Introduction

“Can you imagine a world without the Big Mac? Or Chicken McNuggets? Or Happy Meals?” This is the starting line of one of the McDonald's website. McDonald's the world's leading food service retailer has more than 33,000 restaurants serving nearly 68 million people in more than 119 countries every day. Glocalization, a newer term used to show the localization of corporations globally, is getting popular due to a variety of reasons. The restaurant industry has been foremost in this process with McDonald's leading the way with several well-known fast food chains such as Starbucks and Dunkin' Donuts (Jargon, 2011). McDonald's have more than 32,000 locations in 117 countries and employ 1.7 million people (Jargon, 2011).

McDonald's divides countries into four different segments: United States; Europe; Asia/Pacific; Middle East and Africa (APMEA); and Other Countries and Corporate. The U.S., Europe and APMEA segments account for 35%, 41%, and 19% of the total revenues respectively. Under the Europe segment, France, Germany, and the United Kingdom make up for about 55% of revenues. Under the APMEA segment, Australia, China and Japan make up more than 50% of the revenues. McDonalds’ “major markets” include U.S., Canada, France, Germany, U.K., Australia, China, and Japan, which together make up 70% of all McDonalds revenues. According to 2010 annual report, global comparable sales growth was 5% with 11% earnings per share growth. The average number of customers served every day was 64 million (McDonalds Corporation, 2011).

Menu Item Strategy

McDonald's business model is designed to enable delivering of consistent locally-relevant restaurant experiences to customers and be an integral part of the communities. It facilitates their ability to identify, implement and scale innovative ideas that meet customers 'changing needs and preferences.' In 2010, McDonalds continued to enhance the customer experience by remaining focused on the Company's key global success factors of branded affordability; menu variety and beverage choice; and convenience. Their financial performance is attributed to several factors including core menu items like Chicken McNuggets and burgers. In addition, extending the snack wrap line with the Angus Snack Wraps allowed customers to enjoy their popular burgers in a smaller, more portable fashion. Today's McDonald's website labels 10 “core menu items.” They are: hamburger, cheeseburger, Big Mac®, Quarter Pounder® with cheese, Big N'Tasty®, McDouble®, Filet-o-Fish®, Chicken Selects® Premium Breast Strips®, Chicken McNuggets®, and French Fries (McDonalds Corporation, 2011).

McDonald's Dilemma

With rapidly expanding global markets, McDonald's have to decide which countries to enter in order to serve growing world markets as well as to gain the first mover advantage. However, they have to decide whether to use the standard menu used in the United States or to modify in order to suit the local tastes. If they have to modify any menu items, what is the degree to which modifications can be made, without losing the McDonald's brand image. In short, they had to tread slowly making changes and meeting the enormous challenges embedded in domestic and international requirements. From the following discussions it will become apparent as to how McDonald's menu changes were incorporated considering various elements.

Objectives

Considering the large number of countries in which McDonald's is located and the prevalence of prevalent differences, this case study highlights some of the adaptations that were necessary to co-align with local consumer tastes and preferences. Menu offerings and service styles in selected countries are analyzed highlighting the most salient features and how these adaptations align with the prevalent food tastes and preferences. Items which are newly introduced and are different for the respective populations are also mentioned. Possible reasons for these adaptations or modifications are included in the discussions of each country's menu offerings. Each country's adapted menu offerings are compared with the core menu items served in the United States highlighting significant changes. In short, examples of selected countries illustrate the menu adaptations to suit the socio-cultural, religious, food preferences, and environmental conditions. Using McDonald's as an example, the primary focus of the study is on how adaptations have to be made in order to compete as well as attract foreign markets. The points of learning and discussions are (a) to realize the importance of socio-cultural, religious, food preferences,
and environmental factors in entering foreign markets, (b) to understand the complex nature of factors that can impact the selection of menu items, (c) to appreciate the diversity among different nationalities, (d) to adapt menu to suit different tastes and preferences yet preserving the brand image, (e) to realize that the impacting factors vary from country to country even within the region and (f) to develop strategies based on local competition and markets. All these aspects lead to discussions that can broaden the scope of learners to understand the rapid growth of globalization.

**India**

Majority of the over billion population in India follow Hinduism which requires its followers to be vegetarian and avoid beef, due to their belief that cows are sacred. McDonald’s adapts its restaurants in India to local tastes, in a nation that is predominantly Hindu and reveres the cow (Bellman, 2009). In addition, the largest minority population consists of Muslims who cannot eat pork or pork products. The elimination of beef and pork items from menu was a critical issue and major hurdle for McDonald’s since their most popular items in the United States are based on meats. Consequently, they had to eliminate hamburgers from the menu and introduce vegetable or chicken based items. The challenge was to devise a new item which met the requirement yet resembled the core products that are offered by McDonald’s. They tested and introduced an item labeled “Maharaja Mac,” which is a version of the Big Mac, originally made with lamb meat and now offered with chicken. It is made with two grilled chicken patties and topped with onions, tomatoes, cheese, and a spicy mayonnaise. This proved to be one of the most popular items served by McDonald’s in India. Actually the presence/success of McDonald’s in India marked the beginning of globalization. McDonald’s initiative to adapt the burger to meet the Indian taste was widely appreciated, visualizing the transformation of Big Mac to Maharaja Mac® (Kulkarni & Lassar, 2009). For breakfast “VegPizzaMcPuff” is offered, which is a sort of hot pocket with tomato and cheese type filling. Lunch or dinner menu include McVeggie®, a sandwich made with peas, carrots, green beans, red bell pepper, potatoes, onions, rice, and a special blend of Indian seasoning topped with lettuce and vegan mayonnaise, all on a sesame seed bun. Paneer Salsa Wrap (wrapped in flatbread and topped with a salad mixture which includes lettuce, red cabbage, and celery – with a vegetarian mayonnaise, salsa, and cheddar cheese) is offered. Other items include McAloo Tikki®, made of boiled potatoes and spices, which is also a very popular vegetarian hamburger. VegMcCurtainPan®, is similar to pizza, is served on a rectangular shaped crust that is topped with a creamy sauce and vegetables including broccoli, baby corn, mushrooms and red bell pepper. It is a baked item with crisp crust and the toppings come hot and bubbly (McDonald’s, India, 2012).

The next problem that McDonald’s had to face was the separation of meat items from non-meat items, required criteria due to religious reasons. This was solved by providing two different kitchens and in some locations different servers and serving areas. The “green” areas are devoted to vegetarian items whereas “red” areas are for meat items. Special care is taken to see that there is no contact with meat items in vegetarian areas. Even the mayonnaise is prepared without using eggs. Also, the uniforms and serving areas are segregated in selected restaurants. One of the major advantages of development of these adapted vegetarian items was realized when European countries had the scare from Mad Cow disease, Foot and Mouth sheep disease, and avian flu, and people were afraid of eating meats. It was very handy for McDonald’s to include tested vegetarian items among menu choices.

All of the adaptations were made to comply with consumer preferences since Indian demand for meals from the major food chains is growing at a double-digit rate with the annual total sales exceeding one billion dollars. As in other emerging economies McDonald’s also faces tough competition from domestic chains such as Nirula’s as well as US franchises particularly KFC, Subways, and Pizza Hut (Keegan & Green, 2013). Despite protests from Hindu religious activists, McDonald’s drew large crowds during its first opening in India. Since activists accused McDonald’s for using beef tallow in its cooking, the management responded by posting signs reading "No beef or beef products sold here." (Keegan & Green, 2013). McDonald’s have a McDelivery service in India.

**China**

Breakfast menu includes ham, egg, pancakes, and cheese sandwich on an English muffin. No cake, bagels, croissants, pastries or salads are included. Chicken is the most preferred meat although beef burgers are also popular. In fact, Big Mac and cheese burgers are the only beef options. Chicken burgers are very popular although thigh meat is used compared to the breast meat used in the West. Chicken McNuggets as well as McWings come with chili spicy garlic sauce. For the Chinese New Year a Grilled Chicken Burger, curly fries, with several good luck tokens are offered. For lunch and dinner, in addition to hamburgers, fish fillet, and chicken sandwiches a couple of teriyaki chicken sandwiches are also offered. For desserts there is a customized local offering known as “taro pie.” Taro is a plant native to Southeast Asia whose roots and leaves are used for food in this region. Taro is commonly used as a main course in China and Chinese cuisine. Taro cakes are traditionally favorite delicacies during the Chinese New Year. Also around the Chinese New Year, Prosperity Burgers are offered. These are basically McRib sandwiches served with a spicy black pepper sauce and onions. A chicken version of this sandwich is also available. Since rice is consumed at every meal, McDonald’s offers the choice of having rice as a side dish. Chinese do not prefer pickles, so they are replaced with cucumbers.

One of the most interesting observations in terms of service...
delivery was the use of the drive thru concept by consumers. Many consumers would buy meal using the drive thru, park their cars, and come inside the restaurant to eat. (Griffith 2008). McDonald’s had to provide information on the correct use of the drive thru service. As with India, China is also the fastest-growing market with an increasing number of restaurant units every year. It is also home to the world’s largest McDonald’s restaurant. The first Chinese location opened in mid-1992 situated very close to the Tiananmen Square. In spite of having a 20-year lease, McDonald’s had to vacate the site since the Beijing’s city government decided to build a complex city center at that location. In spite of this set back McDonald’s now has more than 1,000 units in China and plans to open 600 new units by 2013 (Keegan & Green, 2013).

Japan

McDonald’s have adapted several items and modified their menu items considerably utilizing the existing domestic popular Japanese cuisine. In addition to common breakfast menu items, Salad Marinae McMuffin (lettuce, marinated onions, cheese, bacon and red paprika/pepper), Bacon Lettuce Egg wrap, Mega Muffin (two sausage patties, a slice of cheese, an egg, some bacon and ketchup) are included. Also, Chicken Caesar Wrap as well as the Fillet-o-Fish sandwich is offered as breakfast menu since Japanese prefer to have meat items for breakfast. Lunch and dinner menus contain several adapted menu items. These include Chicken-lemon and salt, and shrimp burger called the Shrimp Filet-O or Ebi Filet-O, served with Thousand Island dressing. Japan seems to have pioneered a shrimp creation, dubbed as the Ebi Filet-O, which was offered first in Japan and now by other McDonald’s restaurants in the region, mainly because of its popularity. It is a deep fried shrimp patty covered with a tangy, chunky sauce and lettuce. There is also a Mega Teriyaki Burger (ground pork sandwich with mayonnaise, lettuce, and teriyaki sauce) and a Teriyaki Mac Burger, which are likely temporary promotional items. Another seasonal item is the Tsukimi Burger (literally moon-viewing burger), a beef patty topped with bacon, one poached egg, and mayonnaise-ketchup sauce, served before or during the tsukimi (autumn moon) season; egg representing the moon. Koroke Burger, mostly served in winter, is a sandwich with breaded mashed potatoes, shredded cabbage, and katsu sauce, served with or without cheese. The quarter pounder is still called “quarter pounder,” even though Japan uses the metric system. There is also a MegaMac, which has almost the double the amount of meat in BigMac. Croquette Burger and McPork are other meat items offered for lunch/dinner. The Gracoro is an intriguing deep-fried vegetable milieu. Chicken items include Chicken Snack, which is a thin chicken breast breaded and fried – like a large flat chicken select in hash brown shape. Chicken Tatsuta is another chicken sandwich. They also have something called a “Shaka Shaka chicken” to which a flavor (black pepper or cheese) is added and shaken before use. Actually this consists of little fried chicken pieces in a bag. The seasoning which is included can be added to the chicken and shaken before eating. Teriyaki Chicken Filet-O is released only during the month of April. The Ume Nuggets are chicken nuggets served with Ume sauce, a sour plum sauce for dipping. Shrimp Thousand Island Wrap, contains salad, shrimp and Thousand Island dressing. French fries can be ordered in barbecue, seaweed or Italian basil flavors, which are all very popular. Dessert items include an unusual Bacon-Potato Pie, which is like an apple pie with mashed potatoes and bacon. Green-tea flavored milkshake is a very different beverage offered in Japan to match the local taste (McDonald’s Japan, 2012).

The Japanese did not use hands while eating food prior to the arrival of McDonald’s in their country. This was a big adjustment for Japanese who are so particular about their culture. Ronald McDonald’s is different in Japan, named Donald McDonald, and looks more like a Spiderman type of character. McDonald’s in Japan is ladling on the calories – an unusual strategy in a country known for its healthy diet and longevity. McDonald’s Holdings Co. (Japan) Ltd. rolled out its Big America 2 campaign featuring burgers named after U.S. locales. The Idaho burger features a quarter-pound beef patty, melted cheese, a deep-fried hash brown, strips of bacon, onions and pepper-and-mustard sauce. The calorie count: 713. The Texas 2 Burger – with chili, three buns, cheese and bacon -- comes in at 645 calories. The 557-calorie Miami burger has tortilla chips -- not as a side dish, but nestled on top of the beef patty (Sanchanta, & Koh, 2011).

Saudi Arabia

Imported American restaurant concepts are more affected by religion in the Middle East than in any other region on earth. Depending on the level of orthodoxy that prevails in a particular Middle Eastern country, restaurateurs must adjust their construction, purchasing and operating standards - even their trade names - in varying degrees to accommodate religious sensitivities. Operators have to heed such issues as pervasive food-purity protocols, intermittent prayer breaks, and intolerance for alcohol as well as gender mixing (Martin, 1998). Being a strictly religious Muslim country no pork or alcoholic drinks can be served. McDonald’s promote that 100% of their products are Halal, a term designating foods that are permissible according to the Islamic law which has regulations related to animal slaughter, processing, and additives. All products served at all McDonald’s restaurants are inspected and approved by local authorities and Islamic inspectors at the countries of export. They serve standard array of hamburgers, Filet-o-Fish, and chicken sandwiches. Chicken Big Mac is offered in addition to regular beef sandwich. One of the special items is McArabia, which is designed for serving in Arab countries. McArabia Kofta sandwich is an example of this modification which uses popular folded pita bread instead of buns and contains barbecued style meats. It has two grilled chicken patties, Arabic pita style bread, lettuce, tomato, onion, and garlic sauce. People do not eat breakfast away from home and so
no special breakfast is served.

Culturally there are stark differences in restaurant visits, eating habits, and cultural/religious practices. The problems that McDonald's had to face in this country were/are unique including (1) they cannot hire women to work in restaurants; (2) women are not allowed to drive or mix freely with men, (3) a separate line or a screened section has to be made for women who want to carry out meals since they cannot eat inside the restaurant, (4) restaurants can have a family section in selected areas but there are special requirements related to physical separation; (5) restaurants have to close down for prayer times which is observed at least four times during the operation times; (6) restaurants have to stop operation for a month during daytimes in fasting month of Ramadan, (7) all meats served has to be Halal, (8) Pork or pork products cannot be served at all, (9) music is not allowed in any restaurant and (10) there is a heavy traffic of international pilgrims arriving in groups at different periods of time. Above all McDonald's have to face tough competition from local restaurants particularly Al-Baik® which serves excellent food at a reasonable price and is one of the most popular eating establishment in some parts of the country. In spite of all the requirements and restrictions which McDonald's does not have to face in many countries, they are growing rapidly in Middle Eastern countries. Due to the growing teenage population and the economic well-being there is a considerable potential market for quick service restaurants (McDonald's KSA, 2012).

Germany

The menu items offered in Germany tends towards more European style with breakfast consisting of croissants and ham combinations. Included in the offerings are Egg McMuffin type of options and a McGriddle item. Some of the English muffin sandwiches, such as McMuffin, fresh chicken with a breaded patty, also include meats which would traditionally be included for lunch. For lunch or dinner in addition to a Filet-o-Fish, Big Mac, Hamburger Royal, Veggieburger, Chicken McNuggets, the menu includes McRib, which is seasonal in America (McDonald's Germany, 2012).

McDonalds in Nuremberg sells the Nuremberger, a mini bratwurst sandwich with three Nuremberg style sausages, grilled onions and mustard. Bratwurst has its origin in 1300s and a variety of sausages are very popular in Germany. Although beef and poultry are main varieties of meat consumed in Germany, pork is the most popular meat. A long tradition of sausage-making exists in Germany, including hundreds of regional variations. McDonalds introduced Shrimp Lemon burger which combines shrimp patty with lettuce and garlic-lemon sauce on herbed wheat bun. McDonalds serves McBeer, cold beer served in glasses not stein, in order to appeal to the local markets and outlets in selected European countries.

Malaysia

Malaysia being a predominantly Muslim country all meats served has to be Halal and it is required by law that all restaurants are Halal certified and post a sign of that compliance. The country has people from three distinct cultures, Malays, Chinese and Indian. Since Muslims cannot eat pork and pork products, even the hamburgers are called “Beef Burgers” in order to avoid using the word ‘ham.’ Since almost 24% of the population is Chinese and they eat pork, whereas a sizable group from India does not eat beef, McDonald’s had to find menus that are acceptable to all. Hence they selected many chicken items. Breakfast is pretty traditional, having the regular egg sandwich allotment, Egg McMuffin, hot cakes, and hash browns, but they also offer Filet-o-Fish as a breakfast option.

For lunch and dinner in addition to regular items McDonald’s serve Spicy McChicken deluxe, and two items which are typically Malaysian and Indonesian type. These are Ayam GorengMcD and Bubur Ayam. Ayam is the Malay term for chicken and so Ayam GorengMcD is fried chicken which is marinated and simmered in a flavorful mixture of spices and herbs, comes either regular or spicy. Also a favorite Indonesian item Bubur Ayam is served which are chicken strips in porridge garnished with spring onions, sliced ginger, fried shallots and diced chilies. There are no special dessert items although a fruit cup or a corn cup is available. McDonald’s does have a McDelivery service in Malaysia. Muslim workers, particularly females wear hijab or head cover and they are prohibited to show their elbows. This was a concern for McDonald’s since they require half-sleeve shirts for efficient hand movements. However they have to allow head cover and long sleeve shirts to be worn by female workers (McDonald’s Malaysia, 2012).

France

McDonald’s in France had to be careful being in the culinary capital of the world. McDonalds France is notable in the lack of a line of various breakfast sandwiches (such as sausage, egg, cheese, bacon, on bagel or muffin). It does not serve French fries, instead they serve Les Deluxe Potatoes, which are potatoes cut into wedges as opposed to thin sticks. McDonalds serves a variety of chicken sandwiches. One of the special items is CroqueMcDo, two melted slices of Emmental cheese and a slice of ham toasted between two flattened hamburger buns. Besides the potatoes they serve a little pack of cherry tomatoes as a side order. Their line of burgers is basic, but the desserts are more defined and include mousse and fruit crumbles, as well as a slice of pineapple for the health conscious consumers (McDonalds France, 2012).

In France the fast-food giant is gearing up to offer a burger served on a baguette, part of a wider effort to add more locally inspired fare to its menu and attract more upscale diners. For six weeks starting April 18, 2012, the 1,228 McDonald’s restaurants across France will feature the McBaguette, with a burger made from France’s famed
Charolais beef and topped with French-made Emmental cheese and mustard. In France that involves tapping into a national obsession: bread. France’s national Bread Observatory, which studies and promotes bread, says the French each consume about 5.3 ounces of it a day, or roughly 121 pounds a year. Many of them eat it with most meals, viewing bread almost as an extension of the knife and fork in pushing food around on the plate (Issard, 2012).

**Australia**

Australian’s food preferences are influenced by being in the Pacific Rim region and so they like Thai, Chinese, Vietnamese, and Japanese cuisine. For breakfast, in addition to McMuffins, Boston deli Bagel (tomato, bacon, egg, and avocado on a bagel), a NYC Benedict bagel (bacon, egg, and hollandaise sauce on toasted bagel), a Bakehouse Brekkie Roll (two rashers of bacon, egg, cheese, potato roasti, and onion relish on a sourdough roll) and a rosti brekki wrap (bacon, egg, cheese, a potato rosti and BBQ sauce) are available. Another sandwich Down Under Deluxe is a home-style burger. All lunch/dinner sandwiches are served on deli style rolls. In addition to regular beverages and milkshakes they have a flat white. This is made by pouring micro foam or steamed milk over a single or double shot of espresso (McDonald’s Australia, 2012).

**Brazil**

For breakfast in addition to regular sandwiches, ham croissant, Pao de queijo (traditional Portuguese cheese bun), Pao na Chapa (a fresh French baguette type bread) are offered. The lunch in Brazil is generally a large meal compared to dinner. Lunch is considered as a time for sharing food with family and friends. Also, table manners are more important and many shy away from eating while walking, riding, or conducting other activities. For lunch or dinner most of the core menu items are included. Snacks and dessert also include yogurt parfaits and carrot sticks. Juices include grape, orange, passion fruit, peach or coconut. Cheddar McMelt is a classic all-beef patty, with cheddar cheese and chopped onions, grilled with onion sauce and put on a whole wheat bun. Combined with the savory soy sauce and sharpness of the cheddar cheese it provides a special burger which is a favorite among Brazilian customers. A relatively new sandwich McCalabresa is made up of a sausage patty and seasoned with vinaigrette sauce. This was inspired by a popular Brazilian street food (McDonald’s Brazil, 2012).

**Guatemala**

In addition to regular items for breakfast the menu includes burritos, scrambled eggs, corn tortillas, sausage, refried beans, fried plantains, sour cream, and Chirmol (Guatemalan tomato sauce). This portrays regular Guatemalan breakfast items. There is no fish on the menu. Pollo McCrispy, plain fried chicken, is a popular menu item. Wedged McPatatas in addition to French fries is also available. Tortilla chips are put on sandwiches. Chicken sandwich are available with guacamole on it. For desserts there is a variety of pies including coconut pie (McDonald’s Guatemala, 2012).

**South Africa**

In 1995, McDonald’s made its first venture into sub-Saharan Africa. However, by the time the first McDonald’s restaurant it was clear that it was entering a rather unusual market. It had to face a...
long drawn legal case related to its trademark. By then South Africa’s fast-food companies had built up several strong homegrown brands, specifically catering to South African tastes. Nobody at McDonald’s realized how difficult it would be to break in (Anonymous, 1997).

Not only were South Africans relatively isolated from the advertising of global brands, but they had grown to know and love their own. McDonald’s had therefore to work hard to establish its name (Anonymous, 1997). In South Africa, McDonald’s introduced its standard worldwide menu, which offered hamburgers with a few chicken products as an alternative. This was an odd choice for a market where roughly two-thirds of food sold by McDonald’s competitors was chicken, not beef. A “Grilled Chicken Foldover” that resembles “McArabia” and a McVeggie burger made from chickpeas are included in the menu items. In addition to McFries it offers a corn cup. Cornetto Sundae which is a brand of ice cream is available in either chocolate or strawberry flavors. The complexity in menu offerings is indicative of the country’s diverse population (McDonald’s South Africa, 2012).

**Conclusion**

An analysis of the menu adaptations discussed in selected countries it becomes evident that socio-cultural, religious, food preferences and environmental factors need careful consideration before entering a foreign market. These factors are in addition to some rather tough competition from local businesses. In socio-cultural factors food habits, socialization, and values are important considerations. For example in some countries, such as India and Brazil, people are not used to eating away from home. In Saudi Arabia because of the hot environmental conditions people do business at night and sleep late which makes it difficult to have enough traffic for breakfast. Due to religious restrictions beef and pork cannot be served in India or special meat processing is required in Saudi Arabia and Malaysia. If consumers are not familiar with certain items they try to avoid them. There are special religious and national festivals when people prefer special meals. In China people are more used to having soups and rice. Due to environmental conditions some hot or cold items have to be included. Conveyance and transportation are problems in some countries, which makes it necessary to provide delivery service. In cities like Beijing, Seoul and Cairo, armies of motorbike delivery drivers outfitted in colorful uniforms and bearing food in specially designed boxes strapped to their backs make their way through bustling traffic to deliver Big Macs and buckets of chicken wings (Jargon, 2011). Thus in order to be successful a corporation has to tread softly considering all these factors. An outline of selected items that should be considered is shown in Figure 1.

**Discussion Questions**

- People in other countries would like to taste American foods; do you think restaurants like McDonald’s should even consider menu adaptations?
- What other factors are important that should be considered by restaurants planning to enter foreign markets?
- Discuss the importance of socio-cultural factors for being successful in foreign markets.
- Considering the rapidly growing globalization, giving examples of countries that are not listed in this case study, discuss some other factors that need consideration.
- Do you consider McDonald’s actions will lead to standardization of menus worldwide and will cannibalize special culinary delights offered by other countries?
- How can local business compete with rapidly developing foreign franchise businesses?
- What are some countries where it will be impossible to succeed without menu modifications?
- Discuss pros and cons of glocalization.

**References**


