

Global Arches: A Cultural Look at McDonald's Franchises in Central Europe

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ABSTRACT

This study examines the cultural influences of McDonald's franchises in Central Europe. What aspects can the franchise change to blend into the local culture and what aspects must it keep congruent with corporate standards? How does an American franchise survive and what effects does it have on the local culture? Qualitative and quantitative research was used during a brief trip to Central Europe to find answers to these questions.

INTRODUCTION

"McDonald's *is* Japanese," retorted Ed Lee, a resident of Japan, about the international franchise. For many, McDonald's has become a local part of their culture and no longer looked upon as "American." For others, it screams "American" as McDonald's capitalizes on its high productivity, fast service, low cost, and abundance of restaurants. In today's competitive marketplace, numerous American restaurant chains are attempting to enter international markets. As McDonald's faces stiff competition in the United States, it looks outside its borders for the majority of its profits. This study investigates the cultural influences on the world-renowned golden arches in the countries of Austria, Czech Republic, Greece, Hungary, Italy, and Switzerland.

Today, McDonald's has over 1.5 million franchises in the United States and about half of the total franchises are outside the U.S. in over 120 countries (Ritzer 2000, p4). McDonald's food has become a routine part of our lifestyle. Children's Happy Meals are offered on United flights to Orlando (Ritzer, p9), and Swiss Rail offers McDonald's items in some of their meal cars. Amidst all the fame and fortune of McDonald's, there are concerns about how the spread of standardization of the franchise is affecting cultures, attitudes, and the environment.

McDonald's entrance into the global market has not been easy. McDonald's has faced protests in Brazil based on claims that it buys its beef from ex-rainforest land (Branford 1997). There have been labor grievances in Moscow and protests in France about American hormone-fed beef. Concerns have also been expressed over the international development of American fast food franchises adversely affecting traditional local customs in eating and consequent changes in lifestyles. For example, James Watson (1997) discusses the replacement of Japanese teahouses by American fast food franchises.

What aspects can the franchise change to blend into the local culture and what aspects must it keep congruent with corporate standards? How does an American franchise survive and what effects does it have on the local culture? This paper will provide a brief trip through Central Europe and a look at the effects of the franchise in those countries.

METHODS

The objectives were researched through a variety of qualitative and quantitative methods and the research conducted in two phases. The first phase consisted of an extensive review of literature related to individual cultural issues that are associated with McDonald's expansion into these areas. The National Trade Data Bank was the primary source of reference for specific country data. Archival research was also utilized by collecting McDonald's literature on Central European countries. Internet websites such as the Corporate McDonald's website and the McSpotlight website also provided valuable information. During this phase, a sample survey to reveal consumer demographics, likes, and dislikes was created and translated. An interview guide was developed with open-ended questions and focused on labor issues and other issues that were discovered during the previous literature review and cultural analysis.

The second phase of the study consisted of onsite observation, manager and employee interviews, and the administration of an onsite consumer survey. A minimum of two visits during different times of the day were spent in local McDonald's observing the clientele, service, food, and structure of the franchise. During this time, a short survey was administered to assess McDonald's consumer habits. Data was then compiled for the analysis of the key differences among Central European countries and U.S. franchises. Individual interpretation was supplemented by the additional archival research done on each country. It was then compiled to discuss the effect of an American franchise on food cultures.

RESULTS AND CONCLUSIONS

The results of this study are extensive and detail oriented. However, the following discussion will summarize the results.

First, McDonald's may not succeed abroad if it weren't for tourists and parents who wish to spoil their children. All but one McDonald's were filled to capacity but lacking a local population. Interviews and surveys revealed that tourists come to McDonald's for the consistency and familiarity in food, quality, service, cleanliness, and value. Many young tourists stated they visit McDonald's overseas more than at home because it fits their budget better than a local restaurant. Others admitted their patronage to McDonald's resulted from a fear of experimenting with local food and unsafe meat products. A South Korean girl despises McDonald's in her own country, but frequented the franchise on her European vacation because of her sensitive stomach. Others make visits to the franchise for its clean and air-conditioned atmosphere while some disregard all food and simply use the free toilet.

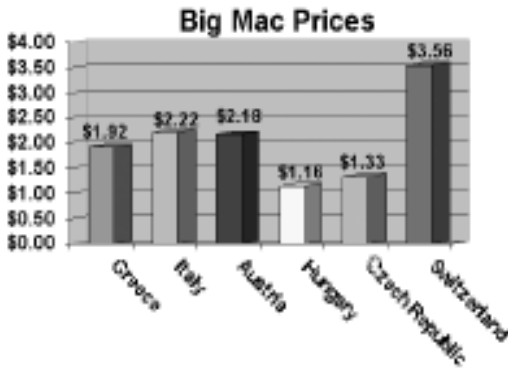
Children are the other important demographic group for McDonald's. If a business can attract children, it has doubled its clientele since someone has to bring the children. "One day, I hope that Kevin will appreciate my cooking...but for now, I can't even compete with a Big Mac and fries," commented a mother of a four-year old (Ritzer, p205). McDonald's provides many services to children. Swiss McDonald's developed the Party Train, which allows children to celebrate their birthday through the popular train routes in Switzerland. All of the franchises in Italy put a lot of work into their children's area. Some advanced McDonald's, such as the one in Naples, have a large McPlayland outside the restaurant. The McDonald's in Naples also dedicates its entire basement to children.

Location is one way of targeting these two demographic groups. The study did not reveal any McDonald's situated in the local towns. The franchisee chooses the most populous area in the city with the most tourist traffic. In every major train station, one can find a "golden arch." In many instances, McDonald's flood the market in such a way that after visiting the

restaurant inside the train station, one can walk outside and find another just four doors down. Rome has the most McDonald's with the last formal count at 33. The franchises in Rome also hand out a map of the city that accurately points out where each of the 33 restaurants are located. There are three McDonald's on one of the most popular streets in Prague, all within one mile. Instead of a typical separate building, McDonald's tries to blend in with the local architecture. The gold floresent arch is the only thing that distinguishes the restaurant from the local stores and businesses.

The study found more variety in the price than in the food or interior of each McDonald's across Central Europe. In many cases, one can judge the state of a foreign economy by the price of its Big Mac. Figure 1 shows how each country prices the Big Mac sandwich individually.

Figure 1



By examining Figure 1, one can see that Switzerland has the most expensive Big Mac. Switzerland also has the highest cost of living. Hungary has the lowest cost of living and therefore, has the cheapest Big Mac. Labor wages also reflect this standard of living as can be seen in Figure 2 below. The average starting salary abroad is lower than the franchises in the United States, but reflects the cost of living in the countries studied. For example, the starting salary in

Budapest, Hungary is only the equivalent to US\$1.08. Considering one can buy a full breakfast for US\$1.66 in Hungary and rent a studio apartment for US\$81 per month (Yoppi), the hourly wage isn't that bad. Unfortunately, the wages for Italy and Switzerland were unable to be obtained.

Figure 2



The international franchises have power to adjust the rules and atmosphere at each McDonald's such as adjusting prices, charging for condiments, offering beer, and alterations in the architecture. However, there are other aspects that McDonald's must keep uniform with Corporate McDonald's: Manager training at Hamburger University in Elk Grove, Illinois, scripts for employees to adhere to, and clean bathrooms.

Table 1 below illustrates some of the unique characteristics in each McDonald's.

Table 1

COUNTRY	CHARACTERISTICS
AUSTRIA	Serves draft beer and bagels, intoxicated locals, health standards are higher than corporate McD, highest wages (\$5.00/hr)
CZECH REPUBLIC	Cleanest McDonald's, charge for condiments, Disney Alliance, charge for toilet use (12¢)
GREECE	Serves a lot of pork, longest hours (7a.m.-5a.m.), Disney Alliance, Allows smoking on separate floor
HUNGARY	Least expensive Big Mac, charge for condiments, slowest service, lowest wages (\$1.08/hr), presence of Arabian beggars
ITALY	Serves draft beer and biscotti, salad bar, dirtiest McDonald's, Rome has 33 locations
SWITZERLAND	Serves draft beer, most expensive Big Mac, charge for condiments, has a party train

Some say the popularity of McDonald's is due to the desire to be associated with the American culture. However, according to Ritzer (2000 p192), "McDonald's is a symbol of problems such as environmental degradation, dietary dangers, the evils of capitalism, poor working conditions, faltering unionization, neglected children, and the threat of Americanization." Due to this fact, McDonald's has been the target of many anti-American protests and may be in the future.

American corporations are quickly persuading the rest of the world to adapt to their efficiencies, which are based on uniformity. Most of the world is latching on to these ideas without giving thought to how it may affect the local cultures. Instead of experiencing the beauty of the local culture, tourists cling to what is familiar by eating at franchises and staying at standard hotels. McDonald's is adding to this standardization across the globe.

LIMITATIONS

There are many limitations to this research because it crossed over many cultures. First, survey translations into the native language may not have been accurate. Also, surveys and manager interviews were not customary in some countries such as Italy and Switzerland. Therefore, the research from these countries is not complete. Second, the research was conducted in the busiest part of the tourist season. There may in fact be a large number of locals

who patron McDonald's in the off-season but avoid it in the tourist season. Thus, the input from locals was minimal. Third, most of the McDonald's included in the study are in the same geographical region. This provides a great deal of uniformity among the franchises. In future studies, a true global approach would be more effective such as researching one McDonald's per geographic region in the world.

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