China to analyze the data of this research.

2.2 4P Marketing Strategy

2.2.1 4Ps

Authors of this study choose 4Ps as the analytical tool, which guides the company towards taking a clear strategic direction when entering into a new market. There is a model about 4Ps, which is a marketing mix model. It is an effective tool for marketing staff to develop market strategies. When utilizing this model, marketing managers can combine with four market variables in the best way, in order to make the best reflection of the target market. The marketing mix can be adjusted on a frequent basis, to meet the changing needs of the target group, and the other dynamics of the marketing environment (Barlon and Kimuli 2006). They are as follows: product, price, place, and promotion.

Product is a tangible object, or an intangible service, that is mass-produced or manufactured on a large scale, with a specific volume of units. Intangible products are often service-based.

Price is the amount a customer pays for the product. It is determined by a number of factors, including market share, competition, material costs, product identity and the customer's perceived value of the product. The business may increase or decrease the price of a product if other stores have the same product.
Place represents the location where a product can be purchased. It is often referred to as the distribution channel. It can include any physical store as well as virtual stores on the Internet.

Promotion represents all of the communications that a marketer may use in the marketplace. Promotion has four distinct elements - advertising, public relations, word of mouth and point of sale. Advertising covers any communication that is paid for, from cinema commercials, radio and Internet adverts through print media and billboards. Public relations are the communications that are not directly paid for and include press releases, sponsorship deals, exhibitions, conferences, seminars or trade fairs and events. Word-of-mouth is any apparently informal communication about the product by ordinary individuals, satisfied customers or people specifically engaged to create word-of-mouth momentum. Sales staff often plays an important role in word-of-mouth and Public Relations. (William et al. 2006)

2.2.2 Cross-culture and Choice of 4Ps

When a firm enters into a new market, especially a foreign market, which strategies should be chosen is very important to managers. Focusing on this, Doole and Lowe (2008) discussed about the standardization and adaptation in their study. They mentioned that firms adopt a combination of standardization and adaptation of the various elements of the marketing management programs and processes by globalizing some elements and localizing others, and they thought the cultural factors are the balance between standardization and adaptation. Culture differences can be seen as the usage factors and legal factors. In their opinion, marketing objectives and strategies are more readily standardized than operational marketing decisions (Doole and Lowe, 2008, p.190).

Therefore, when firms enter into a new market which has a different cultural context, the market managers must think over the alternative strategies, such as the global
strategy, multi-domestic strategies and so on. In this study authors suggest to choose the 4P marketing strategy model help to analyze the effect of cross-culture.

2.3 Analytical Model

![Diagram of Analytical Model](image)

Figure 2: Analytical model of strategy implementation in different culture

As explained above, the culture theories make us understand the different components of social or national culture better. They gave out a clear picture of how the culture differences came and how the culture environments affect people’s lives in different nations. The cross-cultural and 4P marketing strategy theories gave an insight of the culture’s impact on the consumers’ buying behavior and how this, in turn, affected the companies’ 4P choice in the international markets (Doole and Lowe, 2008).

Thus, the analytical model constructed by authors can mainly be divided into two parts. The first part of theoretical framework involves culture and cross-culture. The higher arrow in figure 2 represents the relationship between culture and cross-culture.
The authors of this dissertation consider that differences among value, language and costumer behaviors of culture leads to the phenomenon of cross-culture. Differences among these elements will lead to different reflection of new things. Numerous researchers have examined the impact of culture on various aspects of consumer behavior, such as persuasiveness of advertising appeals, attractiveness of product options, brand extension evaluations (Aaker and Lee 2001; Briley et al.2000; Han and Shvitt 1994; Pan and Schmitt 1996). Culture differences also have important implications for how Easterners and Westerners view the world. For instance, Easterners view themselves as intertwined with the environment and dependent on others; Westerners view themselves as unique and independent of others, their behaviors are invariant over time and context, and they place greater emphasis on personal goals and self-sufficiency (Sokling, 2004). Thus, international market managers must pay attention to the cross-cultural aspects, which means international market managers should, at the very least, be cautious about understanding cultural differences when developing marketing activities and carrying out the marketing strategies.

The second part of the theoretical framework introduced the 4P marketing strategies and explain the effect of cross-culture to the choice of marketing strategies. The arrow in the low position of the analytical model represents the relationship between the phenomenon of cross-culture and 4p marketing strategy. 4P strategy and social-cultural environment interplay with each other. Kotler (2001, p.138-155) claimed that companies and their suppliers, marketing intermediaries, customers, competitors, and the public all operate in a macro environment of forces and trends that shape opportunities and pose threats, and this macro environment includes political-legal environment, social-cultural environment, demographic/natural environment and technological/natural environment. He mentioned that social-culture would influence the choice of 4Ps from many aspects. Different components of culture, including value, language and customer behaviors affect the marketing decision of transnational corporations in different ways. This is also the focus of this
dissertation. Conversely, 4Ps can influence customer behavior directly as well. “The 4Ps represent the sellers' view of the marketing tools available for influencing buyers, and each marketing tool is designed to deliver a customer benefit.” said by Kotler (2001, p.16). He thought that the winning company will be the one which can meet customer needs economically, conveniently and with effective communication; and a consumer’s buying behaviour is influenced by cultural, social, personal and psychological factors, therefore cultural factors exert the broadest and deepest influence (Kotler, 2001, p.161).

Mooij (2003) considered that the managers of transnational corporations should provide appropriate products according to the local consumer values and buying behaviors of a certain market. The product strategy owing to cultural factors, usage factors and legal factors. Hall (1990) described some countries’ culture is high-context culture. He meant that in this kind of country, most of the information is shared by members of a society. In this kind of country, people often do the same things as others did, especially as those around them. For instance, to most families in China, members share the similar values with each other. In other words, China is a society with relatively high collectivism (Hofstede, 1998), and where people have a high sense of identity to the traditional culture and food. Moreover, according to Doole and Lowe (2008), pricing decisions in international markets can be very complex. Many factors can influence the pricing strategy in different markets, including internal and external factors. From the level of company and product, factors such as corporate and marketing objectives, firm and product positioning, product range, life cycle, substitute, product differentiation and unique selling propositions, cost structure, manufacturing, experience effect and economics of scales will influence the pricing decision of a company. Market factors like consumers’ perceptions, expectations and ability to pay, need for product adaptation and market servicing, market structure, distribution channels, discounting pressures, market growth, competition objectives, strategies and strength can also affect the pricing strategy of a company (Doole and Lowe, 2008, p.371). According to the Hofstede’s culture dimension model, China
ranked in a relatively high position in power distance (Hofstede, 1998). From the perspective of cross-culture, therefore, many people in China consider the relationship between the prices of consumer places and the personal appearance seriously (Huang, 2007). Place represents the location where a product can be purchased. It is often referred to as the distribution channel. It can include any physical store as well as virtual stores on the Internet (Kotler, 2001). Similarly, place strategy can be influenced by both internal factors and external factors. For instance, internal ones like company size and product positioning are main factors influencing the place strategy. In addition, social-cultural factors such as local law and government policy, religion, language, customer buying behavior also affect this strategy obviously in different ways (Huang, 2007). When it comes to the promotion strategy, decisions in international markets are even more complicated than the pricing decisions, because promotion represents all of the communications that a marketer may use in the marketplace. It often includes several distinct elements, such as advertising, public relations, word of mouth and point of sale (William et al. 2006). Promotion activities play a role of introducing the product and service, motivating and leading the demand of the customers and also facilitating the products and services easily sold. When implementing the promotion strategy, the marketing managers of a transnational corporation should take many factors into consideration. Language, adaptation ability of customers, values, life style and attitudes, different kinds of customs and other culture factors of a certain nation are all very important which will influence different promotion activities (Kotler, 2001).

To sum up, the theoretical framework indicates that the phenomenon of cross-culture is so important that it can influence the choice of marketing strategy when a transnational corporation plans to enter into a new foreign market. This study focuses on the topic of how the American fast-food industry implements their international marketing strategies in the Chinese market and the purpose of this dissertation is to research how the specific national culture affects the strategies, which are implemented by some multinational companies in a certain industry. International
marketing managers need appropriate frameworks or conceptual schemata to enable comparisons to be made, and contrasts and similarities to be drawn. In this dissertation, the authors built an analytical model of strategy implementation in different cultures. This model shows that the different cultural components lead to the cross-cultural phenomenon and from the perspective of cross-culture, attempts to find the effective strategies for marketing. It supplies a specific angle to recognize the relationship between cross-culture and 4Ps marketing strategy.

3 Methodology

3.1 Choice of methodology

The choice of methodology is affected by the research area and it will work as a frame to collect the empirical findings. Generally, there are two kinds of methodologies that can be used in scientific research; qualitative and quantitative methodologies. Both methodologies are closely related to different ideas about how the social reality should be researched (Bryman and Bell, 2007, p.28).

Many writers (e.g. Layder, 1993; Jacobsen, 2002; Bryman and Bell, 2007) on methodological issues find it helpful to distinguish between quantitative and qualitative research. In very broad terms, quantitative research was described as entailing the collection of numerical data and as exhibiting a view of the relationship between theory and research as deductive, a predilection for a natural science approach, and as having an objectivist conception of social reality (Bryman and Bell, 2007, p.154). Qualitative research differs from quantitative research in several ways. It is a research strategy that usually emphasizes words rather than quantification in the collection and analysis of data and that has rejected the practices and norms of the natural scientific model and of positivism in particular in preference over an emphasis on the ways in which individuals interpret their social world and especially emphasizes an inductive approach to the relationship between theory and research.
(Bryman and Bell, 2007, p.402). However, some writers simultaneously regarded the status of the distinction as a fundamental contrast and by others as no longer useful or even simply as ‘false’ (Layder, 1993, p.110).

The methodology chosen in this study is a qualitative approach in order to get a deeper understanding of how different cultures influence the marketing strategy in multinational companies. Using a qualitative methodology will let the researcher have the opportunity to be flexible in the research, and to get a clear and broad view about the cultural aspect (Jacobsen, 2002). The methodology will also develop the research, test the theories and explain the researched phenomenon in a new way (Bryman, 2006).

### 3.2 Choice of companies

In both quantitative and qualitative research, sampling is one of the important steps for researchers (Bryman and Bell, 2007). As mentioned above, the main purpose and aim of this study is to research the different marketing strategies in different cultural environments and to find out how the specific national culture affects the strategies which are implemented by some multinational companies in a certain industry. Thus, according to the purpose and delimitation of this dissertation, the companies which are as sample should be in line with the requirement as follows: they are American companies in fast-food industry; they sell products and services to different regions and countries especially in the Chinese market. Therefore, we find that within the fast food industry, KFC and McDonald’s are both famous brands all over the world. In the Chinese market, these two fast food companies, which are both from America, are always the sharp competitors, especially in these years. Therefore, the choice of these two companies gives the researchers opportunity to analyze and compare the empirical findings in some similar aspects.
3.3 Data collection

When collecting the data, the researchers often used primary and secondary data to gather the empirical finding. Primary data is information that especially has been collected for a specific purpose from a primary source (Bryman, 2006). According to the research purpose and delimitation, data about marketing strategies in Chinese market need to be collected. Thus, the primary data in this paper has been gathered through telephone interview with some marketing managers of KFC and McDonald’s. As both the headquarters of these two companies in China locate in Shanghai, and the biggest McDonald’s restaurant is in Beijing, authors chose the respondents which are working in these two cities. It took 40-50 minutes for each interview and the answers were tape-recorded. In these telephone interviews, the researchers used a specific interview-guide and the respondents were able to answer freely and use their own words. This approach is flexible and leaves room for unexpected answers. It is also possible in this approach to ask follow-up questions if the answers from the respondents are not enough (Bryman, 2006). As both authors are students in Sweden, the software called Skype was employed when taking the interviews. However, because of the long-distance, instable network made some of the answers heard not so clearly. Therefore, to avoid misunderstanding, the authors contacted some respondents again via email to confirm the answers recorded before.

Furthermore, according to Bryman and Bell (2007), the secondary data is information that already has been collected for another purpose by persons other than the researcher in question. Secondary data is often of good quality, and it can therefore be useful for another purpose than the primary reason. The secondary data in this paper mainly came from the company web pages in countries, newspapers and articles of this subject.
3.4 Research criteria

In business research, the researchers work with different criteria that make the research trustworthy and valid (Bryman, 2006). The criteria that will be used in this paper are validity and reliability.

In many ways the most important criterion of research is validity. Validity is concerned with the integrity of the conclusions that are generated from a piece of research, and it is important that the sources of the data are close to the phenomenon (Bryman and Bell, 2007; Jacobsen, 2002). In this paper, the primary data came from the answers of some marketing managers by email and telephone interviews, which are close to the fact and phenomenon. Moreover, when gathering the primary data, the researcher had the opportunity to contact the respondents again if something was unclear or misunderstood the first time.

Reliability is commonly used in relation to the question of whether or not the measures that are devised for concepts in business and management are consistent (Bryman and Bell, 2007, p.40). It refers to the extent of data collection procedure and analysis generating similar interpretations and findings however and whenever is carried out (Franklin and Ballan, 2001). In this paper, some classical theories are used to conduct the theoretical framework. These theories have been tested and researched in the subject of international marketing strategy. Additional, the researchers should use the same interviewer for all the interviews, which has been done in this research (Jacobsen, 2002). Besides, both authors participate in the interviews.
4 General Information

4.1 Introduction of American Fast Food

4.1.1 The Development of American Fast Food

The Modern fast food industry originated in the United States in the 1920s, and developed rapidly and became epidemic all over the world from 1950s (Li, 2005). The emergence of the western-style fast food resulted from the rapid economic development in the United States and the great acceleration in the pace of life. In the 1950s, most married women stayed home to keep house and take care of their children. In the 1960s, many women returned to the work place. This meant that they had less time and energy for housework and preparation of meals, so they depended more on “TV dinners” and fast-food restaurants. Single parents also have little time to spend in the kitchen. People living alone also depend on this type of food, since cooking for one is often more trouble than it is worth (Wilson, 2001). People require food which is readily available, affordable, nutritious and tasty. The most obvious characteristics of American fast food are speed and abundant supply of cooked food (Li, 2005). Some fast food was slightly processed and can be quickly ripen while selling. At a primary stage, with the help of industrial management experience, American fast food chains adopted standardization in raw materials of their food, processing, pricing and service (Song, 2003). Therefore, the major reason for the rapid development of western fast food has been the supply of safe and convenient fast food to people who are very busy and in a hurry.

4.1.2 The Characteristics of American Fast Food

American fast food is well-known all over the world. To sum up, the characteristics of its success can be due to following the eight “F”s (Che, 2001). They are, respectively, Fast, Full, Fresh, Fried, Family, Fantasy, Fordism and Franchising. Among them, fast,
full and fresh can be easily understood. They mean the speed, quantity and quality of the food supplied. Fried refers to the kind of food because American people like fried food very much. Also, this food can be easily transported. Family and fantasy emphasize people’s feeling of having a meal in the fast-food restaurant. Fast food should meet the need of families. To the children, the food can not be too greasy, and the price can not be too high for their parents. In order to make customers feel at home, the toilet in the restaurants should be clean and the dinning tables should be neat and tidy. Most of the fast-food restaurants do not supply wine. Fordism, is the way of flow process which was employed by Ford U.S. at first. It included a refined division of labor, decreasing the cost, saving production time and using automated equipment instead of manual production (Che, 2001). This method was widely used in the American fast food industry in the 20th century. (Che, 2001) The last “F” refers to franchising. In the beginning, by franchising those fast-food companies were able to sell their products and expand the sales in the domestic market, to be exact, the American market. Some local people in different cities paid money to the parent company and would then be allowed to sell products and receive guidance in operating and managing the business from the parent company, and moreover, they can obtain the support of conduct drumbeating. This style of parent company operating together with some subsidiaries has some advantages, such as low cost, more likelihood of success while the risks are lower. The American fast-food industry spread from the eastern cities to the west, and then to more and more countries abroad. (www.yumfranchises.com)

4.1.3 Biggest Fast Food Companies of USA

With the long history and high profit, Kentucky Fried Chicken (KFC) and McDonald’s are the two biggest fast food companies in USA. KFC Corporation, based in Louisville, Kentucky, is the world’s most popular chicken restaurant chain. Every day, nearly eight million customers are served around the world. KFC’s menu includes original recipe chicken which was made more than a half-century ago.
Customers around the globe also enjoy more than 300 other products. (www.kfc.com) Similarly, McDonald's is the leading global foodservice retailer serving more than 58 million people in 118 countries each day. More than 75% of McDonald's restaurants worldwide are owned and operated independently by local people. They serve the world some of its favorite foods - World Famous Fries, Big Mac, Quarter Pounder, Chicken McNuggets and Egg McMuffin. (www.mcdonalds.com)

4.2 Information about Fast-food Culture of China

4.2.1 The Development of Fast-food in Chinese Market

“Fast-food” is the translation of “kuai can” that literally means “fast and convenient food” or “quick meal” in China. During 1980s-1990s, western fast-food giants began to explore the Chinese market in order to attract more Chinese consumers to try some completely different flavors. However, the fast-food industry started relatively late in Chinese Market (China’s fast-food industry research report, 2008). In April 1987, the U.S fast-food chain Kentucky Fried Chicken established there, and concept of modern fast-food was introduced in China. During the past 12 years, within the Chinese fast-food industry, exists the concomitant and competitive pattern of traditional and modern, Chinese-style and Western-style, high-grade and low-grade, has come into existence. Nowadays, in urban China, dining out is increasingly popular with consumers. It has become a big business for western restaurant chains and local entrepreneurs. Fast food restaurants are a flourishing business opportunity and have rapidly become a normal part of urban life. (Access Asia, 2001)

At the present time, with the rapidly developing and expanding, as a popular life-service industry, fast-food has started to occupy market share in food and beverage market. The consumer market and supply market of the fast-food industry has basically taken shape, and fast-food has became an indispensable demand of tourist, student, the middle class and businessmen, it looks like a popular industry.
4.2.2 The Main Characteristics of fast-food in Chinese Market

China is a big country, and the differences between different regions are very obvious. The main performance of differences are culture and the level of economic development, both of which impact in the catering industry. It is easy to find that the development levels of the catering industry are very different throughout the eastern, central areas and western provinces of China. The eastern part has the highest retail sales of catering industry, and the central part has the fastest growth rate. In addition, the survey showed that urban people are the most frequent customers of fast-food restaurants, especially those who live in the well-off regions in the eastern and southern provinces of China (Access Asia.).

Chinese fast-food gives emphasis to the usage of grains, beans, and vegetables. The style of cooking uses techniques which prefer deep frying to boiling. Compared to western fast-food, Chinese fast-food appears more nutritional. Most of Chinese cooks tend to prefer the food which is low in terms of calories. And a traditional Chinese table manner is to use the chopsticks at the table. (Xie, 2007)

At last, symbolization is how people imagine or regard something, which reflects the ways people are thinking, for example, the color. To explain this, it is easy to realize the meaning of red; it is almost opposite between Eastern and Western countries. Red means luck and fortune in eastern cultures, so Chinese people often use this color for decoration in festivals, such as with red lanterns, red Chinese nodes, and red bangers. By contrast, red stands for blood and revolutions in the Western countries (Xie, 2007).

4.2.3 The Impact from Western-style Fast-food

There are lots of differences between Chinese-style fast-food and Western-style fast food, such as the target groups. According to common social performance, most
western companies target their consumers on youth and families, but Chinese companies give more attention to the group aged between 25 to 44 years old. At present, western-style fast-food chains are rapidly expanding in China, and the trend towards integration of the Chinese and Western cultures.

5 Empirical Finding

5.1 KFC

5.1.1 History and Introduction

Beginning with the food service to hungry travelers, Colonel Harland D Sanders, the founder of Kentucky Fried Chicken (KFC), devised his recipe for the fried chicken by using a secret blend of eleven herbs and spices. Several years after the success in his own state, using his late 105 dollar social security check, the colonel built up the KFC Company into his own chicken franchising business. By the 1950s, the sales strategy for the colonel was personal promotion. He traveled across the country, from restaurant to restaurant, to cook chicken for the owners and their employees. With the approval of the owner, the colonel provided the chicken for the restaurant regularly. Since then, KFC has grown at a remarkable pace, from one small roadside restaurant, to an internationally renowned restaurant chain, the largest chain of chicken restaurants in the world. (www.kfc.com) KFC started its international business in 1960s, and now it offers great tasty chicken meal and snacks in over 30,000 restaurants around the world. Every day nearly 8 million people make KFC a part of their lives. Laid head to claw, KFC chickens consumed worldwide would stretch 458,065 kilometers and would circle the earth at the equator 11 times. (www.reed.co.uk)

The popularity and novelty of KFC have led to the general formula of the fried chicken fast-food restaurant being copied by restaurant owners worldwide. KFC is
part of Yum Brand, Inc., the world’s biggest restaurant chain. Pizza Hut, Taco Bell, and Long John Silver’s are members in this chain. In addition, as a member of Yum, KFC develops its restaurants all over the world by franchising. Yum group has a value network in which the proven process would support the new franchisees every step of the way with development experts, business coaches and a peer network of more than 1200 experienced franchisees. KFC is constantly seeking operators with the vision and capability to open a new restaurant. (www.yumfranchises.com)

**KFC’s overall marketing strategies**

The main products of KFC are chicken with home style side dishes, wraps, salads and burgers. While its primary focus is fried chicken, KFC also offers roasted chicken products, side dishes and desserts. Outside of North America, KFC offers beef based products, such as burgers or kebabs, as well as pork based products, such as ribs and other regional fare. Moreover, KFC and Pepsi-Cola have entered into a strategic alliance. Most KFC restaurants offer Pepsi’s carbonated drinks, except in some countries, such as Japan and South Korea which are selling Coca-Cola instead. At the same time, there is a most wide range items in the KFC USA. In the fast food industry, KFC faces the fierce competition with McDonald's and Wendy’s. However, KFC has its own advantages, such as its slogan, “we do chicken right.” (www.kfc.com)

**5.1.2 KFC In China**

KFC entered Chinese market in 1987, and it opened its first restaurant in Beijing. It then started development in this country which has the biggest population in the world. On 25th June in 1996, the one hundredth restaurant was opened in Beijing which has the remarkable meaning of KFC’s Chinese market development. According to the report from AC Nielsen Company in 1999, KFC was the top one among all the foreign companies in China (www.hislife.com.cn). “During the year 2001 to 2005, KFC set up about 100 restaurants in China every year,” said one of the marketing managers in Shanghai, and “by the early February of 2009, KFC had already set up
more than 2500 restaurants in mainland of China.” (Marketing manager of headquarter in Shanghai, 2009) At the time when its sales in the home market in the USA are struggling, the Chinese market has become the second largest market for KFC.

**Product and Position**

What this thesis will present next is the description of KFC’s core product and the products which were adapted to suit the Chinese tastes.

**Menu:**

<table>
<thead>
<tr>
<th>Chicken</th>
<th>Burger</th>
<th>Side dish</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicken Loaf</td>
<td>Hot and Spicy Drumstick</td>
<td>Corn salad</td>
<td>Sundae</td>
</tr>
<tr>
<td>Original chicken</td>
<td>Triple Crunch Zinger</td>
<td>Porridge</td>
<td>Pastries</td>
</tr>
<tr>
<td></td>
<td>Sandwich</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roast Chicken Wing</td>
<td>Crispy chicken pastoral burger</td>
<td>Soup</td>
<td>Mashed Potatoes</td>
</tr>
<tr>
<td>Chicken Strips</td>
<td>Cheese egg burger</td>
<td>Fried bread</td>
<td>Black Tea</td>
</tr>
<tr>
<td></td>
<td></td>
<td>stick</td>
<td></td>
</tr>
<tr>
<td>Chicken Popcorn</td>
<td>Beef burger</td>
<td>Desert</td>
<td>Egg Tart</td>
</tr>
</tbody>
</table>

Table 2: The menu of KFC in China (www.kfc.com.cn)

Besides what is mentioned in the table above, marketing manger (2009) said that there are also some new products that are sold in the Chinese market, and some of them have special recipes for Chinese people. For instance, original chicken in China involves mixing all the ingredients and dig chicken pieces in beaten eggs, then turning them over in regular bread crumbs, finally plunging them into the secret spices and heating them in the oven at 350 degrees. The ingredients include chicken, flour, bread crumbs and secret recipe. Moreover, Chicken Roll of Old Beijing is chicken rolled in a thin pancake with green onions, cucumber and hosing sauce, and made into a wrap which is modeled after the way Peking duck is served, but with fried chicken inside. It is flavored, not only with hamburger sauce, but also a sweet sauce made of fermented
flour, which is a condiment for the famous Beijing dish (english.peopledaily.com.cn). A marketing manager in Beijing (2009) told us that when the Chicken Roll of Old Beijing was first presented to the customers in February, 2003, the product was introduced with a play of Beijing Opera, and then it became more and more popular. “Actually, we are always looking for new tastes which fit Chinese customers and we found some local food is very nice and favored by Chinese people. It would not be easy for KFC to succeed worldwide, if it only supplied the American tastes without giving any consideration to the diversified cultures and customs of local consumers in other countries.” he said. In addition, KFC also offered the seasonal vegetables in their restaurants, in spring, they offer the bamboo shoots, and in summer, the customer can buy the lotus roots (www.kfc.com.cn). Besides this, some of the dishes are cooked by adding Chinese spices, such as aniseed, Chinese cinnamon and sesame oil. The marketing manager in Shanghai (2009) also said that it is uncertain of how often they put out new products, once maybe twice within every 3 months sometimes, and in this spring (2009), two new products are popular and well-sold. They are Blueberry Egg tart and Bacon cheese burger.

According to the same marketing manager of KFC in Shanghai, the main target group of KFC in China is Chinese families. They focus on the young people especially, who can easily and quickly adopt foreign cultures and new ideas (Huang, 2007). At the same time, every KFC restaurants has a special area for children and the decorations in those areas are jolly and colorful. In some festivals, KFC would prepare some toys and presents for young customers.

Price

In the Chinese market, consumers can seldom hear the information about reducing the price of KFC. On the contrary, KFC sometimes raises the price of its products in the recent years. According to the marketing manager (2009) in Shanghai, in the beginning of the year 2005, KFC raised the price of some products. However, it did not cut down the amount of consumers coming to KFC. And in the January and June
last year (2008), KFC raised the price again. “Because we have no choice,” noted by the marketing manager, “the cost of labor, material, and rent have raised, we must adapt to the change of market condition.” In addition, KFC did not think this activity would reduce the loyalty of their consumer. However, because of the world wide financial crisis happened in the end of 2008, many consumer products had a lower price from then on and KFC confronted with the same situation as well. Finally, KFC reduced the price of some products and carry out some promotion strategies to attract the customers. Marketing manager in Shanghai (2009) told us that in the end of last year (Dec, 2008), during the winter, if more than two customers bought two or more than two meals together once, they can save 9 CNY at least. This promotion implemented in about 1400 KFC restaurants in 31 provinces of China.

Moreover, we are also told that if you are a student and have a student ID card in mainland China, you can go to the KFC restaurant to apply for a “student sunshine card”. After getting this card, the owner can have a discount when buying some products during the valid period of the card. And for others, “every one can print some coupons from the website of KFC in China, and we also deliver the coupons with some local newspapers.” said by the marketing manager.

**Choosing Place and Cooperation Partner**

In late September of 1986, the KFC Corporation considered entering the Chinese market. Although they saw the huge population and market space, there were some thorny problems (baike.baidu.com). One marketing manager (2009) said in the interview, “As I know, the Chinese market was totally new and alien to KFC at that time. The managers had to consider the questions like whether the western taste would be accepted, and all other kinds of resources as well.” With the highly uncertain situation, KFC carried out a cautious plan in 4 big cities in China. They are Tianjin, Shanghai, Guangzhou, and Beijing. All of these cities have their own pros and cons. “Shanghai, for example, which has the biggest market space and is the most flourishing commercial center of China,” said by the marketing manager. At that time,
its gross value of industrial output accounted for 11% of the whole country, and the amount of export accounted for 17%. Shanghai also had a long history of diplomacy with western countries. The most obvious advantage was that, in this city, KFC would be able to get enough high quality chicken. Nevertheless, to the tourist, Shanghai was a little bit crowded and noisy, and the pollution made the customer feel not so good (baike.baidu.com).

According to the marketing manager (2009), after considering the balance of risks and benefits, KFC chose Beijing as a starting point in 1987. For Beijing, which is the center of Chinese political and culture, the population and tourism industry there was increasing year by year at that time. Thus, it was beneficial for KFC to sell products and attract costumers. Evidently, we think it was a really successful decision and from then on, KFC entered more and more cities in the Chinese market. And he also noted that in some minority nationality regions in middle and south-west of China, KFC enrolls some local people as waiters because some of these areas have their own dialect.

KFC develops their business by cooperating with some Chinese brand also. For instance, “in the summer of 2006, KFC put out four kinds of drinks and did promotion by cooperating with QQ (a famous brand in China, especially well-known in young people) in order to meet the needs of young people.” said by a marketing manager in Shanghai (2009). Additional, during that summer, some interesting on-line games can be found on the web kfc.qq.com (finance.sina.com.cn).

**Advertisement**

In recent years, KFC has shown several TV advertisements especially for the Chinese market. The marketing manager (2009) in Shanghai told us that the majority of these TV advertisements reveal the background of common Chinese families without the famous super stars or unconventional words. One of the TV advertisements tells a story about an employee of a KFC restaurant who was taken care of by her
grandmother when she was young. After she grows up, she carefully helps another grandmother, to persuade her granddaughter who was choosy about food to have more vegetables in order to keep healthy (Zhang, 2005). Besides, stories like three generations within one family, story about the days before the university entrance examination, looking for girlfriend in Li Jiang and so on. In the Spring Festival of the year 2003, more than 800 KFC restaurants in 170 cities changed the traditional Chinese Tang dress for “Colonel Harland D Sanders” to attract more customers in the Chinese market (zh.wikipedia.org).

“24-Hour” Operating and Take Away

There is only a few of KFC restaurants which operate for 24 hours a day nowadays. However, marketing manager in Shanghai (2009) pointed out that although some KFC restaurants have the ability to operate for 24 hours in some special days, such as spring festival of China, Valentine’s Day and so on, they do not have the plan of “24-hour” operating with a large scale till now. He said, “because the cost for '24-hour’ operating is really high, and during the evening, the amount of customers can not be controlled easily. However, with the development of economy and the change of people’s life style in China, maybe in the future, we will change the present strategy and supply more operating services to meet the demands.”

Later, we are also told that in some big cities of China, like Beijing, Shanghai, Tianjing and Shenzhen, KFC restaurants supply take-away service so that the customers can get their food and take away immediately. Moreover, customers in 16 cities of China can book food on-line or by telephone. Then the order will be answered soon and the food will be sent to the pointed place in a short time.
5.2 McDonald’s

5.2.1 McDonald’s History and Introduction

McDonald’s is one of the largest chains of fast food restaurants in the world, serving nearly 47 million customers daily (www.breitbart.com). In many countries, McDonald’s represents a kind of American-style way of life. In 1940, McDonald brothers (Dock and Mac) opened a fast-food restaurant in United States. It was a sale of the Hamburg-based chain of fast-food restaurant. In 1955, a man called Ray Kroc was interested in this fast-food restaurant and purchasing the patent from McDonald brothers. The restaurant called McDonald’s sold the food which was easy to prepare and serve quickly. Hamburgers, French fries and cold drinks were the main food there. Nowadays, McDonald’s Corporation is one of the world’s largest fast-food chain enterprises. It is the leading global food service retailer with more than 31,000 local restaurants serving more than 58 million people in 121 countries on six continents each day. (www.mcdonalds.com)

McDonald’s marketing strategies

McDonald's is proud of offering wide variety of high-quality, great tasting menu options and none of its products is certified as vegetarian. Customers can choose well-balanced and delicious meals from the McDonald's menu by mixing and matching choices each and every time they visit (www.mcdonalds.com). To accord with the tastes of local people around the world, McDonald's has done some appropriate adjustments to its products and management protocols. The majority of McDonald's fast-food restaurants afford two types of services; there are Counter-Hop and Drive-Thru (meaning that the customers can order and pay for food at the gate, drive past the restaurant, and take their food at the exit.), providing the indoor dining and also the outdoor seating. “Drive-Through restaurants usually have several independent sites: parking, check-point and pick up points, while the latter two sites in generally tend to be together (zhidao.baidu.com).”
McDonald’s is also successful in its marketing strategies, such as the cooperation with other food companies. In fact, McDonald’s had formed a strategic alliance with Coca-cola; McDonald’s only sells the carbonated drinks from Coca-Cola companies. Some of their techniques of sales promotion are also very characteristic and excellent (baike.baidu.com). McDonald’s products can be bought at significantly discounted rates in exchange for free coupons. These can be obtained in various ways, including subscribing to the McDonald’s new letter, and they are available by downloading and printing them from their website, or the websites of companies they associate with, such as eBay. Sometimes, the company has distributed coupons for Big Macs which are obtained very cheaply indeed, or even free.

The ingenious advertisement of McDonald's is very important in attracting customers, such as the clown character named Ronald McDonald. Ronald McDonald is used as the primary mascot of the McDonald’s fast-food restaurant chain and Ronald is also shown interacting with normal kids in their everyday lives. In television commercials, the clown inhabits a fantasy world called McDonaldland, and has adventures with his friends Mayor McCheese, the Hamburglar, Grimace, Birdie the Early Bird, and The Fry Kids. The McDonald's Corporation has also characterized Ronald McDonald as being able to speak 31 different languages including Mandarin, Dutch, Tagalog, and Hindi. (en.wikipedia.org)

5.2.2 McDonald’s in China

Product and Position
As the marketing managers of McDonald's in Beijing (2009) mentioned in the interview, the first McDonald's restaurant was located in the bustling east gate in Shenzhen SEZ in China on October 8th, 1990. And in April 1992, McDonald's opened a restaurant on Beijing’s Wangfujing Street, which became the world’s largest McDonald’s restaurant. The menu of McDonald’s core product in China is described
as following:

<table>
<thead>
<tr>
<th>Hamburger</th>
<th>Chicken</th>
<th>Side Choice</th>
<th>Beverages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big Mac, Filet-O-Fish</td>
<td>McChichen,</td>
<td>Egg Sausage Burer,</td>
<td>Mc-Flurry,</td>
</tr>
<tr>
<td>Spicy Chicken Filet</td>
<td>Chicken</td>
<td>Taro/Apple Pie,</td>
<td>Hot Tea,</td>
</tr>
<tr>
<td>Burger,</td>
<td>McNuggets,</td>
<td>Corn Cup(s),</td>
<td>Nestea Ice</td>
</tr>
<tr>
<td>Cheeseburger,</td>
<td>Spicy McWings,</td>
<td>Chocolate Dip Cone,</td>
<td>Rush(S/L),</td>
</tr>
<tr>
<td>Double Cheeseburger,</td>
<td>McCrispy Chicken</td>
<td>Low Fat</td>
<td>Coca-Cola,</td>
</tr>
<tr>
<td>Egg Beef Burger,</td>
<td>Wrap,</td>
<td>Yogurt-Blackberry,</td>
<td>Fanta, Qoo</td>
</tr>
<tr>
<td>Quarter Pounder</td>
<td>Spicy Chicken</td>
<td>Milk Shake,</td>
<td>Apple Juice.</td>
</tr>
<tr>
<td>Cucumber Vegetable.</td>
<td>Sandwich.</td>
<td>Feies, Scrambled</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Eggs, Pancakes</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Battercake.</td>
<td></td>
</tr>
</tbody>
</table>

Table 3: the menu of McDonald’s in China (www.mcdonalds.com.cn)

“We think that the customers come to McDonald’s are going to enjoy the Western-style fast food, so we do not want to change our core product, such like the Big Mac, Fries, Coco-Cola, Milk Shake and so on. But we added some kinds of adaptable products into our menu to adapt to the Chinese market. We have a dedicated study group of new food research in Hong Kong. Because of the demand of customer, we changed our local menu in China. For instance, the Spicy Chicken Sandwich which is mixed some Chinese characteristics that to put spicy chicken into sandwich can be found in this market. Actually from October 20th in 2004, McDonalds’ had begun to ordering suitable menu for Chinese market, such like the breakfast product. The products like scrambled eggs, pancakes and hot tea which have typical Chinese elements can be found in McDonalds’ breakfast menu in China. The good market response proved that our strategy of product localization is correct,” said by the by marketing manager (2009).
Now, McDonald's has 670 restaurants in China, and they are located in 25 provinces, 108 sub-administrative areas (www.mcdonalds.com.cn). McDonald’s marketing manager in Beijing (2009) told the authors that McDonald's takes the ‘family’ as the main target group, including three groups. They are children, their parents and young people. Till now, McDonald's has successfully set up a brand as ‘family’ fast-food in China. They focus on selling the products to children, and then considering the parents and young people. “We are keeping to bringing out new product which is affected by local test every year in the Chinese market,” said by the same manager (2009).

**Price**

The marketing manager (2009) mentioned that McDonald’s planning to open 500 more stores in China in the next three years, and they will cut prices for many popular items on their Chinese menu. Even though the products are more expensive than local fast food in China, popular options like the Filet-O-Fish, Double Cheeseburger, McNuggets, McPuff, and the Mala Pork Burger, are all getting a significant discount (Chow, 2009). “China is a developing country with a lower economic level than American. Considering about the customer’s consumption level, McDonald’s tend to use low-price strategy in this market. The same product would get different prices from Chinese and American markets. Thus, it is not unusual to find that a Big Mac is much cheaper in Beijing than in Boston.” McDonalds marketing manager explained (2009).

In the end of 2008, the global financial crisis began to take place. Chinese economic drag down the pace of expansion and its growth fell to 6.8 per cent in the spring of 2009 (www.reuters.com). Responding to this social phenomenon and in order to attract customers and lift the lackluster sales, McDonald's cut down about 40 per cent of its products’ prices in the beginning of 2009. It seems like at the same level as 10 years ago. Popular items that were offered at reduced prices include Filet-O-Fish, McNuggets, McPuff and the new Mala Pork Burger. (www.straitstimes.com)
Marketing manager mentioned (2009) that under the current economic situation, consumers are seeking for cheap but valuable products and services. McDonald's decided to reduce the price of product in China. In the February 2009, McDonald’s brought out 4 kinds of Daily Extra Value Meal which only costs 16.5 CNY (equal to 1.6 EURO at that time). From April the 1st, McDonald’s nationwide brought out some really cheap product cost only 9 CNY, such as the Spicy Chicken Filet Burger and Spicy McWings.

Choosing Place and Cooperation Partner
It is easy to find that almost McDonald’s restaurants are built near the large-scale commercial facilities in Beijing, as the same as marketing manager of McDonald’s (2009) mentioned during the interview, “when choosing a place to open new restaurant, McDonald’s tends to set up the stores which are near the large-scale business establishments, and chooses the area which can easily be adapted to the American fast-food. Obviously it is one of the factors that lead every branch into success,” he said, “usually we do not suggest spending too much money in developing new markets, but find the markets which are suitable to develop to McDonald’s. Actually, we don’t think that all the places have their own development space, so we just try to choose the right place. Before decisions are made, we often do the market research and collect the information as much as possible, including the amount of population, economic level, buying ability and the potential development scale, and income levels, development of shopping opportunities and so on.”

Marketing manager (2009) told us that in order to attract more customers, delivering coupons is an important promotion strategy of McDonald’s. Customers can download the coupons from McDonald’s website. “We also use other ways to extend the coupons. According to a survey, e-coupons are very common in western countries. However, because of the barriers in the real life and customers’ habits, coupons have not been widely used in the Chinese market. When developing the business in China, we choose to cooperate with Cool-Peng Network. Users from all over the country can
log in to the Cool-Peng Network and where they can download and print the McDonald’s electronic coupons by themselves,” introduced by the marketing manager (2009), “Cool-Peng Network is the largest national electronic coupon portal in China and it puts out many kinds of electronic coupons and covers several industries. In addition, this network has a high click rate and it knows a lot about the customers’ habits and behaviors of the Chinese market. Hence, with the help of Cool-Peng Network’s wide influence and huge market, McDonald's easily delivery the e-coupons to the consumers in the Chinese market.”

**Advertisement**

McDonald's uses different advertisements in different countries. This is affected by the characteristics of different regions, cultures, customs, and customer behaviors. “Our advertisements in Chinese market always contain a warm picture. It sometimes looks like the elderly and the young generation within a happy and relaxing atmosphere with easy-listening background music. Fancy red and eye-catching golden are the main colors of our logo. Moreover, we keep on using some symbolic cartoon characters and free toys to attract the youth.” Marketing manager of McDonald's (2009) mentioned.

McDonald’s tends to establish a good relationship with the consumers. Thus, the advertisements are always emphasizing the traditional customs and values which are cherished and followed by Chinese people, such as the celebration of Chinese New Year, New Year wishes, calligraphy and so on (www.mcdonalds.com.cn). A TV advertisement of McDonald's which is described by marketing manager (2009) during the interview. “Behind the window wall, there an ‘M’ is affixed to represent the McDonald’s. A pair of lovers is sitting side by side and drinking Cola. Then the boy said, ‘Cola is cold, fries are delicious, and chicken wings are also very special.’ (Subsequently, the boy brings a box of chicken wings in the front of girl. The girl opens it and finds a diamond ring in it. She was so surprised. The boy smiled, and waited for the response from the girl.) However, the girl asked where the chicken
wings are?” The marketing manager explained (2009) that before making this advertisement, we always learn something about Chinese culture and do some research on market situation first. For instance, in China, the McDonald’s restaurants are ideal places for young lovers and couples to go. It is clear that McDonald's advertising should depict romantic atmosphere. In addition, McDonald’s restaurants also put some special double seats for lovers and couples.

"24 hours" Services and Take Away

In Guangzhou, Shanghai, Shenzhen, Nanjing and other cities in China, to meet the needs of different customers, a great number of McDonald's restaurants had to stay open 24-hours a day (www.mcdonalds.com.cn). “We have 872 24-hours services restaurants in China until now.” The marketing manager said (2009), “During the 24-hours operating hours, the restaurants supply all kinds of McDonald's products. However, not all of the McDonald's ‘Drive-Thru’ restaurants open 24-yours a day. We know that 24-hour services of McDonald's restaurant in the United States has been a local traditional business style, and nowadays, McDonald’s also has 24-hour stores in Australia, Japan, Singapore and Hong Kong, China, Taiwan and some other areas. The marketing manager added (2009) that McDonald’s keeps on extending services called ‘Mailesong’ in China. It supplies 24-hour services for take-away, but this kind of service is only supplied in Guangzhou, Shanghai, Shenzhen, Beijing and some big cities, because the economic development level are totally different between different regions in China. In the more developed cities, the demands of 24-hour services from customers are greater than in others.”
6 Analysis

6.1 KFC

6.1.1 Product Strategy

According to Doole and Lowe (2008), law and politics, values and attitudes, religion and language are some important components of the national culture. The differences between these elements make a national culture distinct from others. Hall (1990) describes Chinese culture as a high-context culture. He means that in this kind of countries, most of the information is shared by members of the society. Thus, in China, people often do the same things as others did, especially as those around them. For most families in China, members share the similar values with each other, and people have a high sense of identity to the traditional culture and food. As mentioned in the chapter of empirical findings, the main target group is Chinese family. KFC considered that the collectivism buyer behavior of Chinese market, so they put out the product like the bucket for the whole family and win the praise of the customers.

4P marketing strategy can make the best reflection of the target market (Barlon and Kimuli, 2006). Mooij (2003) considers that the managers of transnational corporations should provide appropriate products according to the local consumer values and buying behaviors of the certain market. When trying to get a balance between standardization and adaptation, one of the important factors which affect the international management of products and services is culture factor (Doole and Lowe, 2008). From the perspective of cross-culture, people in China are generally curious about new things (Zhang, 2005). In order to meet this curiosity to new products, KFC always launch new products quickly and thus win a lot of new customers in China. By wrapping the “core” of Chinese traditional dining culture with the “appearance” of the western food, KFC has gained the success of carrying out the new product strategy in cross-culture marketing. KFC always launch new taste of products in different
seasons to cater to the needs of Chinese customers. The Chicken Roll of Old Beijing which was mentioned by one of the marketing managers in Beijing and the beef wrap, for instance, demonstrate the innovation and creation of products in KFC combined with the characteristics of Chinese culture providing more choices to the customers.

As the marketing manager in Beijing said, KFC is always looking for new tastes which fit Chinese customers and we found that some local food is very nice and favored by Chinese people. It would not be easy for KFC to succeed worldwide, if it only supplied the American tastes without giving any consideration to the diversified cultures and customs of local consumers in other countries. Obviously, the product strategies implemented by KFC in Chinese market, including the season of launching new products, the tastes of the food, the package style of chicken wings, are all deeply influenced by the local culture of China.

6.1.2 Price Strategy

Price is the amount of money a customer pays for the product. Pricing decisions in international markets can be very complex. It is determined by a number of factors, including market share, competition, material costs, product identity and the customers’ perceived value of the product (Barlon and Kimuli 2006). Especially, market factors like consumers’ perceptions, expectations and ability to pay, need for product adaptation and market servicing, market structure, distribution channels, discounting pressures, market growth, competition objectives, strategies and strength can also affect the pricing strategy of a company (Doole and Lowe, 2008, p.371). Thus, consumers’ buying behavior is one of the factors to influence the price strategy of KFC Company. From the perspective of cross-culture, many people in China emphasize the relationship between the prices of consumer products and the personal status seriously (Huang, 2001). As mentioned by the marketing manager in Shanghai, KFC scarcely reduces the price of its products. Sometimes, KFC even raises the price of its products in the recent years. However, because of the world wide financial crisis
which happened in the end of 2008, many consumer products in China had a lower price from then on and KFC confronted with the same situation. Finally, KFC reduced the price of some products and carried out some promotion strategies to attract the customers. As a western fast food, KFC takes the collectivism buyer behavior of Chinese market into the consideration. Sometimes, customers can get a lower price if two or more than two meals are bought at the same time.

Moreover, the young people in China often accept new things more quickly and easily, they are also the important target group of KFC. Students sometimes can get a lower price in some KFC restaurants. It can also reflect that the price strategy of KFC in China is affected by the buying behavior of Chinese consumers.

6.1.3 Place Strategy

To the fast-food industry, place strategy means where to sell the products and services to customers. Similarly, place strategy can be influenced by both internal factors and external factors. Social culture factors such as local law and government policy, religion, language, customer buying behavior do affect this strategy obviously in different ways (Huang, 2007). Since the first KFC restaurant was started in Beijing in 1987, KFC has opened many restaurants in different cities of China during these decades. Some information was collected from the interview that the process of choosing place is really cautiously taken by KFC in every city. KFC has its own standard when choosing the suitable place to open the restaurants. During this process, the political risk, the financial condition, the amount of population and the specific culture of some certain areas are all the considerations to KFC (Huang, 2007). In addition, in the middle and south-west of China, people of some minority nationalities often live together in certain areas. They share the same language or specific dialect and the similar value and customs, eat the food with same taste and keep the similar habits. To meet these people’s demands, KFC opens several restaurants in this kind of places. The menu of products and decoration of these restaurants are different from
Therefore, we can see that the Chinese political risk and the financial condition, the degree of concentration and the minority nationalities’ specific dialect and customs can influence the place strategy of KFC well and truly.

### 6.1.4 Promotion Strategy

Promotion represents all of the communications that a marketer may use in the marketplace. It often includes several distinct elements, such as advertising, public relations, word of mouth and point of sale (William et al. 2006). KFC also implements some specific promotion strategies according to Chinese culture in order to do the business well, including advertising, take-away service and the strategy of choosing cooperate partner in China.

**Advertising**

Advertising covers any communication that is paid for, from cinema commercials, radio and Internet adverts through print media and billboards. It has been the most popular way to carry out the promotion strategy in the recent years (William et al. 2006). Customer values of a specific culture often play an important role when the marketers try to make decisions, which help to enter a foreign market (Doole and Lowe, 2008). Customer values can influence the style and appearance of the advertisement. As mentioned above, China is a society with relatively high collectivism (Hofstede, 1998), where people have a high sense of identity to the traditional culture and traditional food. Since the family members in China often share the similar value and most Chinese people consider that it is necessary to keep on the wonderful family traditions, such as respecting, loving and supporting the elderly, helping others, friendship between individuals and so on. Thus, many advertisements of KFC in recent years try to reveal the background of common Chinese families. In the year 2003, KFC even changed the traditional Chinese Tang dress for “Colonel Harland D Sanders” in order to attract more customers in the spring festival. KFC chooses the localization of advertisement by considering the language, value of
Chinese customers carefully. Evidently, the advertisement strategy of KFC is affected by the language, customer values in Chinese cultural environment.

**Services**

Promotion contains the point of sale, including both products and services. It is affected not only by the language and customer behavior, but also by some other components of culture, such as people’s life style and attitudes (Kotler, 2001). In recent years, most of the transnational corporations supply more and more services for the different markets in order to meet the distinct needs from all kinds of customers. With the development of economy, the pace of people’s work and life becomes faster and faster. Authors of this dissertation were told by one of the market managers (2009) that in some big cities of China, KFC restaurants supply take-away service so that the customers can get their food and take away immediately. Moreover, customers in 16 cities of China can book food on-line or by telephone. Then the order will be answered soon, food will be delivered to the appointed place in a short time. Besides, some KFC restaurants operate for 24 hours a day. Thus, the 24-hour-operated and take-away services which are carried out in China are also influenced by the local cultural environment. People’s life styles and attitudes play the most important role in affecting this strategy.

**Choosing Cooperate Partner**

Choosing some suitable cooperate partner to do the promotion activities together in a certain foreign market is also an important strategy for transnational corporation (Lu, 2005). Customer values and buying behaviors will affect this kind of promotion activities obviously. KFC develops their promotion activities by cooperating with some popular brand in Chinese market. QQ, for instance, is a famous brand in China, especially well-known by young people. The market manager (2009) in Shanghai introduced that KFC did some promotion activities with this company in order to attract more young customers. They designed some interesting on-line games together during students’ summer holiday by considering the interests of young people. If the
young people buy some certain products, they may get some prizes to join and win the game more easily than others. Therefore, what can be seen from this is the young people’s value, interest and buying behaviors influence this kind of promotion activities.

6.2 McDonald’s

6.2.1 Product Strategy

Related to Doole and Lowe’s study (2008), culture can be defined as “the sum total of learned beliefs, values, and customs that serve to direct consumer behavior in a particular country’s market. Hofstede (1994) mentioned that consumers’ behaviors are culture-bound as a consumer’s decision to buy a certain product. He built a model (1998) called Hofstede’s cultural dimensions which can explain many differences on consumption and consumer behavior. Linked to the data in table 1, the individualism of Chinese is really in a low position, but it is high in American culture. That means Chinese people usually have the habit of following other people’s behaviors, the old generation tends to stick to old tradition, it is not easy for them to accept new things, however the modern generation are different. The performance of modern generation is more individualism to some extent. They can accept new things much faster and easier. We can understand individualism as a life attitude or a character of people. It is similar to KFC. Family is the main target group of McDonald’s. The group includes three modern generation groups. They are children, young parents and young people. Thus, in a way of viewing, because of understanding consumer behaviours better, McDonald’s targets the right customers so that these customers in China can accept eastern fast-food culture more easilier. The product strategy are influenced by consumer behaviour.

Moreover, according to Barlon and Kimuli’s study (2006), product is a tangible object. Intangible products are often service-based. And Mooij (2003) considers that the
managers of transnational corporations should provide appropriate products according to the local consumer values and buying behaviors of a certain market. Thus, when McDonald’s wants to expand and develop in a new market with different national culture, for example China, the product should be suitable to local customers, such as the product information. In accordance with the empirical data in former chapters, Chinese customers tend to prefer the food with low calories, and Chinese fast food gives emphasis to the usage of grains, beans, and vegetables. Focusing on this, McDonald’s keeps bringing out special products every year to adapt to local people in China, some of these products cannot be found in American market. However, besides popularizing some specific products which are suitable to this market, McDonald’s still makes great efforts on keeping the original flavor of McDonald’s as much as possible. Consumer values and their buying behaviors affect the product position very obviously.

As the marketing manager in Beijing mentioned (2009), taking family as the main targeted marketing customer, McDonald’s does not want to change their core products in Chinese market. Actually McDonald’s always adds some kinds of localized products into the menu, such as the Spicy Chicken Sandwich, scrambled eggs, hot tea and so on. They have a group in Hong Kong dedicated to researching new food with typical Chinese elements. Therefore, we can sum up that when a firm wants to enter into a new market with different culture, its marketing strategy of product is affected by local culture very obviously.

6.2.2 Price Strategy

Price can be affected by consumer behaviors and the desire of purchasing from customers could also be motivated by lower price (Barlon and Kimuli, 2006). As mentioned before, according to Doole and Lowe (2008), pricing decisions would be influenced by many social-cultural factors, mainly by consumers’ perceptions, expectations and ability to pay, and need for product adaptation and market servicing.
As the marketing manager of McDonald’s said (2009), when entering into the Chinese market, low-price strategy is chosen to use. The price of the product in China is much cheaper than in American, for example, Big Mac. China is a developing country, and the per capita income in China is lower than that in United States. Thus, the operators of McDonald's chose to use low-price strategy in Chinese market so that the customers have the ability to purchase its product. In addition, in 2009, McDonald’s started entering the largest low-cost marketing with the plan of defeating its competitors. The product was sold at the same price level as 10 years ago. Because of the economic crisis which happened in the end of 2008, more and more restaurants and shops had to reduce prices in order to attract customers and lift the depressed sales in China. And during this period, many consumers tend to seek extra valuable products and services. The products with high quality and low price become more and more popular than before. Considering this social phenomenon, McDonald’s decided to reduce its price in order to adapt to the market environment. To sum up, price strategies are influenced by consumer behaviour, such like consumers’ perceptions, expectations and ability to pay and so on. Otherwise, it is also affected by the value of consumers.

6.2.3 Place Strategy

Place represents the location where a product and service can be purchased. It is often referred to as the distribution channel. It can include any physical stores as well as virtual stores on the Internet (Kotler, 2001). As what Huang (2007) mentioned, social culture factors such as local law and government policy, religion, language, customer buying behavior could affect place strategy in different ways. Taking McDonald’s as an example, the marketing manager of McDonald’s (2009) mentioned that McDonald’s does not suggest spending too much money creating new markets for their product, but to find suitable ones. In fact, McDonald’s tends to set up the stores which are near large-scaled business establishments, and just choose the place which accept American fast-food, such as hamburger. It is very effective for sales. In China,
the eastern part has higher retail sales in catering industry, and urban people are the most frequent customers of fast-food restaurants. The choice of address for opening stores could be affected by local economic developing level and demands of customers. Thus, the company has done a lot of market research and information collection before making decision, such as the population, economic level consumption power and the development scale and potential, income level, development of shopping opportunities and so on. All these considerations would influence consumer buying behaviors. Thus, the place strategy is affected by culture very greatly.

6.2.4 Promotion Strategy

As Kotler (2001) mentioned, social-culture would influence the choice of 4Ps from many aspects. A good promotion strategy can impel consumer behavior which is one of the determinant motivations of consumption. Promotion has four distinct elements - advertising, public relations, word of mouth and point of sale (Barlon and Kimuli, 2006). Through analyzing the data which we showed before, we find the different aspects of promotion strategy have different impacts from culture.

Advertising

Numerous researchers have examined the impact of culture on various aspects of consumer behavior, such as persuasiveness of advertising appeals, attractiveness of product options, brand extension evaluations (Aaker and Lee 2001; Briley et al.2000; Han and Shvitt 1994; Pan and Schmitt 1996). And as one tool of advertisement, language is very important. In Doole and Lowe’s (2008) mind, language can be divided into spoken language and silent language. Spoken language is an important means of communication, and silent language is a powerful means of communication as well. There is no doubt that the spoken language which is used in advertisement in Chinese market is Chinese. In advertisement, McDonald’s gives more attention to the cultural transmission in China. As the marketing manager said(2009), McDonald’s
defines its main target as Children and young people, because that in traditional Chinese culture, children are considered as apples in hands of their parents. When implementing the advertise ment McDonald’s uses some symbolic cartoon characters and free toys to attract those people. In addition, to show the respect to the culture, McDonald’s chooses to integrate the Chinese value into its advertisements. This style of advertising is accepted and enjoyed by Chinese customers much easier. Evidently, the advertisement strategy is affected by culture including local language and value in Chinese market.

**Services**

Promotion activities play a role of introducing the product and service, motivating and leading the demand of the customers and also making the products and services be sold easily (Kotler, 2001). In west, fast-food operations achieved a great success, for saving time; it has become the first choice for workers. This idea seems to have been introduced into China. People enjoy the highly efficient and clean services which are carried out in a different way from local culture. Told by marketing manager in Beijing (2009) that a number of McDonald’s restaurants were transformed into the stores which can supply 24-hours services and take-away services called ‘Mailesong’ in some developed cities in China, such as Guangzhou, Shanghai, Shenzhen and Beijing. Considering that different economic levels might lead to different demands of customers which should be distinguished. If McDonald’s implements 24-hours services, it could satisfy the demands of customers in high economic level cities. Thus the services of McDonald’s such as 24-hour-operate and take-away are decided by the demand of customers. That means services could be influenced by the local culture, especially, by consumer behaviors.

**Choosing Cooperate Partner**

Kotler (2001) pointed that when implementing the promotion strategy, the marketing managers of a transnational corporation should take many factors into consideration. Linking the case of McDonald’s, the marketing manager mentioned (2009) that a lot
of products in McDonald’s could be bought at significantly discounted rates by using free coupons. When developing its business in China, McDonald's chooses to cooperate with Cool-Peng Network which is the largest and most popular national electronic coupon portal in China. There is no doubt that forming a strategic alliance with other strong companies can help company to enhance the competitive advantage. Apparently, under the influences of different culture, cooperating with native company is more direct and more effective to help company enter into a new market. Cool-Peng is a Chinese network using Chinese language in their website, and they have more information about the value and buying habits of Chinese consumers than McDonald’s. Hence, McDonald's selects Cool-Peng as the exclusive network to release its e-coupon in China. To sum up, cooperation strategy could be affected by local culture environment including local language, value and consumer behaviors.

7 Conclusion

7.1 Conclusion and Discussion

Based upon the research problem discussion and the background in the introduction chapter, the purpose and main aim of this master dissertation is to research the different marketing strategies in different cultural environments and to find out how the specific national culture affects the strategies which are implemented by some multinational companies in a certain industry. To achieve this purpose, the following research question was formulated: how do some big leading companies carry out their marketing strategies according to the culture differences?

When analyzing the international marketing strategy of the two American fast food companies, authors find that both of them emphasized on the specific Chinese culture when carry out the most marketing strategies of different aspects. In the case of KFC, national culture influences the 4P strategy in different ways. The product strategy of KFC is mainly affected by the customer value and also by traditional taste in some
extent. The price strategy in China is affected mostly by the customer behavior and local economic condition. To the place strategy, KFC takes the consideration of Chinese political risk and the financial condition, the degree of concentration and minority nationalities’ specific dialect and particular customs. In addition, when implementing the promotion strategy, KFC emphasizes the combination of the corporate culture with Chinese culture. For instance, all kinds of advertisement and the cooperation partner in China are related to the language, value and customs tightly. Besides, the services provided in the Chinese market concern not only the Chinese culture but also the corporate finance condition. Then, it turns to McDonald’s. National culture impacts the 4P marketing strategies in different ways when McDonald’s entered into Chinese market. Product strategy of McDonald’s is influenced by local culture very obviously. On one hand, McDonald’s always adds some specific product which is suitable to Chinese market. The product position is affected by Chinese values and consumer buying behaviors. On the other hand, understanding local consumer behaviors helps McDonald’s to target the right customers in a better way. When constituting the price and place strategy, the factors such as economic level, purchasing power and demand of consumers which could directly lead customer buying behaviors are considered by McDonald’s. When implementing the promotion strategy, McDonald’s emphasizes absorbing Chinese culture into their strategic decision. It can be divided into three areas to consider. Firstly McDonald’s respects local language and value in Chinese market. Secondly, to satisfy the demand of customers in developed cities in China, McDonald’s opened 24-hour-operated and take-away services. Lastly, McDonald’s cooperates with native companies in order to know the value and buying habits of Chinese consumers better.

Therefore, by researching two case companies the conclusion can be drawn that culture differences affect the implementation of most international marketing strategy in different ways in both of the companies. The product and price strategies are influenced by the local values most obviously while the place strategy is mainly affected by local economic level and customer buying behavior. The promotion
strategies are affected by even more components. Anyway, language, consumer values and buying behaviors are the most significant considerations for the transnational companies when entering a new foreign market and gaining the market shares as many as possible.

### 7.2 Implication

Previous studies in this area of cross-cultural comparison, such as Kim et al (2002), have not investigated the implementation of international marketing strategies but only focused on the impact of cultural differences to consumer values, needs and buying behaviors. This study researched the different aspects of strategies in different cultural environments in a certain industry. The relationship between marketing strategy and cross culture was investigated and the most important cultural considerations for other companies in the future were pointed out. Furthermore, to conduct this research and be able to analyze the empirical findings, an analytical model for strategy implementation in different culture was constructed on the basis of accepted theory. Components of some theory were reduced to better understand the subject studied. From this view, the model can be seen as a theoretical development of cross-culture marketing.

### 7.3 Further Research

In order to back up and strengthen the outcomes and conclusions in this study, it is important that there will be further research in international marketing strategy from cross-culture perspective. Further studies are also very important to research this subject with a broader view, and to gain a deeper and clearer understanding. Suggestions for further researches include:

- research involving more multinational companies and more cultural environment in other industries.
- research of investigating more kinds of strategies besides 4P and finding out
whether all aspects of the strategies are influenced by cultural differences.

● research from the angle of ethical and social responsibility in order to see how the implementation of marketing strategy would be affected by specific religions and political environment.
Reference:

Article:


**Unpublished material**


Book:

Website:


Appendix. Semi-structured interview guide.

Questions are about marketing strategies of chosen companies.

The following questions will be used for the research and the answers can be treated as staying anonymous, if wished.

A. Basic Information
1. What is your title in your company?
2. What is your work experience in your company?
3. Do you wish that your answers treated as confidentially and anonymous?

B. Marketing Strategies in China
1. Can you make a brief introduction about the development history of KFC/McDonald’s in China?
2. How often does your company put out new product to the market?
3. According to the tastes of Chinese customers, will you adapt your recipe to their special taste?
4. How could you implement your price strategy? Is it necessary for the company to lower prices in China?
5. How many ways does your company deliver the coupons? How does it affect the performance?
6. How do you choose site to open a new branch? What could you consider about this issue?
7. What is your perception of promotion? What efforts has your company made in advertisement?
8. What do you think of “24 hours service” and take away service? Why do you implement this kind of service?
9. What role does local culture play toward KFC/McDonald’s entering Chinese market? What kind of related strategies do you implement to adapt to the Chinese culture?
10. Will you try to find some partners to cooperate to promote the products?
Extra comments related to the above material:

Thank you for your participation!

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