

Chapter 13

Glocalization in Fast Food Chains

Glocalization in Fast Food Chains: A Case Study of McDonald's

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ABSTRACT

This chapter aims to cover the emergence of glocalization in global perspective and to relate various glocal practices of multinational fast food chains with marketing mix of McDonald's. In the wake of investigating the marketing mix of McDonald's, cleared that the company can be said to be "glocal", i.e. combining elements of globalization and internationalization. McDonald's have accomplished this through applying the maxim, "think global, act local", to all the components of the marketing mix.

INTRODUCTION

There is a series of standard procedure to set up a new branch; however it can't just be replicated by previous experience. Hence, doing market research is a vital stride among these procedures: it helps companies to evaluate whether their products are appropriate for new environment, particularly for international enterprises to understand their potential customers in different areas with different cultures. "Glocalization" is a term coined by the sociologist Roland Robertson (1995) in the late 1990s and it refers to product or service in a global market that is customized

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for the local people in the country in which it is sold. It is not a wholly new concept but it is a process of product positioning. The difference is that when companies face different cultures they will need to spend more time and resources to understand and develop suitable strategies and products for local people. How can we “see” the glocalization of enterprises? Either by looking at food where one can observe the differences between different areas easily. Let us discuss a well-known example to portray how a company adjusts its products and services to attract local customers.

McDonald’s is a leading worldwide fast-food eatery which is available in more than 100 nations. There is additionally an important tool in economics called the “Big Mac Index” which can be used to calculate purchasing-power parity of people in different countries. Undoubtedly, McDonald’s executes good glocalization strategy. As a global enterprise, it has developed various standard strategies and positioning benchmarks. However to major front as well, the local experience cannot be overlooked. Here are some fascinating facts about McDonald’s in various nations:

1. **India:** Since Hindus don’t eat beef and Muslims don’t eat pork, McDonald’s changed the hamburger of Big Mac to chicken. As many Indians are vegetarians, there are likewise some veggie lover choices, for example, McAloo Tikki or Chili Paneer Pockets which made by cheese and vegetables.
2. **Germany:** Providing German hotdog burgers and German beer that meets local eating customs.
3. **Taiwan:** Rice is Taiwanese staple food so McDonald’s replace the bread to rice to make the Merice burger.
4. **Greek:** Pita is a kind of common food in Greek daily life so McDonald’s made Greek style Mac using pita.
5. **Australia:** From the menu one will find out that how much Australians love wraps. Subsequent after looking at these special McDonald’s meals in different countries, one can say that these imitated local foods doesn’t taste better than real local style food, however, McDonald’s tries to do two things: attract old customers to try “new” products and make potential customers who don’t like fast food try some “familiar” food. Therefore, it is not only a debatable issue, as well as meets the marketing targets.

The history of word “Glocalization” has attached to different perspectives in respect of fast food chains. However the evolution of glocalization has been traced on the Japanese model dochakuka which means living on ones’ own land. Indeed the term “Glocal” is considered as blend of global and local according to the Oxford Dictionary of New Words (1991). Undoubtedly the concept has its origination in

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