



# McDonald's: "think global, act local" – the marketing mix

McDonald's:  
"think global,  
act local"

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**Abstract** *Focuses on the marketing mix of McDonald's. Highlights how the company combines internationalisation and globalisation elements according to various fast food markets. Using the effect of strategical and tactical models, the case illustrates the effect of McDonald's on the global environment and how they adapt to local communities. Describes future franchise plans for McDonald's.*

## Introduction

### *McDonald's background*

Two brothers, Richard and Maurice McDonald founded McDonald's in 1937. The brothers developed food processing and assembly line techniques at a tiny drive-in restaurant east of Pasadena, California.

In 1954, Ray Kroc, a milk-shake mixer salesman, saw an opportunity in this market and negotiated a franchise deal giving him exclusive rights to franchise McDonald's in the USA. Mr Kroc offered a McDonald's franchise for \$950 at a time when other franchising companies sold restaurant and ice-cream franchises for up to \$50,000. Mr Kroc also took a service fee of 1.9 per cent of sales for himself plus a royalty of 0.5 per cent of sales went to the McDonald brothers. The McDonald's brothers sold out for \$2.7 million in 1961.

McDonald's first international venture was in Canada, during 1967. Shortly afterwards, George Cohon bought the licence for McDonald's in eastern Canada, opening his first restaurant in 1968. Cohon went on to build a network of 640 restaurants, making McDonald's in Canada more lucrative than any of the other McDonald's outside the USA.

The key to the international success of McDonald's has been the use of franchising. By franchising to local people, the delivery and interpretation of what might be seen as US brand culture are automatically translated by the local people in terms of both product and service.

McDonald's now has over 20,000 restaurants in over 100 countries, and around 80 per cent are franchises.

## Globalisation versus internationalisation

Globalisation involves developing marketing strategies as though the world is a single entity, marketing standardised products in the same way everywhere. Globalised organisations employ standardised products, promotional campaigns, prices and distribution channels for all markets. Brand name,

product characteristics, packaging and labelling are the easiest of the marketing mix variables to standardise.

Globalisation of markets requires total commitment to international marketing; it embodies the view that the world is a single market. For example, Nike trainers, Levi's' jeans and Coca-Cola have all crossed global borders; however, even there, some tailoring of the message is visible.

Internationalisation involves customising marketing strategies for different regions of the world according to cultural, regional and national differences to serve specific target markets. In order to standardise the marketing mix, the strategy needs to group countries by social, cultural, technological, political and economic similarities.

Ohmae (1989) states that "large companies must become more global if they hope to compete. They must change from companies that treat their foreign operations as secondary, to companies that view the entire world as a single borderless market". Levitt (1983) suggests that, as markets become increasingly similar and more global, the key to success lies in the ability to globalise.

Czinkota and Ronnenken (1995) believe that multinational companies should have to find out how they must adjust an entire marketing strategy, including how they sell and distribute, in order to fit in with new market demands. "Altering and adjusting the marketing mix determinants are essential and vital to suit local tastes, meet special needs and consumers' non-identical requirements" (Czinkota and Ronnenken, 1995).

However, Taylor (1991) supports the view that companies should use both internationalisation and globalisation elements to create a competitive advantage:

... it is important to heed the maxim "think global, act local". The firm must ensure that its structure fits in with its international environment, while at the same time, have the internal flexibility required to implement its strategic goal (Taylor, 1991).

The debate between these two schools of thought is continuous and, as trade barriers throughout the world diminish and we move towards a single economy, more firms seem to be entering the international arena:

Growing internationalisation of tastes and buying patterns has made the development of global and regional brands more feasible (Doyle, 1994).

As a result, organisations are experiencing a change in focus from developing into a global company over time to being a "born global". Born globals operate on a worldwide scale from birth rather than developing with the business.

The concept of "think global, act local" has become the business phrase of the twentieth century and increasingly topical when looking at the debate between internationalisation and globalisation. Crossing borders, both physically and electronically, is becoming increasingly vital for even the smallest businesses to remain competitive.

### **The marketing mix**

McCarthy (1975) formulated the concept of the 4Ps – product, price, promotion, and place marketing mix. For many years these have been used as the principal

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foundation on which a marketing plan is based. However, with particular attention being paid to services marketing in recent years, theorists have identified additional variables which could be added to the 4Ps. Fifield and Gilligan (1996) recognised the following variables as an integral part of the marketing mix – process, physical, and people.

It is these 7Ps that we will use in analysing the marketing mix of McDonald's:

- (1) *Product* – features, quality, quantity.
- (2) *Place* – location, number of outlets.
- (3) *Price* – strategy, determinants, levels.
- (4) *Promotion* – advertising, sales promotion, public relations.
- (5) *People* – quantity, quality, training, promotion.
- (6) *Process* – blueprinting, automation, control procedures.
- (7) *Physical* – cleanliness, décor, ambience of the service.

### *Product*

One of the aims of McDonald's is to create a standardised set of items that taste the same whether in Singapore, Spain or South Africa. McDonald's learned that, although there are substantial cost savings through standardisation, being able to adapt to an environment ensures success. Therefore the concept of “think global, act local” has been clearly adopted by McDonald's.

Adaptation is required for many reasons including consumer tastes/preferences and laws/customs. There are many situations where McDonald's adapted the product because of religious laws and customs in a country. For example, in Israel, after initial protests, Big Macs are served without cheese in several outlets, thereby permitting the separation of meat and dairy products required of kosher restaurants. McDonald's restaurants in India serve Vegetable McNuggets and a mutton-based Maharaja Mac (Big Mac). Such innovations are necessary in a country where Hindus do not eat beef, Muslims do not eat pork, and Jains (among others) do not eat meat of any type. In Malaysia and Singapore, McDonald's underwent rigorous inspections by Muslim clerics to ensure ritual cleanliness; the chain was rewarded with a *halal* (“clean”, “acceptable”) certificate, indicating the total absence of pork products.

There are also many examples of how McDonald's adapted the original menu to meet customer needs/wants in different countries. In tropical markets, guava juice was added to the McDonald's menu. In Germany, beer is sold as well as McCroissants. Chilled yogurt drinks are available in Turkey, espresso and cold pasta in Italy. Teriyaki burgers are sold in Japan, vegetarian burgers in The Netherlands. McSpaghetti has become increasingly popular in the Philippines. McLaks (grilled salmon sandwich) are sold in Norway, McHuevo (poached egg hamburger) in Uruguay. In Thailand, McDonald's introduced the Samurai Pork Burger with sweet sauce. These are all examples of how McDonald's has adapted its product offer in international environments.

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Irrespective of variations and recent additions, the structure of the McDonald's menu remains essentially uniform the world over: main course burger/sandwich, fries, and a drink – overwhelmingly Coca-Cola. The keystone of this winning combination is not, as most observers might assume, the Big Mac or even the generic hamburger, it is the fries. The main course may vary widely, but the signature innovation of McDonald's – thin, elongated fries cut from russet potatoes – is ever-present and consumed world-wide by all McDonald's customers, irrespective of their religious beliefs or political stance! It is understandable, therefore, why McDonald's has made such a fetish of its deep-fried potatoes and continues to work on improving the delivery of this industry winner.

### *Quality*

Quality Assurance teams are responsible for monitoring the quality of McDonald's food products, both in the restaurants and at suppliers at all stages of production. This involves a continuous round of visits, inspections and audits, announced and unannounced, to all production facilities, distribution centres and restaurants. Visits even extend to secondary suppliers such as farms, to monitor crops growing in the field or to inspect seeds prior to planting.

Every supplier manufactures to very tight specifications, which detail the exact quantity and quality of raw ingredients and the dimensions of the finished product. The specifications also stipulate extensive checking procedures. In addition to studying all production run records which are sent to McDonald's by suppliers, McDonald's regularly take samples of stock at distribution centres to ensure that they conform to specifications.

The quality controls continue when the food arrives at restaurants. No delivery is accepted until a series of quality and safety checks is completed. All restaurant staff receive comprehensive training in food safety and hygiene and food preparation procedures. This is a global practice and is one of the distinguishing features of McDonald's as a fast-food restaurant.

### **Place**

McDonald's currently has over 24,500 restaurants in 116 countries across the world (see Table I).

McDonald's continues to focus on managing capital outlays more effectively through prudent and strategic expansion. In 1998, the company added 1,668 restaurants system-wide (whether operated by the company, franchisee or joint venture), compared with 2,110 in 1997 and 2,642 in 1996. In 1999, McDonald's expected to add about 1,750 restaurants with a continued emphasis on traditional restaurants primarily in locations outside the USA.

McDonald's realises the potential for growth in international markets and plans to benefit from lessons that they learned in the USA. For example, they used to add 300-400 restaurants a year, every year, in the USA regardless of circumstances. It was a strategy that created a gap between them and the

competition. However, they realise looking back that they could have built even more restaurants at a time when competition was not so great. This would have meant that a lot of those "other" restaurants could have been McDonald's. They have applied this lesson to their rapidly growing international business, especially in markets where competition is not so strong. For example, McDonald's added 415 restaurants in Japan, accounting for 25 per cent of system-wide restaurant additions in 1998. Longer-term, markets like China, Italy and Mexico are expected to represent a growing proportion of restaurant additions. Although this strategy is an example of globalisation, it is still clearly a "glocal" focus as McDonald's can now share ideas, best practices and human resources across borders, thus further enhancing its competitive advantage and strengthening its leadership position.

### Price

McDonald's has realised that, despite the cost savings inherent in standardisation, success can often be attributed to being able to adapt to a specific environment. This is indeed the case with its implementation of its pricing strategy, which is one of localisation rather than globalisation.

Table II illustrates the comparative Big Mac prices (flagship brand of McDonald's) from around the world. It succeeds in highlighting the point that McDonald's has had to come up with different pricing strategies for different countries. More importantly, rather than just having a different pricing policy for the Big Mac in these listed countries, McDonald's has had to select the right price for the right market. The highest comparative price for the Big Mac is that of our own country, the UK, but why is that the case? How does McDonald's come to its pricing decision?

### Pricing decisions

For each country, there is a rigorous pricing process that is used to determine the price for that particular market. The process, as described by Vignali *et al.* (1999), is listed below:

- (1) selecting the price objective;
- (2) determining demand;
- (3) estimating costs;

|                         | 1998   | 1997   | 1996   | 1995   | 1994   |
|-------------------------|--------|--------|--------|--------|--------|
| USA                     | 12,472 | 12,380 | 12,094 | 11,368 | 10,238 |
| Europe                  | 4,421  | 3,886  | 3,283  | 2,595  | 2,195  |
| Asia/Pacific            | 5,055  | 4,456  | 3,633  | 2,735  | 2,168  |
| Latin America           | 1,405  | 1,091  | 837    | 665    | 505    |
| Other                   | 1,447  | 1,319  | 1,175  | 1,017  | 880    |
| System-wide restaurants | 24,800 | 23,132 | 21,022 | 18,380 | 15,950 |

Source: McDonald's Corporation (1998, p. 26)

**Table I.**  
McDonald's restaurants  
by area 1994-1998

| BFJ<br>103,2 | Country      | Price of Big Mac | Cost in UK£ |
|--------------|--------------|------------------|-------------|
|              | Australia    | \$2.65           | 0.87        |
|              | South Africa | R7.80            | 0.92        |
|              | USA          | \$1.89           | 1.13        |
|              | Korea        | 2,600won         | 1.13        |
| <b>102</b>   | India        | Rs80             | 1.19        |
|              | New Zealand  | \$3.65           | 1.20        |
|              | Turkey       | 500,000TL        | 1.25        |
|              | Japan        | 280yen           | 1.27        |
|              | Spain        | 375psts          | 1.44        |
|              | Brazil       | 2.95reals        | 1.52        |
|              | Ireland      | IERP1.85         | 1.52        |
|              | Switzerland  | SF4.02           | 1.58        |
|              | Germany      | DM4.90           | 1.58        |
|              | Italy        | L4,800           | 1.59        |
|              | Austria      | Sch34            | 1.61        |
|              | Belgium      | BF105            | 1.66        |
|              | Denmark      | DKK19.95         | 1.80        |
|              | UK           | £1.81            | 1.81        |

**Table II.**  
Comparative Big Mac  
prices from around the  
world

**Source:** World Wide Web

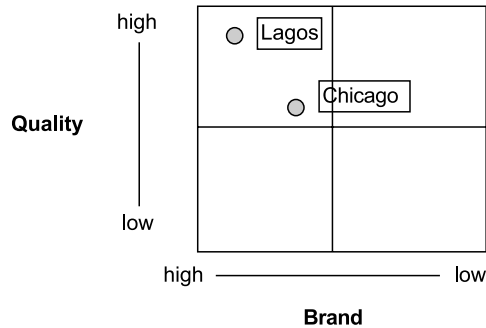
- (4) analysing competitors' costs, prices and offers;
- (5) selecting a pricing method; and
- (6) selecting a final price.

The process above sets out the basic framework that allows McDonald's to set localised pricing.

McDonald's overall pricing objective is to increase market share. In each country, they look at the demand for their product as a barometer for setting price. In the USA, for example, a Big Mac with fries costs the equivalent of a Chicago office worker's earnings during 14 minutes. However, elsewhere, a meal like this is perceived as a luxury, as opposed to a normal product, and would cost a lot more relative to earnings. In Nigeria, for example, a corresponding meal would represent 11 hours 23 minutes of work for someone living in Lagos. Thus, depending upon the perception of price by the consumer, then will the price of the McDonald's product be determined.

This can further be explained by looking at Vignali's tactical model for MIXMAPping (see Figure 1). By looking at the product MIXMAP, it is clear that, although placed in the same box, the consumer in Lagos perceives the McDonald's products as having more quality than the consumer in Chicago. Therefore, in Lagos, the consumer will be willing to pay a higher price relative to their earnings; hence, McDonald's prices its goods accordingly.

This pricing strategy does not always work successfully, though, as was the case in the USA in 1997 when McDonald's was losing domestic market share. To combat this, they had to lower prices in an attempt to increase revenues.



**Figure 1.**  
Product MIXMAP

Similar efforts had also to be made in Japan for the same reason, proving once more the importance of correct price setting.

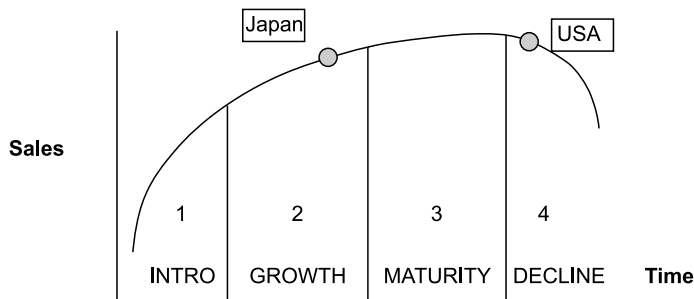
The official stance on McDonald's pricing policy is highlighted in the company's mission statement, where it states that the most fundamental element of determining price was:

Being in touch with the pricing of our competitors allows us to price our products correctly, balancing quality and value.

Therefore, it is possible to conclude that, by looking at other competitors in each country, McDonald's can set the appropriate price for their products. In New Delhi, India, McDonald's was looking at market penetration in October 1996, and set price through looking at Nirula's, a local food chain. They used this local example as a guideline to what the Indian would perceive as an acceptable price and hence what they should charge.

A comparative survey of prices was carried out in Hong Kong in June 1994 and demonstrated that McDonald's in price is equal to or cheaper than its competitors in the fast food sector. The remarkable thing is, however, that not only is McDonald's competitive in the fast food sector but its prices remain competitive with those of other food purveyors. In Hong Kong, for example, an average "value meal" is less than half the price of a simple noodles meal!

It is also important to look at the life cycle of a product/brand before setting price, as then it is possible to select a pricing strategy from this (see Figure 2).



**Figure 2.**  
The product life-cycle as  
a determinant of price

Source: Kotler (1994)

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The product life-cycle (PLC) in Figure 2 is a further example of how the McDonald's pricing strategy is one of glocalisation. The comparison is made between the markets in the USA and Japan, who are at contrasting stages of the PLC. If we use the example of the Big Mac, as illustrated in Table II, we can see that in terms of the UK£, in the USA, the Big Mac is priced at £1.13 and in Japan, it is priced at £1.27. This is explained because the US market is in the decline stage of the PLC and so has to cut prices to re-establish lost revenue, as was the case in 1997. On the other hand, the Japanese market is in its growth to maturity phase and so can price the Big Mac higher with greater success in terms of profitability.

### **Promotion**

Promotion, or the marketing communications mix, was seen by Kotler (1994) as consisting of five major tools:

- (1) advertising;
- (2) direct marketing;
- (3) sales promotion;
- (4) public relations and publicity; and
- (5) personal selling.

Using these tools, McDonald's looks to localise its marketing communications strategy as it needs to consider the enormous range of cultural and other differences that it would be faced with in each country. It would be naïve to ignore the various local markets and the factors which may affect the performance of its product in them. It also needs to analyse consumers' attitudes towards its product, usage patterns and ethnic, moral and religious considerations in that environment. Although the idea is to promote McDonald's as a global image, McDonald's focuses on the needs of the communities they are entering. In a communications context, the maxim "brand globally, advertise locally" (Sandler and Shani, 1991) is the McDonald's promotional strategy. To understand this more fully, further exploration of the key elements of the promotional mix, appropriate to McDonald's, must be examined.

#### *Advertising*

McDonald's has a wide range of advertising campaigns in various countries. For example, in the UK, they use the England footballer Alan Shearer as a figurehead to promote their hamburgers, whereas in France they use Fabien Barthez, the French international goalkeeper. The point is that the image they are trying to convey is the same; McDonald's just use different personalities in different cultures to get their message across.

This point can further be illustrated by Figure 3 which is Sandler and Shani's (1991) classification of brand/advertising decisions. The McDonald's advertising strategy would be positioned in strategy 2, as McDonald's

concentrate on standardising their brand name but localising their advertising campaign. Examples of this are listed below.

In East Asia, McDonald's could not have had the success they have experienced without their appeal to younger generations of consumer: children and teenagers. The corporation makes a point of cultivating this market and invests heavily in television advertising aimed specifically at children.

The advertising of McDonald's is different in China, as, by Autumn 1994, they still had not placed an advert on Beijing television. According to the general manager, it was pointless to advertise McDonald's on television because Chinese commercials, unlike their counterparts in the West, appear only during the interval between programmes. After watching one programme, audiences tend to switch to another channel, which means that adverts have little chance of being seen. Newspapers and popular magazines were therefore seen as a better way to present McDonald's public image. In the Beijing region, McDonald's relied on Burson-Marsteller, a transitional public relations company, to deal with the Chinese news media.

This example of localisation can also be shown on one of Vignali's MIXMAPs (see Figure 4). The matrix in Figure 4 highlights the fact that McDonald's does not have just one universal advertising campaign. It recognises the fact that, as mentioned above, the Chinese do not often watch TV adverts and the medium through which they advertise to the Chinese consumer most is the press.

A further example of McDonald's acting more locally was when in Beijing, China, the company's male mascot, Ronald, was paired with a female

|            |                  | Advertising  |                  |
|------------|------------------|--------------|------------------|
|            |                  | Standardised | Non-Standardised |
| Brand Name | Standardised     | Strategy 1   | Strategy 2       |
|            | Non-Standardised | Strategy 3   | Strategy 4       |

Source: Sandler and Shani (1991)

Figure 3.  
Classification of brand/  
advertising decisions

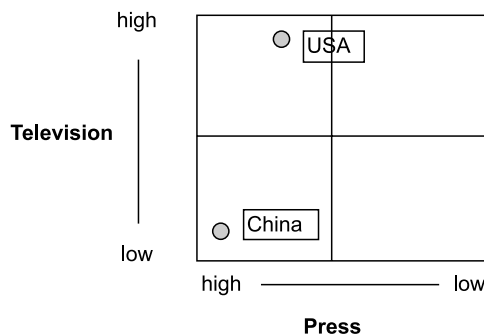


Figure 4.  
Promotion MIXMAP

companion known as Aunt McDonald, whose job it was to entertain children. Once more, this shows how McDonald's paid particular attention to the specific market, knowing full well that this new female companion would only be successful in certain international fast food markets and not work on a global scale.

In contrast, in Hong Kong, McDonald's has made great efforts to present itself as a champion of environmental awareness and public welfare, as they see this as an important attribute to the local consumer. A leaflet comparing the Hong Kong fast food industry saw McDonald's adverts as:

Promoting McDonald's as a local institution, with a clear stake in the overall health of the community.

#### *Public relations*

A feature of the localisation of McDonald's in Beijing is that, in contrast to the US practice of substituting technology for human workers, the Beijing McDonald's relies heavily on personal interactions with customers. In everyday operations, one or two public relations staff in each outlet are available to answer customers' questions. Each restaurant assigns five to ten female receptionists to take care of children and talk with parents. The whole courtesy issue is such a big thing in the Far East and so McDonald's has to pay particular attention to this. There would be no need for customer public relations officers in the UK as the British have a completely different mentality and would be more than happy to just eat their meal and leave the restaurant.

There are certain times, though, when McDonald's does adopt a global strategy. In January 1997, McDonald's announced a global alliance with Walt Disney which allowed them to share exclusive marketing rights for everything from films to food, for the next ten years. This has led to McDonald's producing toys in their "happy meals" for films such as *A Bug's Life*, *Toy Story* and the latest Disney offering, *Tarzan*. In this instance, there is no need for McDonald's to act local, as Walt Disney has a world-wide appeal that does not need altering for different communities. Similarly, another global public relations exercise is the Millennium Dreamers Global Children's recognition programme which is being presented in conjunction with McDonald's, Walt Disney and UNESCO. Young people from all over the world have the opportunity to express their hopes, dreams and plans for the future.

#### *Sports sponsorship*

McDonald's sponsors a vast array of sports, on both a national and a global scale.

Globally, McDonald's enhances its brand name with such associations as the Olympic Games and the World Cup, the two biggest sporting events in the global calendar. McDonald's paid an estimated £20 million for the right to use the official logo of the international football event. The global nature of the event allows advertisers to produce an international campaign and, with an estimated 2 billion people watching the World Cup, the McDonald's message is

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easily conveyed. The Olympic Games has also been a valuable advertising tool, for, as Brad Ball (senior vice-president of McDonald's USA) puts it, "The Olympic Games has reinforced our reputation as a truly global brand".

Nationally, McDonald's targets specific events with which it would like to be associated. In the USA, McDonald's has strong links with the NBA (National Basketball Association) and NASCAR racing, two hugely popular sports in the USA.

McDonald's recognises that these sports are only popular in the USA and so chooses just to sponsor these sports within the US boundaries and not on a global scale.

### *Community relations*

McDonald's concentrates on helping "seek solutions for the problems facing children and families today" (Ken Barun, president and CEO of Ronald McDonald House Charities). There are 160 local RMHCs in 27 countries all aimed at the specific needs of improving the lifestyles of under-privileged children. They attack this global problem by addressing the problems locally.

## **People**

A blend of US human resource practices and host country norms.

A new McDonald's opens somewhere in the world every eight hours. Two thirds of the 1,200 to 1,500 new restaurants which the company opens annually are outside the USA. The firm has more than a million employees, and estimates that the figure will double in the next few years.

Before entering a country for the first time the human resource department has a list of questions that must be answered. These include:

- What are the labour laws?
- Would McDonald's be able to establish part-time and flexible work schedules?
- Is there a maximum number of hours an employee can work?

McDonald's then adapts to each individual situation, therefore one could describe the process as "glocal".

The company is strongly committed to staffing locally and promoting from within. This means that McDonald's has managers who understand both the corporate and the local cultures. The emphasis when recruiting is that the applicants are customer-focused; the right attitude is seen as more important than technical ability. The company believes that the best way to stand out from the crowd is to satisfy all of the customers, all of the time. This is emphasised in recruitment advertising and continues in preliminary screening; this is standard the world over and another clear example of a globalisation strategy.

There is a hamburger university in Illinois, USA. The main course is in advanced operations; this is designed for managers, assistant managers and

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prospective franchisees. It provides training in 22 languages, although the course teaches a standard practice to be used in restaurants worldwide, and teaching is adapted to suit the needs of overseas students. There are additional training centres in Munich, Tokyo, Sydney, London and mainland China. The training centres teach managers such details as the temperature at which hamburgers should be cooked and how to inspect restaurant facilities to ensure that quality standards are met. Managers are also taught how to give performance reviews, how to listen and what to do if a person becomes defensive. Managers, in turn, pass the details on to their staff.

Within the restaurant structure in the UK there are three main levels of recruitment at McDonald's – hourly paid employees, junior business managers and business management trainees.

The management development programme is for recruits who are at least 21 and who have some management experience. It offers a direct route into management following an intensive and structured training programme. Training in business management begins with an intensive training course which teaches the basics of restaurant operation. This is followed by a series of training courses designed to back up skills learned in the restaurant and to develop management, communication and leadership skills. All managers follow the management development programme.

The junior business management programme is open to A-Level school-leavers and is combined with day release for study for a recognised business qualification such as BTEC, HNC, HND or a degree. The two-year programme is restaurant-based, and involves management skills and practical experience.

These two programmes are globally observed and adapted locally in terms of qualifications.

In many countries, just building a restaurant and finding food that will meet company standards require hiring an entire network of support services such as engineers, construction workers and agricultural experts. This is to ensure that the restaurant will meet McDonald's standards and is an example of how McDonald's uses globalisation.

### **Process**

There are 25,000 McDonald's restaurants in over 100 countries. The procedure for making the food is identical everywhere. This epitomises globalisation; McDonald's standards have to be met the world over. For example, one out of two fries must measure 75mm, meat for Big Mac's weighs 45g and is 20 per cent fat, and buns are 9.5-9.8cm in diameter and 6cm high.

Suppliers have to meet all the specifications and demands that McDonald's sets them; if they cannot do this, McDonald's vertically integrates. For example, in Russia, the beef available did not meet standards so it set up its own source of supply for the restaurant.

The procedures for making the food in the restaurants are identical globally; each restaurant has the same kitchen layout. Local adaptation is again

apparent as different international McDonald's have slightly different menus; therefore new food preparation techniques are used.

The point of purchase at McDonald's is again standardised globally. Many companies operating globally discover language translation problems and therefore cannot use systems globally. McDonald's overcame this problem by using pictographs; employees world-wide ring up sales on machines that display symbols of Big Macs, french fries, or colas instead of words or numerals. Software links price and total items.

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

## Physicals

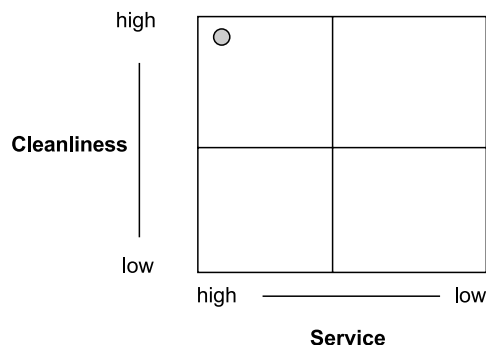
To focus on consistent delivery of quality, service and cleanliness through excellence in our restaurants.

This is the McDonald's message in every franchise throughout the world. The customer knows that, whatever McDonald's they enter, the message of a family environment will still be conveyed. It just depends on where you are in the world as to how that message is broadcast.

This can be shown once again by using Vignali's tactical mapping process (see Figure 5).

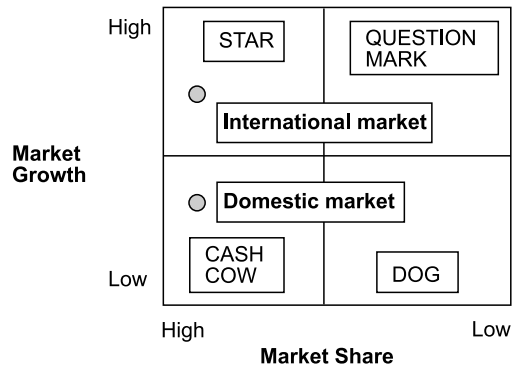
This promotional MIXMAP shows the global standards that McDonald's tries to maintain in terms of cleanliness and service. The service aspect is the variable that is adapted to local communities, like the example of China where the interior walls in the local restaurants are covered with posters and slogans emphasising family values.

A further example of McDonald's standardisation was when Philip T. Walton, marketing executive of McDonald's USA, was taken on a tour of a kitchen in a Beijing McDonald's. He said, "I went on three such tours at different locations, and all were identical".



**Figure 5.**  
Physical MIXMAP

**Figure 6.**  
The Boston Consultancy  
Group matrix



In 1994, McDonald's changed their advertising slogan to "There's nothing quite like a McDonald's".

This saw McDonald's attempting an image change, as they adopted a more personal approach to their customers, trying to talk "to" them rather than "at" them. This was again a bid by McDonald's to add to the whole "McDonald's experience" and to add to their image as a global brand.

The traditional US value of "service with a smile" is embodied in the staff at McDonald's restaurants throughout the world and is now characterised as an expectation of the McDonald's consumer. It is these expectations that McDonald's has to try to continue to meet to keep their competitive advantage in the fast food sector.

### **Summary: globalisation or internationalisation?**

After analysing the marketing mix of McDonald's, it is clear that the company can be said to be "glocal", i.e. combining elements of globalisation and internationalisation. McDonald's have achieved this through applying the maxim, "think global, act local" (Ohmae, 1989), to all the elements of the marketing mix.

McDonald's have been so successful in performing glocalisation that they see the way forward as continuing to expand into these international markets adopting this approach. This can best be explained in utilising the Boston Consultancy Group matrix (see Figure 6).

McDonald's reach this conclusion by the fact that in the USA, their own domestic market, they are a cash cow and have a lower market growth than in the global market. Globally, they are positioned as a star brand and have the ability to obtain a higher market growth and hence profitability.

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