

into dramatic success stories.³⁰ Fujita and Ng are media stars in their respective countries; like Ray Kroc, founder of McDonald's in the United States, they have become entrepreneurial legends who extol the virtues of hard work, personal discipline, and the free market.³¹ (Another such living legend is, of course, George Cohon, President of McDonald's Canada and the impresario of McDonald's Moscow; in 1991 *Pravda* proved it had a sense of humor by designating Cohon a "Hero of Capitalist Labor.")³²

Behind each of these success stories lies the ability to discern, and respond to, consumer needs. Daniel Ng, for instance, established his own research unit and ran focus groups to monitor the changing attitudes of ordinary customers; he is also a keen observer of the popular culture scene in Hong Kong. The independent natures of these local managers (not to mention their sheer chutzpah) underline the obvious: McDonald's transnational success is due in large part to its multilocal mode of operation. There is, however, another critical factor in the equation—good timing.

☐ *The Family Revolution in East Asia: Children as Consumers*

It is certainly no coincidence that the startup dates for McDonald's (see Table 2) correspond to the emergence of new classes of affluent consumers in the various East Asian countries.³³ Rising incomes have produced dramatic changes in lifestyles, especially among young people who live and work in metropolitan areas. Decisions regarding employment and consumption no longer require consultations with an extended network of parents, grandparents, adult siblings, and other kin. Married women are working outside the home in increasing numbers, which in turn has affected gender relations, child-

Wealth
female
independent

TABLE 2
Startup Dates for McDonald's in Various Countries

1955	Franchising begins in U.S.A.	1984	Taiwan
1967	Canada	1985	Thailand
1971	Japan	1985	Mexico
1971	Australia	1986	Turkey
1971	Germany	1988	South Korea
1972	France	1990	China (Shenzhen Special Economic Zone)
1973	Sweden	1990	Russia
1974	England	1991	Indonesia
1975	Hong Kong	1992	China (Beijing)
1976	New Zealand	1992	Poland
1979	Brazil	1993	Israel
1979	Singapore	1994	Saudia Arabia
1981	Philippines	1995	South Africa
1982	Malaysia	1996	Croatia

SOURCES: 1994 *Student Information Packet*, McDonald's Corporation, McD1-1274, p. 38; *New York Times*, Nov. 12, 1995, and Feb. 5, 1996.

rearing practices, and residence patterns.³⁴ A majority of new-lyweds are opting for neolocality (forming a new household separate from those of their parents) or creating new arrangements that defy convention. In Taiwan, for instance, professional women often insist on living near their own parents, rather than follow the more "traditional" pattern of patrilocal-ity (living with or near the husband's parents). The crucial factor here is the household labor—childminding, cooking, shopping—provided by the working woman's mother, whose assistance makes her daughter's professional life possible.³⁵

In response to these changes a new family structure has emerged, one that focuses on the needs and aspirations of the conjugal unit, the married *couple*. Conjuality brings with it an

entire set of attitudes and practices that undermine older assumptions regarding the meaning of life.³⁶ Should married couples strive, regardless of personal cost, to promote the welfare of the larger kin group and support aging parents? Or should they concentrate on building a more comfortable life for themselves and their immediate offspring? Increasingly, the balance is shifting toward conjugality and away from the family norms that guided earlier generations.

The shift also coincides with a dramatic decline in the birth rate and a rise in the amount of money and attention lavished on children. China's single-child-family policy has helped produce a generation of Little Emperors and Empresses, each commanding the affection and economic support of two parents and in many cases four grandparents.³⁷ In Chapter 1, Yunxiang Yan shows how McDonald's has capitalized on the Little Emperor/ress phenomenon, treating children as independent decision makers who command substantial resources. Similar patterns of indulgence are common in Taiwan (see Chapter 3) and in Japan, where children command impressive amounts of spending money.³⁸ In 1995, Hong Kong parents gave junior high school students an average of US\$107 per month to spend on snacks and entertainment.³⁹

McDonald's restaurants first appeared in East Asian cities during the early phases of this family revolution. When one looks closely at the historical sequence summarized below, it is obvious that entrepreneurial flair alone cannot explain the corporation's phenomenal success rate.

Tokyo, 1971

An affluent middle class has matured by the early 1970s,⁴⁰ and a new generation of consumers can afford to eat out on a regular basis. McDonald's takeoff corresponds to the

emergence of the "teens," a hitherto unrecognized stage in the Japanese life course. For the first time in Japanese history, all young people are expected to stay in school until age 18.⁴¹ These leisured youths become avid consumers of American-style fast foods and popular culture.⁴²

Hong Kong, 1975

McDonald's opening date marks the beginning of a long economic boom in Hong Kong as the British colony becomes an international services center and a transshipment port for the China trade. A white-collar middle class rapidly replaces Hong Kong's postwar working class.⁴³ By the mid-1970s the majority of residents are living in neolocal, conjugal units and are preoccupied with their own offspring rather than a wider network of kin.⁴⁴ Children and young adults emerge as full-fledged consumers in the late 1970s and early 1980s. McDonald's becomes the "in" place to eat.

Taipei, 1984

McDonald's is the first foreign food company allowed to operate in Taiwan's previously closed market. The start-up corresponds to the beginning of a new political era, one in which local interests challenge the authoritarian rule of the Nationalist Party. The Golden Arches arrive just as Taiwan reaches takeoff as a major player in the global electronics and computer markets. Taiwan's emerging middle class begins to have time and money to spend on leisure activities. Family patterns change rapidly to accommodate urban life and the regular employment of married women.⁴⁵ Older forms of childhood socialization, emphasizing filiality and obedience, are gradually de-emphasized to accommodate

practices that encourage consumerism.⁴⁶ Taipei's youth embrace McDonald's as a symbol of their new lifestyle.

Seoul, 1988

McDonald's is the first foreign food chain permitted to operate in Korea. An indigenous middle class has emerged after decades of personal sacrifice and deferred gratification by the previous generation of workers. Salaried employees (mostly male) have little spare time for family activities, but their dependents begin to enjoy a lifestyle defined by consumerism.⁴⁷ Korean children rapidly become knowledgeable consumers, eager to eat hamburgers, pizza, and American-style chicken. The persuasive power of this new generation is impressive: Many parents who object to foreign imports find themselves arranging birthday parties for their children at McDonald's.⁴⁸

Beijing, 1992

Family patterns in urban China have been changing rapidly since the introduction of economic reforms in the late 1970s and early 1980s. McDonald's enters the Chinese scene during a critical period of class formation; for the first time since the communist victory of 1949, independent entrepreneurs and business people are allowed to operate openly. Affluent families begin to distinguish themselves by engaging in conspicuous consumption and, as outlined in Chapter 1, McDonald's becomes a powerful symbol of the new lifestyle. By the mid-1990s a booming market in children's entertainment (theme parks, video parlors, computer games) has emerged. McDonald's is expanding rapidly in China to capitalize on these cultural developments; plans call for up to 600 outlets by the year 2003.⁴⁹

One conclusion is obvious: McDonald's could not have succeeded in East Asia without appealing to younger generations of consumers, children and teenagers. The corporation makes a point of cultivating this market and invests heavily in television advertising aimed specifically at children. Birthday parties have become a key element in this strategy: Prior to McDonald's entry into the local scene, festivities to mark the specific birthdates of youngsters were unknown in most parts of East Asia. In Hong Kong, for instance, calendrical dates of birth were recorded for use later in life (in matching the horoscopes of prospective marriage partners, for instance), but until the late 1970s most people paid little attention to the annual event—if indeed they remembered it at all.

McDonald's and its rivals in the fast food industry have promoted the birthday party—complete with cake and candles—in their advertising and, as the case studies in this book make clear, the celebrations have become the rage among upwardly mobile youngsters throughout East Asia. McDonald's also introduced other, localized innovations that appeal directly to their youngest customers. In Beijing, the company's ubiquitous male mascot, Ronald, has been paired with a female companion known as Aunt McDonald, whose job it is to entertain children and attend parties. In Taipei and Hong Kong, McDonald's offers parents a special party package that includes gifts and toys for each participant, plus the services of a hostess who leads the children in songs and games. Parties of this type have become an integral feature of the local culture.

More than any other factor, therefore, McDonald's success is attributable to the revolution in family values that has transformed East Asia. Furthermore, as demonstrated repeatedly in this book, the localization process depends heavily upon chil-

dren: In Japan and Hong Kong, McDonald's did not make the transition from foreign import to "local" institution until the first generation of childhood consumers began to have children of their own. Generational succession is not yet complete in Taiwan, although as David Wu illustrates in Chapter 3, children are driving the localization process. It is too early to call the outcome in Korea and China, but the research by Bak and Yan (Chapters 4 and 1) demonstrates that children everywhere are powerful agents of social change.

Standardization and Taste: The McDonald's System

One characteristic of this book distinguishing it from previous studies of the fast food industry is our focus on *consumption*: we place primary emphasis on the role of consumers. As noted in the Preface, we have chosen not to concentrate exclusively on *production*. Before we proceed, however, something needs to be said about McDonald's efforts to standardize its product, given that consistency and predictability are important keys to the company's worldwide appeal. What follows is a brief summary of the fast food industry, its history and productive processes. Readers who are interested in specific aspects of production (including management, labor relations, food sourcing, and mechanization) might wish to pursue the references cited in the endnotes.

McDonald's, of course, did not invent fast food, although the corporation is largely responsible for the standardization and automation we now take for granted in the industry. Nearly every country has a candidate for the original "fast" cuisine: fish and chips in Britain, noodles in China, station box lunches (*ekibentō*) in Japan, street kebabs in Turkey, sausage and bread in Germany (which later metamorphosed into the

ubiquitous American hot dog).⁵⁰ One key to McDonald's success is the constant push to speed up production without sacrificing consistency. Corporate goals announced in late 1995 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.⁵¹

~~McDonald's has created a system that depends upon standardized procedures in everything from sandwich assembly to advanced management training at Hamburger University.~~⁵² An excellent summary of McDonald's operating procedures can be found in *Fast Food, Fast Talk*, a study of the standardization of work in the United States; the author, Robin Leidner, characterizes McDonald's as "an exemplar of extreme standardization."⁵³ A 600-page *Operations and Training Manual* guides production. Nothing is left to chance; photo layouts show where the sauces should be placed on the bun, and the exact thickness of sliced pickles is specified. All equipment at McDonald's restaurants must be purchased from approved suppliers, and the architectural design of both interior and exterior is carefully controlled.⁵⁴ McDonald's does not condone "absentee" owners, nor will it work with partnerships (i.e., multiple owners); franchise holders must be involved in the day-to-day management of the restaurant.⁵⁵ In 1991 over 20,000 people contacted the company to inquire about new franchises; only 2,000 reached the interview stage and fewer than 200 were accepted.⁵⁶

As Robert Kwan, Managing Director of McDonald's in Singapore, puts it: "McDonald's sells a system, not products."⁵⁷ The aim is to create a standardized set of items that

taste the same in Singapore, Spain, and South Africa. Many travelers have told me (with a tone of triumph in their voices) that they can indeed perceive slight differences in the taste of Big Macs they have sampled in Beijing or Paris. Such claims are, however, difficult to verify. Thomas Friedman of the *New York Times* reports that he has eaten Big Macs at McDonald's in 14 countries (all, no doubt, in the line of journalistic duty) and maintains that "they all *really do* taste the same."⁵⁸ Based on personal visits to McDonald's in the five sites surveyed in this book—plus England, Germany, the Netherlands, and the United States—I side with Mr. Friedman on the question of taste.⁵⁹

McDonald's may not be able to control the taste responses of individual consumers, but it *can* make the experience of eating relatively predictable. The corporation pays close attention to restaurant design, down to the exact measurements of service counters, placement of overhead backlit menus (an innovation that is now widely imitated throughout the world), arrangement of seats and booths, color of walls and style of decorations, and the location of (standardized) disposal bins. Who has not had the uncanny sensation of déjà vu when entering a McDonald's restaurant in a foreign country? "It's just like home."

The familiarity factor is central to McDonald's success, especially in societies like the United States, where job mobility is a regular feature of family life. To many disoriented, lonely children, the Golden Arches symbolize more than just food; McDonald's stands for home, familiarity, and friendship. One finding of this book is that American children are not alone in this response. A surprisingly high percentage of young people in Tokyo, Taipei, and Hong Kong have grown up with Mc-

Donald's as their favorite venue for entertaining family and friends.⁶⁰ It was not the power of corporate sponsorship alone that made McDonald's the "official food service partner" during the 1996 Olympic Games in Atlanta. Athletes from around the world were familiar enough with McDonald's fare to accept it without question, thereby avoiding potentially disastrous encounters with strange foods.⁶¹ Americans abroad report similar reactions. On his way home from China after an exhausting business trip, the CEO of Microsoft, Bill Gates, found himself in Hong Kong with a colleague, looking for a place to eat after midnight: "We were really happy to discover that they have 24-hour McDonald's in Hong Kong," said Gates, as he "wolfed down hamburgers."⁶²

Modified Menus and Local Sensitivities: McDonald's Adapts

The key to McDonald's worldwide success is that people everywhere know what to expect when they pass through the Golden Arches. This does not mean, however, that the corporation has resisted change or refused to adapt when local customs require flexibility. In Israel, after initial protests, Big Macs are now served without cheese in several outlets, thereby permitting the separation of meat and dairy products required of kosher restaurants.⁶³ McDonald's restaurants in India serve Vegetable McNuggets and a mutton-based Maharaja Mac, innovations that 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.⁶⁴ 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.⁶⁵

Hebrew
 Variations on McDonald's original American-style menu exist in many parts of the world: Chilled yogurt drinks (*ayran*) in Turkey, espresso and cold pasta in Italy, teriyaki burgers in Japan (also in Taiwan and Hong Kong), vegetarian burgers in the Netherlands, McSpagetti in the Philippines, McLaks (grilled salmon sandwich) in Norway, frankfurters and beer in Germany, McHuevo (poached egg hamburger) in Uruguay.⁶⁶

Not all McDonald's menu innovations have been embraced by consumers: Witness the famous McLean Deluxe fiasco in the United States and a less publicized disaster called McPloughman's in Britain (a cheese-and-pickle sandwich).⁶⁷ The corporation has responded to constant criticism from nutritionists and natural food activists by introducing prepackaged salads, fresh celery and carrot sticks, fat-free bran muffins, and low-fat milk shakes.⁶⁸ These efforts may satisfy critics but they are unlikely to change McDonald's public image among consumers, few of whom stop at the Golden Arches for health food.

Irrespective of local variations (espresso, McLaks) and recent additions (carrot sticks), 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 (fish sandwiches in Hong Kong, vegetable burgers in Amsterdam), but the signature innovation of McDonald's—thin, elongated fries cut from russet potatoes—is ever-present and consumed with great gusto by Muslims, Jews, Christians, Buddhists, Hindus, vegetarians (now that vegetable oil is used), communists, Tories, marathoners, and armchair athletes. It is under-

standable, 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. The Chairman of Burger King acknowledges that his company's fries are second-best in comparison to those of its archrival: "Our fries just don't hold up." A research program, code-named "stealth fries," is specifically designed to upgrade Burger King's offerings.⁶⁹

Fast Gets Faster: Automation and the Industrialization of Food

A central feature of the McDonald's system is the devolution of work into a series of tasks that can be performed by an average worker with a minimum of training. There are no chefs in a McDonald's restaurant; hamburgers and fries are produced in assembly-line fashion, following the industrial model popularized by Henry Ford.⁷⁰ As one observer of the restaurant business notes, the end products of work at McDonald's are neat boxes stored in chutes, hamburgers ready for immediate sale.⁷¹

McDonald's was certainly not the first enterprise to follow Fordist methods of food production. Starting in the late nineteenth century (and probably much earlier), public dining halls in China divided the cooking process into elementary procedures—cleaning, peeling, chopping, boiling, frying, serving—each performed by a separate team of workers. The results can hardly be called haute cuisine (ask any Chinese student who has had to endure canteen food), but the system does feed hundreds of people in a relatively short time. Assembly-line methods were also followed by various American enterprises that predated McDonald's, including railway dining cars and the Howard Johnson restaurant chain. The first Howard Johnson