Supersized in China: Consumer Implications of the American Fast Food Industry in the World’s Second Largest Economy

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Executive Summary

This paper is a senior comprehensive project written by Alexander Kwong through the Urban Environmental Policy department at Occidental College. The following research attempts to examine the American fast food industry in China in the context of consumerism, industry growth, and cross-cultural transplantation.

Consumers and corporations in China today are both driven to compete and to outmaneuver their competition. This developing neo-liberal mentality values individualized decision-making and the flexibility of free enterprise. In a country that has more recently opened itself to foreign commerce, China and its major urban centers have been transformed into hotspots for international business activities in the form of both equity investment, the physical production of goods, and a more American perception of independent consumerism amongst nearly all of China’s socio-economic classes.

The American fast food industry has helped to pioneer foreign corporate investment in China. Well-known brands, such as KFC and McDonald’s, have flourished in a largely speculative Chinese market that is still confronted by much inconsistency and needed maturation. For example, by achieving significant capital growth and demonstrating the knack for swift adaptation to brand mechanics, KFC, the near unanimous market leader, has quickly become “the single largest restaurant enterprise in China” and has defined for other industries, fast food and beyond, the criteria for successful investment and development in China.¹ To put KFC’s accomplishment into better context, China was a nation that was predominately isolated internationally only a mere generation ago. China has indeed come a long way in a very short amount of time. In fact, in the roughly 25+...
years since its market entry into China, the KFC brand has managed to become the most profitable restaurant chain in the entire country. KFC’s success was not an accident, however. The American fast food industry’s introduction into the Chinese consumer culture was keenly methodical and well coordinated under much scrutiny by development teams familiar at the local level with the Chinese people and with an understanding of their traditional culture.

Quickly prepared and conveniently portable meals have existed in China for “eons,” however, which suggests that fast food, by its literal definition, is not actually a concept introduced by the West to the East. This senior comprehensive project discusses the infiltration into China of the most infamous and stereotypical of American fast food cuisines, such as fried chicken, cheeseburgers, and french fries.

In addition to food service, the American fast food industry in China has also been responsible for delivering a commercially social experience in China that was at first considered a novelty but over time became accepted into the everyday networking of local Chinese communities. Companies such as McDonald’s and KFC have served as ambassadors in China, yet the messaging that their brands have promoted has been to transform themselves from foreign gimmicks into active, instantly recognizable businesses that have been developed expressly for the Chinese consumer market. In China, fast food restaurants are more than simply destinations in which food may be purchased. Fast food restaurant spaces have also become quasi-public spaces that serve as vibrant social hubs within communities.
As corporate pioneers that have been successful in fostering a working relationship with Chinese consumers, the American fast food industry has managed to define for all other industries the rules for marketing and expansion within China. The lesson here is that Western companies in China need not only sell products that engage the tangible senses of touch, smell, and/or taste, they need to market a social experience that pacifies consumer psychological comforts as well. While many might consider the fast food industry an abomination, the Chinese have actually benefitted socially from this industry that has helped to redefine the guiding practices of standardized, consumer friendly business in China.

This industry has also played a tremendous role in dismantling China’s cultural prejudices and has trail blazed a corporate growth model that has allowed its businesses and its products to reach millions of consumers of varying background and social class. In China, the American fast food industry has been vastly transcendent and has helped to redefine life, food, culture, design, and sociability in the world’s second largest economy.
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Chapter 1: Introduction

The Gang of Three: Ronald McDonald, Colonel Sanders, and Mao Zedong

Corporate fast food in China is characteristically dissimilar to its counterparts elsewhere around the world. KFC and McDonald’s, without question the two most dominant fast food brands in China, have largely contributed to this redefinition of fast food that has been formulated to best suit, at a local level, the unique consumer expectations of a modernizing China. The experience of fast food is one in which customers are not only paying for the delivery of highly tempting snacks, customers expect to be able to enjoy this food in a social environment in which they can “literally taste a bit of American culture” as well.3

With the inaugural founding in Beijing of the KFC brand in 1987, the American fast food industry has for over twenty years now been operating in China. On the whole, this industry has been largely successful and has helped to pioneer foreign corporate investment in China. The rise in popularity of American fast foods, such as fried chicken and cheeseburgers, is a perfect example of how Chinese society is evolving and becoming more unfastened to the inundation of Western ideas, fashions, and most certainly tastes. The American fast food industry’s widespread resonance in China has been so dramatic in fact, that nowadays the image of KFC’s own Colonel Harland Sanders “is a far more common sight in many Chinese cities than that of Mao”4 and McDonald’s own mascot, Ronald McDonald, is known by many Chinese young people as “Uncle Ronald.”5 The branding of fast food in China is tremendous and the culture of this industry is quickly becoming as commonplace to the Chinese as it already is to Americans. At present, in fact,
KFC and McDonald’s can both be found in over 700 cities in China and each brand operates thousands of different stores/restaurants within a variety of localities, from within commercial shopping malls to the street corners of residential neighborhoods. KFC and McDonald’s have become instantly recognizable to nearly all of China’s massive 1.4 billion population, an “accomplishment (that) is striking in a country where foreign companies often stumbled and ran into roadblocks in the past.”

Because of this, the American fast food industry in China has been able to transcend across cultural, political, and geographic divides that segment China today. There exists in China a provincial passport system that, to a great extent, dictates population mobility in China. Depending on which province and in which city someone is born and raised; citizens of China are explicitly tied to the place of their birth. Called the “Hukou” in Mandarin, this identification process restricts where people can move, where they can access healthcare, where they go to school, and often times what sort of employment opportunities are made immediately available to them. The Hukou system contributes to an already divisively competitive allegiance the Chinese people harbor for their provincial territories, one that “creates social tensions based upon geography.” For example, citizens born in the mega-center of Shanghai and who speak the distinct Shanghainese dialect consider themselves characteristically different than the people born in the city of Nanjing and who speak the distinct Nanjing dialect, even though a short 90-minute high-speed train ride conveniently connects the two cities. Yet, as J. Chang, a former manager for a local McDonald’s restaurant in Guangzhou contends, “fast food transcends the cultural differences amongst the provinces in a way that few entities, commercial or political, could a generation ago...like Mao before, Ronald McDonald and Colonel Sanders have united...
Defining Fast Food in China

At the end of 2004, McDonald’s made public its decision to formally terminate supersized french fries and soft drinks from its menu. McDonald’s, and the fast food industry itself, seemed poised to “change its public image as a purveyor of fat and calorie-laden foods” as the very term “supersized” had become metaphorically demonstrative of an obese America. The title of this report implies that the option of supersizing might still persist in fast food restaurants operating within the Chinese market. Allow me to make clear that I have used the term “supersized” as I have come to understand its connotation as being synonymous with the many implications of fast food in general. While combo meals in China might not necessarily be supersized, the impression that McDonald’s and the American fast food culture has had on China and the internationalism of its developing consumer market is tremendous. In that regard, China has been supersized.

During the summer of 2009, I first visited China on a 10-day excursion with my Grandmother. Amidst trekking through the Forbidden City in Beijing and wandering along The Bund in Shanghai, we noticed that no matter where we visited there always seemed to be a McDonald’s or KFC readily nearby. How bizarre and almost shocking this was to us. Personally, I was thousands of miles away from home in a foreign country that I had only previously conceptualized through the harrowing stories my Grandmother shared with me about her life in China many decades ago. China was supposed to be so backward, so undeveloped, and third world. Yet here we were standing witness to the golden arches and the Colonel himself, two unmistakable hallmarks of American capitalism in the People’s Republic of China.
What is fast food? Depending on the circumstances of the individual asked, this question can yield a variety of different and unique responses. For myself, an American college student in Los Angeles, fast food is an inexpensive treat that is commonly found and thereby quite easy to obtain. This culture of fast food that I am most familiar with here in the United States is now marketed by a global industry that has managed to process, brand, and merchandise a production model that by literal definition merely suggests food that is prepared fast. The successes, both capital and cultural, of the American fast food industry were not achieved by mere accident however. As a matter of fact, this industry is tightly monitored and as Eric Schlosser contends in *Fast Food Nation*, “now so commonplace that it has acquired an air of inevitability, as though it were somehow unavoidable, a fact of modern life.”\(^{11}\) Today, this industry in the United States is characterized by its highly competitive price points, its speed of product delivery via drive-thru, its role in precipitating health afflictions such as obesity and diabetes, as well as its ability to homogenously habituate itself anywhere around the world.

Ask a typical Chinese consumer what fast food is and answers may vary. In fact, in China, the significance of the American fast food industry seems wholly dissimilar to the American conception just described. Abroad, recognizable restaurant brands such as McDonald’s and KFC constitute for much more than a cheaply portable, dependably predictable meal that enables poor dieting habits. To many Chinese consumers, fast food prices remain steep and fast food cuisines are even considered nutritiously wholesome to families that cannot comfortably afford meals that incorporate so much big meat and dairy on a regular basis. “McDonald’s (and fast food itself) represents Americana and the promise of modernization” and serves to represent the sumptuousness of the stereotypical
Western lifestyle, by which everything bigger must be better. The fast food industry has also contributed to changing social dynamics within a developing China that is still in the midst of trading the bygone days of village life for the sleek, impassive fashion trends of an urban neo-liberalist consumer mentality. For example, fast food restaurant spaces in China are now often used communally in a variety of unconventional ways, such as dating venues and clean, well-lit social meeting spaces for students or business associates. In contrast with the old traditions of Chinese culture through Confucianism, this infusion of Western culture, cuisine, and the values of corporate entrepreneurialism seems as noteworthy as it is iconoclastic.

Historically, China was an agrarian society in which both wealth and sustenance could be harvested along the rice paddy. Visit China today and what has become commercially valuable to the Chinese is not simply the land upon which food can grow, but the fleeting delicacies that may be bought, sold, and quickly discarded. The American fast food industry's influence on China's burgeoning and highly materialistic consumer culture has been immense and understanding the significance of fast food in China today has implications for the future of the both the Chinese people as well as the authority of China's economic and political voice. Finding an appropriate balance between the old traditions of Chinese culture and the dynamic new pressures of Americana seems especially challenging. What has become evident, however, is the psychology of consumerism in China today has given the Chinese people a penchant for savvy decision making in the lifestyle choices they consider, such as what they purchase, and, in the context of this paper, what they eat.

It is dangerous to generalize, however. The findings I intend to convey through this report are not black and white, yin and yang. The fast food industry is well known for
setting high standards of production and branding that promote indistinguishable uniformity amongst restaurants regardless of their geographic location. What a luxury it is to be able to enjoy a Big Mac anywhere in the world. Determining how the fast food industry has affected so many lives and so many markets around the world goes beyond the scope of this project. In China, this fascination for fast food dining seems to have made itself particularly apparent. The Chinese seem intrigued both by the glittery culture of fast food as well as the stereotypical opulence of the all-American lifestyle it epitomizes. Through this project, I have sought to better understand why this is. But, the American fast food industry in China is not merely a Western novelty, this industry also provides an entire social experience to the Chinese consumer that is intensely popular and frankly one of a kind.
Chapter 2: About this Research

Product Methodology

The following senior comprehensive project attempts to examine the American fast food industry in China in the context of consumerism, industry growth, and cross-cultural transplantation. By no means is this project meant to shame nor deride the fast food industry, its employees, industry stakeholders, nor the Chinese people. The intention of this report is purely academic and hopes to illuminate a better understanding of the consumer implications of the American fast food industry in China, the world’s second largest economy.

The methodology used to compile research in this project took the form of a background literature review, interviews and dialogue with stakeholders within the fast food industry in China, including industry representatives, and non-invasive participant observations within fast food restaurants in the cities of Shanghai, Guangzhou, and Nanjing.

About Researching in China

I was given the tremendous opportunity to travel to China to conduct research for this report. While I understand that it is possible to complete my research from within the confines of Los Angeles and even the Occidental College campus, such a project would be limited in its scope and its scale. Travelling to China, as a student, as an unpracticed researcher, and as an American gave me the unique perspective in which to consider what my project means to me personally and what it should hope to accomplish in academia.
My trip to China lasted from January 16th to January 27th, a total of roughly 10 days when you account for the fact that I arrived in China during the evening on the 16th and returned home during the afternoon of the 27th. For good and for a bad, my stay coincided with Chinese New Year, without question the most celebrated, most festive holiday in China. New Year celebrations began on the night of the 22nd, so I made sure to schedule most of my interviews within the first few days on my trip because I understood that once the New Year started, most people would not be available to meet with me. I was at first hesitant to schedule the trip during this time because I knew that interview coordination would need to be compact and maybe even a little rushed. Yet, at the same time, I was excited to experience China during the New Year and was curious to see how American fast food companies would market themselves for one of China’s most traditional of cultural celebrations. While in China, I visited three distinct cities: Shanghai, Guangzhou, and Nanjing. Shanghai and Guangzhou are considered mega-cities (both having populations exceed 20 million) and Nanjing is considered a second-tier city, although it is the capital of Jiangsu province. Being able to visit and conduct research within these three cities gave me the opportunity to examine the fast food industry with the frame of reference of both an
already established consumer market as well as one that was still in the process of maturing.

While I sincerely enjoyed the opportunity to conduct research abroad, I found that researching in a language that I am only still learning was exhausting. Trying to articulate the simplest of ideas often required much more time than I had originally accounted for and thus limited the depth and the scope in which I could interview. Fortunately, I was able to meet with some very informative people who spoke English, who were familiar with the topics I wanted to speak to them about, and who seemed enthusiastic to be contribute to my findings.

Originally, I had hoped to explore the health concerns exacerbated by fast food in China. There is a book I’ve read titled, *Fat China,* which does attribute rising obesity levels and diabetes in China to the increase of fast food consumption. However, this book surmises that not enough research has been done on the fast food industry to academically assert this implication. It was my intention to visit China and try to find this missing link between fast food and health, not necessarily to shame the fast food industry but to determine what the significance of this correlation would mean to the Chinese themselves. Unfortunately I was not able to accomplish this goal, nor was I able to really explore the issue at all. In China, the concerns surrounding fast food are more culturally focused on determining how growing Western influences will affect China’s future than figuring out its adverse health effects.

All in all I am proud of the work that I was able to accomplish, especially in China. Throughout this comps project I have understood that the research process is equally as
important as the final paper I write. This year has most certainly been a stimulating learning experience for me and I am confident that the skills I have gained as a researcher, a writer, and a critical thinker will certainly serve my future endeavors well.
Chapter 3: Understanding the World’s Second Largest Economy

The Developing Chinese Market

Within the context of consumerism and ultimately of fast food, it is important to first begin to understand the magnitude of China’s transformation into one of the 21st century’s most preeminent of economic authorities.

The history of Chinese reform after the death of Mao Zedong in 1976 begins with Deng Xiaopeng, remembered as an elder statesman within the Chinese Communist Party and a strong-willed political leader. Deng was responsible for opening China’s economic interests to the West in 1978 and is credited with spearheading unprecedented reforms within the People’s Republic that included, “the creation of Special Economic Zones and the welcoming of (so-called) capitalists into the Communist party.” At the time, these reforms were momentously groundbreaking when considering the fact that the virtues of capitalism and Western ideologies were essentially banished from Chinese society during the brutally infamous crackdown of Mao’s Cultural Revolution less than two decades earlier. Yet in contrast to these turbulent days of Mao, Deng’s economic reforms resulted in the inundation of foreign cultures to a Chinese society that was largely detached from the rest of the developed world. At this time China was unaware and anxious to learn about these new philosophies following Deng’s central reform, as is evident by the rapid emergence of the commercialized American fast food industry.

Economic reform in China has resulted in large-scale urban migration. In present day China, urbanization is considered an “engine” of economic growth. By transitive relation, it seems that the larger cities become, the more opportunities for employment present themselves in the form of customer service, retail, construction, and so on. Already,
Chinese cities, such as Shanghai, Beijing, and Guangzhou are some of the world’s most populous and most densely inhabited. From a human perspective, within subway stations, along sidewalks, and throughout roadways driven by automobile, the sheer number of people is immediately apparent in these Chinese megacities. Statistically, however, this swell of people within cities appears to be equally as pronounced as “urban populations increased from 17.6% in 1978 to 46.6% (about 620 million) in 2009.”15

The Chinese are migrating to large cities such as Shanghai, Beijing, and Guangzhou, as well as to other lesser urban cores as well, known as 2nd or 3rd tier cities, to take advantage of the booming financial climate China has enjoyed since opening its doors of business to the rest of the world. Unlike in years past, “the Chinese today have more choice of how they will lead their lives” and, naturally, “they have chosen self-improvement.”16 The point here is that, from the top down and bottom up, people in China have recognized the comparative advantage of life in the city in terms of the semi-stable employment and financial opportunities. This freedom, of course, is sharply contrasted to the traditional Chinese society during the dynastical era and even during the time of Mao, in which futures career paths where strictly determined by familial ties, personal wealth, and geography. Today, the Chinese have evolved into market opportunists who have quickly recognized the rewards of diligent personal industry and cutthroat entrepreneurialism. They have become the decision makers.

Today, China’s GDP is roughly $6 trillion, a statistic that skyrocketed from around $177 billion in 1978 when Deng Xiaopeng’s reforms were first enacted.17 For many years now, the expansion of China’s economy has been huge. In 2010, in fact, China surpassed Japan to become the world’s second largest economy and has “begun to reshape the way
the global economy functions by virtue of its growing dominance of trade, its huge hoard of foreign exchange reserves and United States government debt and its voracious appetite for oil, coal, iron ore and other natural resources....China is already a major driver of global growth.” In addition to financing the debts of the United States government, however, China is also a principal trading partner with American businesses. China seems to have benefitted from the exploitation of its swelling population by defining itself as one of the most cost-efficient producers of both low and high-tech quality consumer goods.

**Figure**

With time, however, as the Chinese people have themselves become wealthier, the strength of the consumer market within China has been steadily increasing as well. Today, “Beijing policy makers say they're eager to encourage greater domestic consumption” and hope to foster a more sustainable growth model to their economy that focuses on creating
better equity between its production and consumer models. Already, China’s urban consumers, especially the country’s corporate and political mega-rich, are “famously luxury-happy.” Highly fashionable, foreign retailers, such as Louis Vuitton and even Nike, have become well-regarded luxury brands sought by many Chinese consumers. Similar to the profitability of American fast food restaurants, the broad-ranging successes of these Western brands is indicative of a developing China in the process of redefining the dynamics of its consumer norms.

The Chinese Consumer and Urban Neo-Liberalism

In *Privatizing China*, Li Zhang and Aihwa Ong discuss the concept of neo-liberalism, a philosophy that seems directly related to this concept of urbanization and of the self-serving consumerist mentality that China is being influenced to a greater extent today. Nikolas Rose defines neo-liberalism as, “a technology of rule that capitalizes on the “powers of freedom” to induce citizens to be self-responsible, self-enterprising, and self-governing subjects of advanced liberal nations.” In terms of contemporary Chinese consumerism within urban centers, this definition is fitting and has consequential ramifications in terms of the competition level within the market amongst rival business entities, but between consumers as well who are all jockeying with each other to the access to better goods and services. Consumption levels in China that have generally been on the rise have become “an important feature of the political agenda underlying the government’s promotion of economic reforms.” By and by, the citizens of China are experiencing a more dynamic sense of independence today than ever before. How China continues to progress and shape itself in the future, especially as a consuming nation, will be significant.

At present, China is still a developing country in which gaping discrepancies between
educational standards and income rates are still prevalent between the have and the have-nots. In fact, a lunchtime meal at KFC or McDonald’s in China is often still considered a novelty that is reserved only for the privileged. That said, most fast food restaurants are located in China’s wealthier urban centers along the country’s eastern most coast, such as in Beijing and Shanghai, because “people in China, like people pretty much anywhere, move to cities for one basic reason—to escape poverty and earn more.”24 It seems that the greatest opportunities in China, for work, for retail consumption, and even for social services are found within the country’s rapidly burgeoning urban meccas. However, because many families within China are still unable to comfortably afford the most basic of necessities, the neo-liberal consumer advantages that will define China in the future and that certainly determine the successes of the American fast food industry, are still largely unattainable.

From a theoretical standpoint, neo-liberal theorists assert that globalization is not a “zero-sum” game because, in the end, communities from around the world will benefit because of it.25 What China serves to demonstrate, however, is that corporate investment and thereby globalization benefit most the “metropolitan elites who control the flow of the world capital and information.”26 These already established few have the financial capacity to influence consumer markets, and in China’s case, to establish a growing consumer culture that is literally and figuratively hungry for American fast food.
Chapter 4: American Fast Food in China

Founding of American Fast Food in China

At sunrise every morning in front of Tiananmen Square in Beijing, soldiers in full military dress ceremoniously raise the flag of the People's Republic of China. Tiananmen Square is both the political heart of China as well one of the country's most visited tourist destinations. The square has a majestic symbolism that is noteworthy to not only the Chinese people as a source of ruling power, but to their country's often turbulent 20th century history. On October 1, 1949, it was atop the imperial gate of Tiananmen, which in Mandarin translates to mean “Gate of Heavenly Peace,” upon which Mao Zedong assertively proclaimed the foundation of the People’s Republic of China. In the summer of 1989, it was in Tiananmen Square that student revolutionaries and reactionaries were violently silenced by military enforcements sent by the Chinese government. Today, it is in the Great Hall of the People, sitting at the Western edge of Tiananmen Square, in which the current political and governmental statesmen of the Chinese Communist Party assemble.
In terms of this report, however, the history and significance of Tiananmen Square is not only political but related to the inauguration of the American fast food industry in China as well. As a matter of fact, on November 12, 1987, KFC opened its first restaurant in China "within walking distance from the southern edge of Tiananmen Square in Beijing." It may seem a bit odd to select the Tiananmen Square district of Beijing to begin operation of such "well-known symbol(s) of American capitalism, considered the worst possible Western enemy not so long ago." In fact, other cities, such as Shanghai or Guangzhou, were first preferred over Beijing as better-suited testing environments for market entry by some fast food companies. In the end, however, both KFC and McDonald’s chose Beijing as market entry points because managing executives considered it more appropriate "to locate the first restaurant in China’s political center at a time when politics still reigned supreme."

In 1987, the infamous Tiananmen Square incident had yet to occur and the economic climate in China was still rather crude, having only recently been opened to the West. As this report will examine, the American fast food has been largely successful in China. On opening day, in fact, Warren Liu, author of *KFC in China*, remembers that KFC was greeted lightheartedly and with "warmest embrace imaginable by the citizens of Beijing and many out-of-town visitors...as if decades of hidden curiosity and conflicting emotions toward the West had been unleashed all at once." 

**Industry Localization**

Fast food is a culture, a mindset, and an amusement that American consumers of every background have enjoyed or rather shuddered at. As *Fast Food Nation* author, Eric
Schlosser, contends, “over the last three decades, fast food has infiltrated every nook and cranny of American society.”

This fast food phenomenon has impacted communities not only in the United States, however, but in cities and destinations all around the world as well. Intentionally, the manner in which the American fast food industry has developed abroad is intensely formulaic. For instance, the built physical interior of a fast food restaurant is a highly controlled environment that is constructed to reflect a level of homogeneity that ensures control, quality, instant familiarity, and thereby consumer comfort. Upon entry to a fast food restaurant anywhere, store patrons are barraged with a variety of different shocks to their senses. Colors are vivid and help to navigate the eyes of customers around the billboard like restaurant menu. Aromas of soon to be ready fried and grilled items envelop the nose. Sounds are brisk, from the ding of the cash register, the sizzle of burning oils, the clamorous conversations of fellow patrons. Fast food restaurants are part of what Anna Klingman describes as a “brandscape,” or “experience economy.” The social spaces created within a fast food restaurant are standardized and therefore nearly identical to one another no matter the geographical location of the specific franchise visited. For example, the physicality to the interior of a McDonald’s is generally the same no matter which city or town the restaurant happens to be located. While there are often rearrangements made to seating placement or where queue lines are meant to form, it is never too difficult for a customer to immediately recognize how to maneuver within a fast food restaurant space or in and out of a drive-thru.

Food items served at fast food restaurants are equally consistent as well. Customers can expect that at any major fast food chain restaurant, anywhere around the United States
and around the world, will deliver to them a product that tastes nearly indistinguishable from the same food item found at the franchise closest to home. This assurance plays a major role in brand loyalty and company growth into new markets. Fast food restaurants are frequented very often by traveling patrons who may not visit the same restaurant more than once, but instead make an appearance only because that store happens to be advantageously placed along their route of travel. Still, while these customers may be nonnative to the region or to the community they are passing through, they are appealed by the expectation that when they order they will be provided with a flavor to their food that is at once ordinarily familiar to them. What a luxury it is to be able to enjoy a Big Mac anywhere in the world.

The fast food industry in general stresses homogeny at each level of production, from the farm in which ingredients are grown to the serving tray upon which food items are delivered to the customer. In China, however, as well in other developing markets, the fast food industry has also cleverly understood the importance of brand localization. Both KFC and McDonald’s, for example “consciously present (themselves) as a Chinese company.”34 In fact, in order for these companies to be able to operate in China, the Chinese government insisted that a Chinese corporate partner own 50% of the business overall. This regulation might seem unconventional, especially considering the fact that brand profitability is compromised by the fact that capital gains must be ceremoniously split down the middle. In China, however, “this corporate partnership is crucial to the development of American fast food interests because China’s physical infrastructure is still developing, which makes the entire concept of expansion very speculative.”35 In fact, today, “both KFC and McDonald’s have managerial departments dedicated specifically to strengthening the
companies’ relationship with the Chinese government.”

In China I spoke with Alex Zhang, a marketing strategist for McDonald’s and formerly of Yum! Brands, whose job it is to help decide where future fast food restaurants should be established. Before recommending new prospective locations for restaurants, Mr. Zhang and his team examine components such as the levels of pedestrian traffic as well as survey surrounding businesses in an effort to determine whether or not these stores would detract from business through competition or rather serve to create a commercial venue that has proved already attractive to shoppers. This process is “most typical within developing markets in 2nd or 3rd tier Chinese cities,” however, where continuing city construction and growing population size are still in flux.

To best present itself as a local company, “McDonald’s restaurants also actively participate in community affairs and establish special relations with local schools and neighborhood committees,” in the form of toy gifts to students and Ronald McDonald Scholarships for academic excellence. Fast food restaurants also provide employment opportunities to community youth that are considered “desirable” for a variety of reasons, including the distinction of working in a restaurant space that is often perceived as a social hangout. The typical KFC or McDonald’s restaurant in China employs roughly 20-40 part and full-time workers total at a time depending on the serving capacity and size of the restaurant. The production of food is also localized. In China, the potatoes for making french fries, lettuce, tomatoes, meat, cheese, and so on, is all grown domestically. OSI Foods, a supplier of poultry and beef, is contracted by both McDonald’s and KFC and is headquartered in China’s Shandong Province. OSI Foods has the mechanical capacity to slaughter and process over 100,000 chickens daily. Of course, domestic production does
not alter the taste or consistency of the final product. In my opinion, McNuggets in China
taste exactly similar to McNuggets available for purchase here in Los Angeles.

When it comes to fast food in China, the overall “hedging strategy is localization and
expansion.” In the minds of many consumers, restaurant brands such as McDonald’s and
KFC are still considered foreign gimmicks that serve strange Western foods that are meant
to be eaten without chopsticks but with bare hands instead. While there are some menu
items at American fast food eateries that make for exceptions, such as McDonald’s
traditionally inspired taro pies or KFC’s curried rice dishes, fast food menus in China do not
appear too dissimilar to their counterparts in other parts of the world. In terms of fast
food, what has become localized is not necessarily the product being served but the
constant familiarity with the experience of eating that meal.

That being said, there does not appear to be much trepidation of the prospect that
American fast food will outcompete and therefore ruin local, family owned Chinese
restaurants. Even despite the fact that there have been domestic fast food imitators in
China who have sought to copy American fast food brands or introduce Chinese fast food
alternatives, “the concept of standardized fast food itself relies too heavily upon the
consumer’s social experience, which makes the taste of the food itself less important in the
mind of the patron.” Of course, other factors play into the competition between family‐
owned restaurants in China and the American fast food industry as well, such as price
point. Fast food’s niche seems to be its ability to serve not only a meal, but provide a clean,
safe, and sociable atmosphere in which that food can be enjoyed. It is because of this that
fast food brands in China have sought to localize and to understand exactly how these
interior environments should be standardized as to best provide that experience.
Advertising the Individual

In the summer of 2008, the world gathered in Beijing to compete in and to celebrate the Olympic games. For a country long mired by periods of self-imposed isolation and haunted more recently by the terrors of political persecution and distrust, playing host to this Olympiad could not have been more significant. In many ways, in fact, Beijing 2008 was China’s coming out party. The Olympics helped to diminish the mystique of China, a country whose rich history and culture has blended with the fashions and technologies of a modern world, by inviting people everywhere to either visit Beijing personally or to admire the fanfare on television. Throughout China’s history, “the idea of “Middle Kingdom” or Center of the Universe” has long dominated Chinese self perception.” But it was during 2008, like never before, that China seemed at last poised to introduce itself on the global stage and at last primed to assume its place as one of the world’s largest, most dynamic of authorities.

The memorably flamboyant Olympic opening ceremony that year perhaps characterized China’s bold introduction best. Possibly the most dramatic performance during the ceremony involved hundreds of young men banging drums in perfect unison, while spiritedly chanting to a world audience who seemed just as eager to cheer in return. The People's Republic of China, by name and by definition, is still considered Communist in most regard. In my mind, the drum performance during the opening ceremony most figuratively represented the quintessential Maoist archetype that values collectivism over the pursuit of the individual. While performing, these men had no names, no faces, and no idiosyncrasies to distinguish them. Instead, they were all merely acting components of a
glittering, highly choreographed spectacle meant to convey China’s supremacy built on traditionally conservative idealism.

Outside the gates of Beijing’s massive Olympic stadiums, however, advertisements from Western and domestic brands and companies alike littered the city because, “the Games of the XXIX Olympiad, held August 8-24, 2008, in Beijing, China, marked an unprecedented opportunity for marketers to showcase their companies’ brand image in association with the world’s largest sporting event that took place for the first time in the world’s most-populous country.” One of the most aggressive brands in this “ad blitz” during the Olympics in China was McDonald’s, which ran its Cheer for China advertisement campaign. This campaign was meant to be highly interactive and encouraged McDonald’s website browsers to upload pictures, music, video, and messages in an effort, “to give people a voice.” Marketing supervisors at McDonald’s clearly seemed to tailor this “Cheer for China” campaign from an understanding that people in China are eager to share their individual personalities and emotions. In a country so populated, it may sometimes be difficult to find an outlet to express these attitudes. Perhaps surprisingly, it was McDonald’s in China that provided people with this forum.
Beijing 2008 was a momentous occasion for China and for the Chinese people. The Chinese attitude toward the collective spirit has transformed in recent years, as the merits of the individual are today valued with equal sincerity. In many ways, the Olympics in China reflected upon this change by honoring both China, as a country, as well as its athletes, as national heroes. Remember, it was Yao Ming, the 7’5” Shanghainese basketball superstar, who carried his nation’s flag during the opening ceremony. For an individual, of any nation, this might be the greatest honor of all. Yao Ming is the embodiment of many great things in China. But, he is only one individual.

According to Alex Zhang, the McDonald’s marketing strategist, “fast food restaurants preach individualism, at least amongst their consumer base.” 48 Through advertisements on television, online, and in newspapers, potential customers are encouraged to tailor their combo meals as they please. Within fast food restaurants, customers are given more choice than in other more traditional Chinese restaurants in which meals and dishes are shared amongst a group around a large. Fast food is individualized in the sense that everyone is responsible for ordering his/her own meal and has the option to enjoy that meal alone or with others. This flexibility to sit wherever and to eat whatever are valued in China,
which has helped to foster the generally popularity and acceptance of the American fast food industry.

Health

Quickly prepared and conveniently portable meals have existed in China for “eons,” however, which suggests that fast food, by its literal definition, is not actually a concept introduced by the West to the East.\(^4^9\) Cliché junk food items, such as burgers and fried chicken, in contrast with traditional Chinese wraps or fried pot stickers that are also typically eaten on the go, have distorted the authenticity as well as the perception of fast food in China. The rising popularity of American fast foods amongst China’s consuming classes are reflective of this dynamic change in China that has certainly resulted in and contributed to serious health concerns, such as obesity and diabetes.

In recent years, the diets and physical health of urban dwellers has become cause for specific concern. In fact, “almost immediately upon entering urban life, Chinese migrants’ diet changes...finding themselves instantly surrounded by high calorie, high-fat processed foods to a greater extent.”\(^5^0\) The American fast food industry’s contribution to these precipitating health implications is apparent, although not completely understood. Unlike in the United States, there does not seem to be a very concerted social health movement and a lucid understanding of the health implications of fast food has therefore been muddled. In the United States, fast food is associated with its comparatively inexpensive prices, drive-thru convenience, and expedient portability. In a highly mechanized society driven by a consumer expectation of consistently prompt service, it is no surprise to see why fast food has become so popular. Within China, however, fast food
is associated with affluence, leisure time, and the dwindling notion of Western cuisine as a novelty.

What seems to concern Chinese consumers more than the health implications of fast food is the cultural transplantation that is precipitated by the American fast food industry in China. Health and culture, in many instances however, seem inextricably linked to one another. When in China in the context of researching for this paper, I was able to casually speak with a family that lived in a rural community and was visiting Shanghai on vacation. This family seemed more well to do than a family needing to save money to consume American fast food, yet still they were curious to determine how I had become so tall. I am 6’2” and stood roughly a foot taller than the father of this family. I tried explaining to this family that my parents are tall, but they concluded on their own that my American diet of cheeseburgers and fried chicken as well as the fact that I grew up in America was mostly responsible for my growth. Biologically, this might not make much sense. This family deduced, however, that fast food might actually be healthy because in their mind it most certainly contributed to my larger physical stature.

The truth is though that fast food consumption in China likely aggravates the same negative health effects as anywhere else. The problem, however, is that Chinese consumers seem less aware of these health implications and, at present, there is not any functioning governmental initiative or public campaign visibly aimed at addressing this issue and educating people about the perils of over consuming fast food.

On a more positive note, however, the American food industry has contributed to the standardization and health inspection of food in China. Being some of the largest
restaurant chains in the country, KFC and McDonald’s “rely” on companies such as OSI Foods “to ensure that food items are prepared using only ingredients that have been properly sanitized.”

China, as a whole, has and continues to have problems keeping accountable for the hygienic food preparation standards it operates under, as is evident by the recent Bird Flu epidemic it was embattled with. “American fast food brands have a global reputation to upkeep, however, which forces them to operate with special caution” in China. But by developing methods to ensure food hygiene, American fast food brands have helped to set the benchmark for corporate food preparation and processing in China.

**KFC vs. McDonald’s vs. The Rest**

There are a number of American fast food brands that have established themselves in China. While the two largest, most profitable, and well-recognized are KFC and McDonald’s, some others include Carl’s Jr., Burger King, Subway, Pizza Hut, and Papa John’s.

**Yum! Brands: KFC and Pizza Hut**

From its humble beginnings as an individual restaurant in Beijing in 1987, the KFC brand has blossomed in China and is currently the single largest restaurant enterprise in the country. YUM! Brands, the parent company responsible for licensing and operating KFC as well as Pizza Hut, now boasts roughly, “3,200 KFCs and 500 Pizza Huts in over 650 cities Chinese cities” and throughout nearly all of China’s provinces. KFC has been flourished in China for many reasons. Not only was it the very first American fast food brand to open in China, its development was overseen by a talented group of Taiwanese born KFC managers, whose familiarity with the traditions of Chinese culture and their ability to speak Mandarin fluently made them well suited to lead the brand’s development. KFC has been so prosperous, in fact, that KFC’s China division became Yum! Brands number
Warren K. Liu, the former vice president of business development and a member of the Tricon (later renamed YUM! Brands upon the acquisition the licenses of additional fast food chains) asserts that KFC has become the fast food market leader in China not only because it has benefitted from a “first-movers advantage,” but because of the KFC insisted on localizing its brand image within Asia from the start as well. The underlying theme of this success though has been perceptive brand and operational adaptability. While KFC is best known for serving original recipe fried chicken, KFC customers in China can also purchase a wide variety of traditionally inspired Chinese food items as well, such as congee, which is a rice porridge that incorporates pork, pickles, mushrooms and preserved egg, or even sweet egg custards and boba milk teas. These foods are intended supplement KFC’s more famous chicken items and serve merely to give customers a greater range of options to choose from. Pizza Hut, which is also controlled by YUM! Brands, takes an even more dramatic departure from its Western counterparts. Pizza Huts in China are structured not as casual, take out or delivery fast food eateries, but as more “sophisticated venues for the legion of increasingly affluent and status-conscious Chinese.” In many respects, the menu at Pizza Hut in China is also very different as well and includes more chic and expensive food and beverage items such as escargot and wine.

Yum! Brands in China has also been developing a restaurant called East Dawning that serves only fast food renditions of traditional Chinese cuisine. While these restaurants are less commonly found throughout China, being still primarily located in the Shanghai area, the investment in this restaurant model clearly exemplifies Yum! Brands commitment to tailoring a dining experience that best suits the local Chinese consumer base.
McDonald’s

While McDonald’s is the world’s largest fast food chain, “it is a clear number 2 in China.” In comparison to the 3200 restaurants operated by KFC, the Chinese market leader, McDonald’s plans to reach 2000 restaurants by 2013. In contrast to Yum! Brands compulsion to localize in China, McDonald’s has instead sought to brand itself more as an “All-American” fast food restaurant that operates nearly uniformly to its other restaurants internationally. The fast food industry as a whole is still developing and it is still undetermined as to which company’s strategic marketing approach will prove to be more sustainable. In China, fast food restaurant patrons prefer chicken sandwiches and chicken burgers to ones that are made with beef. Even though McDonald’s has “sold more chicken than beef products,” however, the company has stubbornly vowed to serve beef. Instead of converting their product line into chicken, McDonald’s has instituted a campaign to try and alter consumer perception by “vigorously marketing” the Big Mac and the Quarter Pounder, two staples on the McDonald’s menu. This is not to say, however, that McDonald’s is completely unwilling to adapt itself to the local Chinese environment and local consumer preferences. In McDonald’s 2010 Annual Report, the company notes that its sales of spicy chicken wings have proven to be especially profitable.

During my visits to McDonald’s in China, I was very impressed by the interior ambiance within their restaurants. Yunxiang Yan contends that, “whereas children are great fans of the Big Mac and french fries, most adult customers appear to be attracted to McDonald’s by its American style rather than its food.” Because McDonald’s are not as prevalent in China, it seems that most of their restaurants have been more recently constructed as the company is in the process of playing catch up to KFC and Yum Brands.
In comparison to KFC restaurants, McDonald’s restaurants on the whole seemed to me to be cleaner, sleeker, and certainly much larger. McDonald’s in China seems to approach its marketing strategy not necessarily through food, but by offering a greater consumer experience in which this food can be enjoyed.

**The Others**

![Image of Cali Burger](image)

According to Alex Zhang, the McDonald’s marketing strategist I spoke with in China, both KFC and McDonald’s control the “lion’s share” of the Chinese market because they have the most restaurants in the greatest number of cities. There are many other recognizable American fast food brands in China, however, though these companies must often create a unique niche for themselves in order to best compete. For example, while Pizza Hut and Papa John’s have promoted themselves as fancier, sit down establishments, other brands such as Carl’s Jr. and Subway have stressed quality, health, and freshness. Only recently, I learned of a fast food restaurant named Cali Burger in Shanghai. Cali Burger was founded by a rogue, ex-employee of In-n-Out Burger and has literally copied In-n-Out’s
business formula in China with great success. The formula at Cali Burger has made some amusing modifications to that of In-n-Out, however, by offering ice cream shakes mixed with bourbon and utilizing attractive female waitresses, à la Hooters.

Because many brands that are familiar to Americans are only just beginning to introduce themselves within the Chinese consumer market, they need to devise clever ways to distinguish themselves from their competition. It would be naive to argue that Chinese consumers cannot tell the difference between Western brands or that Chinese consumers regard all cheeseburgers as being the same. This is simply not true. In fact, “smart consumers in China today can easily discern good quality from bad.”
Chapter 5: Consuming Fast Food

The Chinese Family and Youth Culture

Since the inauguration of China’s infamous One Child Policy in 1979, the social dynamics of Chinese families has been altered considerably. A culture that once considered the, “fortunes and the comforts of the elderly as paramount” now seems to most ardently endeavor to placate the special needs and wants of children. While the One Child Policy was originally devised to regulate family size in China through a necessary, but cruel attempt to avert further overpopulation, this policy has also managed to produce a new generation of pampered, often spoiled children. These children, who are satirically referred to by the Chinese as “Xiao Huangdi,” or “Little Emperor/Empress,” have great command within the marketplace because they are financially supported by “the affection and the economic support of two parents and in many cases four grandparents.”

Improved standards of living in China have intensified a sense of consumerism and have thereby encouraged an unbridled materialism that drives parents and grandparents alike to overindulge their young in ways that they themselves might not have enjoyed during their own adolescence. In *Golden Arches East*, Yunxiang Yan asserts that these young consumers in China today are not necessarily foolhardy shoppers willing to spend money just anywhere or on anything either. Rather, China’s youth are “very knowledgeable about modern shopping malls and commodities available there.” In Nanjing, I had the privilege of speaking with a young father about this phenomenon and he explained to me that while he cannot afford to treat his daughter to fast food as often as she would like him to, he meticulously budgets his own personal expenses to be able to buy fast food meals for her on special occasions such as during Chinese New Year. The “rise in the amount of money
and attention lavished on children” has contributed to the successes of the American fast food industry by providing this industry with a practical consumer base that has/will quickly learn to clamor for burgers and fries just as other children from around the world do.71

The familial and social transformation in China has immediate ramifications; ones that business and marketing strategists are quick to discern and to capitalize upon. Like in the United States, children in China have become the “targets of fierce advertising” mechanisms devised to encourage consumerism, brand familiarity, brand loyalty, and confidence.72 As in the United States, for example, Chinese children are very familiar with the Colonel Sanders caricature of KFC, Ronald McDonald, and even Ronald’s female companion, “‘Aunt McDonald,” whose job it is to entertain children and attend parties.”73 McDonald’s in particular seems especially adamant about advertising to children through television commercials and other promotions that make well known the toy prizes that can be attained with the purchase of a Happy Meal. In the United States, although major advocacy campaigns have worked hard against it, this practice is already so apparent as to seem commonplace. As a kid, I myself knew that the slogan, “We Love to See you Smile” advertising McDonald’s and I could recognize the Colonel’s silhouette on freeway road signs miles away from the back seat of my parents’ minivan. In China, however, this “habitual familiarity with fast food branding has only recently developed,” at least since China was opened to the west in the 1978.74 Children in China are equally as perceptive as Americans are and as China’s middle class grows and family incomes rise, within metropolitan areas in particular, much greater consumer authority will be given to children
who are now at once familiar with American fast food brands, the products they serve, and the social experience they provide and therefore willing to spend money on it.

**Celebrations**

Chinese New Year is without question the most anticipated, most celebrated holiday in China. Continuing for roughly a week once every year, Chinese New Year is a particularly festive time during which families reunite, feast, revel, and set off fireworks. This year, 2012, the first full day of Chinese New Year was on January 23rd. The next day, on January 24th, I visited a McDonald’s restaurant in Nanjing within a 5 minutes walking distance from Nanjing University in the heart of the city’s downtown. To my surprise, McDonald’s, KFC, and most other American fast food brands stay open for business during the New Year, regardless of the fact that Chinese New Year is one of China’s most traditional of holidays. My assumption was that during Chinese New Year, these restaurants would close or at least assume holiday hours. Who would choose to eat American fast food during one of China’s most long-established holidays? Well, plenty of people wanted to. When I arrived for lunch, I even had to wait in line to place my order.

One unique hallmark of McDonald’s in China is the all-inclusive service it provides for birthday parties and private celebrations. When I visited China, I had the unique pleasure to witnessing a birthday celebration for myself at a McDonald’s in Nanjing. To be clear, fast food restaurants are perceived much differently in China than in their Western counterparts because they are “much more highly regarded,” at least in China’s developing and still highly provincial second and third tier cities.75
What was most interesting that day, however, was the McDonald’s birthday being held for an elementary school-aged boy that was coincidentally scheduled during my visit. In China, it is not uncommon for parents to organize birthday parties or festive events for their children at local McDonald’s restaurant locations. In fact, McDonald’s seems eager to host these events and even offers parents, “a special party package that includes gifts and toys for each participant, plus the services of a hostess (sometimes Aunt McDonald herself) who leads the children in songs and games as well as provides cake.” Parties held at McDonald’s seem to be rather informal, however, and do not occupy too much restaurant space. This party I observed hosted roughly seven children in addition to their guardians, and used a large table that had been sectioned off only minutes earlier by the supporting McDonald’s host. During this party, regular customers within McDonald’s were still able to use the remaining tables and chairs. In fact, I was able to position myself at the table facing directly across the party itself, no more than a yard away. For some, this proximity might detract from the privacy that partygoers might enjoy at other venues. But then again, I found that the more public setting provided for a much better ambiance in the terms of background noise and might actually be a tactic for parents to show themselves off, in a way, as benevolent hosts.

The party itself lasted roughly ninety minutes, though it seemed to me more like a get-together of young friends and their parents/nannies at McDonald’s. No songs were sung, nor any games played. This party was an opportunity for families to get out of the house for a bit for lunch before returning home and preparing for that evening’s much larger New Year’s festivities. This is not to say that this party was dull. In China, events like
this occur quite frequently and “parties of this type have become an integral feature of local culture.”77

What I was able to surmise from witnessing this birthday party was the degree to which McDonald’s, as well as other fast food chains, have been able to localize their global brands within neighborhoods and communities. Fast food, by definition and by practice, is highly processed and homogenized so as to operate uniformly no matter the geographic location. This industry has, “created a system that depends upon standardized procedures in everything.”78 What I consider outstanding, however, is how such a comprehensive, all encompassing brand like McDonald’s can immediately seem as modest and as independent as it was in the setting of a cozy children’s birthday party. In Brandscapes, Anna Klingmann contends that fast food restaurant spaces are designed to manipulate and distort perceptions as a highly controlled and manufactured space.79 While I understand that the physicality of space surely influences the psyche of clientele, I am more concerned with deciphering the personal or emotional significance of that birthday party. Birthday parties are intensely personal events, especially for children who associate their birthdays as their own unique, self-serving holidays. Parents recognize this and in an effort to please their child, expend their energy, time, and money to magnify the importance of this day for their children by way of a party and wrapped presents. In China, many families trust McDonald’s and Aunt McDonald with helping them to coordinate this event. This relationship between the family and McDonald’s is very suggestive of the role fast food has in the Chinese community because it demonstrates the fact that “many families in China trust McDonald’s.”80 They trust that the food McDonald’s serves is sanitary and good tasting.
They trust that, under McDonald’s supervision, their children will feel protected and safe. They trust that when they visit McDonald’s, everyone will enjoy himself or herself.

In a brief amount of time, fast food brands, not only McDonald’s but KFC and others as well, have established a consumer confidence and correspondence that has allowed the fast food industry in China to excel both financially and materially in communities all over the country. Already, this industry serves as one of the West’s most prominent ambassadors to China and it has built this reputation by successfully engaging the Chinese families and their children. “To many...(fast food) symbolizes more than just food; (it) stands for home, familiarity, and friendship.”

**A Status Symbol**

A mere generation ago China was a nation of city cyclists and rural farmers, most of whom were unfamiliar with the cultural styles, foods, and functioning philosophies of the West. Fast-forward to today and the setting in China is much changed. This transformation was rapid, though not quite instantaneous however; “the Chinese Communist Party would never have allowed that.” Nevertheless, on the whole, China has been made different and is still in the gradual process of substantiating itself into a country that is ready and able to assume a position as one of the world’s most formidable of powers. In terms of this report, China has also become a hotbed for foreign investment, production, and ultimately the consumption of both domestic and Western imports. Business between China and the West, however, does not only entail China’s capacity to manufacture and thereby influence the American goods market. In fact, Western companies have sought to establish themselves within China itself and have served as beacons of a more free-reigning
The American fast food industry is a pioneer in this regard.

On November 12, 1987, KFC first opened in China. Today, KFC is the “largest single restaurant enterprise” in the entire nation. KFC was the initial American fast food company to open in China and has been instrumental in helping to pioneer an entire industry that now includes McDonald’s, Pizza Hut, Carl’s Jr., Subway, among others. What the American fast food industry sells in China, besides foreign-tasting food, is an experience that is one of a kind to the average Chinese consumer. In terms of product and brand marketing, this distinction as being foreign is critical. Because China sequestered itself from the Western influences for so long, it was only natural that there would be a sensational market crazy for everything foreign when governmental imposed restrictions were at last lifted. This being the case, the notion of foreign commodities as novelties in China is largely responsible for forging a consumer market that seems obsessed with the West. Today, Chinese aspire for the opulence imported from the United States and Europe. Luxury fashion brands such as Louis Vuitton and Prada, automakers such as Lamborghini and Buick, and so on, are now doing business in China and have been considerably prosperous marketing themselves to the ultra-rich of China’s most affluent of social, corporate, and political circles.

The American fast food industry has enjoyed the most impressive success in the China’s emerging consumer market as a foreign import. Not only has this industry been able to penetrate into a variety of different socio-economic communities by proffering relative affordability without sacrificing cachet, American fast food interests in China have
also dominated a lion’s share of the restaurant business in China and, at least for now, seem much more difficult to replicate than say a leather purse overlaid in LV. This of course means that McDonald’s, KFC, etc. have unique corporate and brand identities and are therefore more complex to clone.

As stated before, in the eyes of many Chinese consumers, American fast food “represents Americana and the promise of modernization.” In China, fast foods restaurants are quite often located in shopping malls or districts, in close special proximity to the luxury retail fashion brands, such as Louis Vuitton, mentioned earlier. When in China, I found these shopping destinations to be quite peculiar in that they were all primarily composed of recognizable foreign brands, both restaurant and retail. Not readily could I find a store that sells traditional Chinese goods. Though, while a McDonald’s storefront might abut that of a Louis Vuitton, the functional purpose of these two businesses are quite contrasting in that most people gawk at the high fashion retail stores without making purchases and then stop by the fast food restaurant for a snack. As explained to me in China, fast food prices are much more accessible to a greater range of Chinese consumers. This makes a trip to fast food restaurants more appealing because visitors are able to savor the cultural satisfaction of eating “Americana” without spending too much money. “McDonald’s (and other American fast food brands) operate in China without the restrictive fees incurred by China’s import duties on luxury good. This makes McDonald’s products much more affordable to the average Chinese consumer than say a high-fashion purse that is marked up 40% or so by taxes.”
In spite of this, fast food in China is not considered affordable to everyone. At present, fast food restaurants are most typically found in the well-maintained shopping districts, walking streets, and in the more affluent communities of China’s most commercialized of cities. While China is indeed swiftly urbanizing, a large fraction of China’s population continues to live in the countryside. Many of these rural inhabitants still consider a meal at a McDonald’s or KFC to be quite expensive and there are many stories in China of families saving money for long stretches of time to be able to treat their children to a hamburger, fries, and soda.

In terms of dining out, traditional Chinese meals can be just as expensive as fast food. In China, typical restaurants that serve actual Chinese food are arranged in a family-style, meaning that food is shared on large dishes and distributed most commonly atop a lazy susan. These meals are paid for by one host, usually the family’s patriarch, who is solely responsible for ordering the food as well as ensuring that his table to attentively looked after by the restaurant’s service staff. The social dynamic here is quite elaborate and even after numerous trips to China, I have yet to perfect the etiquette. I do understand though that Chinese restaurant spaces can be quite competitive because a host will often attempt to impress his guests with the most extravagant of dishes so as to outdo neighboring tables. All this back and forth can be very petty, of course, but the point here is to understand that this is a common practice in China. At fast food restaurants, however, consumers are not embattled by such competition. Menu items have fixed prices, which are clearly legible for all patrons to see, and the combo meals themselves are usually priced similarly to one another. This eliminates any possible embarrassment of “losing face” and
therefore the Chinese seem “attracted to fast food because of its lack of pomp and its unrelenting predictability.”

As a result, fast food restaurants have become especially popular amongst Chinese teenagers as venues for dating. Attracted by the relatively cheap prices and the quick portability of the sweet tasting foods served, fast food restaurants are considered as “hip, casual places” to indulge one’s significant other. The concept of the drive-thru fast food model has not (yet) caught on in China. As aforementioned, fast food restaurants in China are most typically found in the well-maintained shopping districts, walking streets, and in the more affluent communities of China’s most commercialized of cities. These restaurants can be most easily accessed by pedestrian traffic and are located in centrally located districts of the city in which people are encouraged to congregate in. Fast food restaurant spaces are very social and young couples seem to enjoy not only the inexpensive snack items made available on fast food menus, but the ability to see and be seen by their peers in these settings.

In China, I had the pleasure of meeting with quite a few Chinese teenagers and I made sure to ask them why they regarded fast food restaurants as appealing spots for a date. One of the most typical responses I was given included a point about how fast food was “cool” because it was Western. In Nanjing, a city considered a second-tier to the Chinese, this reasoning was given more often. In Shanghai and Guangzhou, cities that are comparatively more developed, fast food seemed to be considered less of a foreign novelty.

It is interesting to point out, however, that fast food restaurants in China do not only serve traditional American foods, such as fried chicken, hamburgers, ice cream shakes, etc.
In fact, nearly every American fast food brand in China has developed its own version of a traditional Chinese snack on their menu as well, such as boba milk teas and egg custards. YUM! Brands, for example, has taken the most prominent steps toward “localization,” by serving meals that incorporate white rice at KFC and even going so far as to establish a completely independent fast food brand called East Dawning that serves strictly traditionally Chinese foods.\textsuperscript{91}

While it is true that American fast food companies in China have branded themselves as Western eateries, they have also made concerted efforts to adapt locally to the surrounding Chinese cultural environment in which they do business. I think that this attempt to be American, yet at the same time serve food items considered more traditionally Chinese adds to the industry’s stature in China. In this way, a variety of competing tastes served in one store creates a nexus that bridges the dissimilarities between East and West. In China, this effort seems to be well received and has helped to bolster enthusiasm and continued patronage of the fast food industry as a whole.

**For the Public**

Because the American fast food industry has been able to so adeptly diffuse through a wide variety of communities throughout China, brands such as McDonald’s and KFC have quickly become some of the “most recognizable to the average Chinese consumer.”\textsuperscript{92} In some of the more highly trafficked commercial areas of China’s larger metropolitan cores, such as in Shanghai’s famous Nanjing East Road, fast food restaurants of the same brand can be stumbled upon quite frequently. For example, when I recently visited Nanjing East Road, I did not need walk more than half a mile before passing three McDonald’s and two
KFC’s. It was even possible for me to see the second KFC from the doorway of the first. In New York, there is a running joke about the obscene number of Starbucks that can be found in Manhattan. In China, there is a similar joke about the number of McDonald’s and KFC’s that can be found in shopping centers.

Why do these fast food companies operate with such a high frequency? In China, “building brand loyalty” is equally as important to corporate strategic planners as is the profit margin. It might be a bit puzzling to imagine, but fast food restaurant spaces in China serve the community as quasi-public spaces. That being said, a greater number of restaurants found in high frequency areas will actually serve more people than one centrally planned store. Imagine if fast food restaurants were like public parks. Out of convenience, people will more likely visit a park if it is nearby rather than travelling a greater distance to enjoy a larger park that might be more congested. At first, I had difficulty understanding this conceptual philosophy for myself. I realized though that in
order to best understand it, I needed to first accept the fact that the culture of fast food in China is much more leisurely than it is in the United States. In the United States, “fast food” seems to more appropriately fit its title in that food is served quickly, consumed quickly, and customers know well enough to leave quickly. In China, although the food is delivered into customer hands just as rapidly as one would expect in America, people seem to take a much more prolonged time eating that same meal and often sit for extended periods of time before actually departing their seat for good.

According to McDonald’s, this “perceived inactivity” can actually benefit a store’s success. It is believed that restaurants that are more crowded are likely to attract even more customers who are enticed by the boisterous “ambience” of the communal, social spaces that fast food restaurants often serve as in China. During my visit in China, I was able to experience this phenomenon first hand. During lunch and dinner hours, the fast food restaurants I visited operated much more typically to the fast food restaurants I am accustomed with in America in that customers were mindful of the amount of time they spent eating, socializing, and sitting. The hours between 2 PM and 5 PM, however, I found to be the most unusual. During this three-hour stretch, I would often see elderly couples eating watermelon seeds (a food item not sold at any American fast food restaurant) or other small food items not purchased in house. I would see high school aged teens doing homework and socializing. I would even see professional business-types in the midst of intensely negotiated meetings. What was striking to me was that all of these parties did not have any fast food menu items at their tables, and instead seemed to be simply using this space publically for their different purposes. As a participant observer, I myself often found myself sitting idle within fast food restaurants. Oddly enough, however, I did not feel
the urge to leave with the same veracity that I do when I enjoy fast food in America. Other people were relaxing and I figured so could I.

In China, I visited numerous McDonald’s, KFC’s, Carl’s Jr’s, Pizza Huts, and East Dawning, the YUM! Brands company that serves Chinese food. While logo designs and color schemes are unique to the individual company, I found that most fast food restaurants shared similar overlying features. For example, the interiors of fast food restaurants in China are spacious, provide for an exorbitant amount of seating, and are meticulously cleaned. Most restaurants even include restrooms, a luxury that most other stores and restaurants do not provide and can be used without first making a store purchase. These restrooms are also very well kept, a point that Warren Liu insists upon in *KFC in China* to ensure restaurants are well received and made comfortable.96 There is a culture in China in which it is acceptable for men and women to violently spit almost wherever they please along public sidewalks and roadways. That being said, Chinese cities can be filthy. Perhaps this is why fast food companies insist that their restaurant spaces be sanitized properly by insisting upon a “high standard of hygiene.”97 During my time spent observing the interior environment of fast food restaurants in China as a participant observer, I noticed that fast food restaurants are often much more extravagant in China than their counterparts within the United States. In China, for example, fast food restaurants employ staff members whose responsibility it is to physically carry customer’s food trays to the trashcan. In the United States, it is the duty of customers themselves to neatly discard of their trash. In China as well, it is perfectly acceptable to leave behind trash on the table for restaurant service staff to clean. When I explained this practice to a “fuwuyuan” or “waitress/restaurant attendant” in one of Shanghai’s Carl’s Jr. restaurants,
she seemed incredulous. It seems that often times, because fast food in China caters to a more affluent consumer base, the industry operates at a greater level of expectation in China than in the United States.

The interiors of fast food restaurants are also considered to be very safe. In one of the Carl’s Jr’s that I visited, I was able to count a total of ten security cameras that were responsible for monitoring an area that could seat roughly forty people comfortably. This might seem a bit excessive, but fast food restaurant spaces are scrupulously controlled environments in which every detail is accounted for. This of course includes the music selection. In one of the three McDonald’s along Nanjing East Road that I visited, everything from 50 Cent’s “Candy Shop” to Adele’s “Someone Like You” to some generic Cantonese pop was playing in the background. I doubt any other customers took note of this. Ambient music is meant to blend seamlessly into the background to ensure that the restaurant is never too quiet so as to make people feel uneasy.
Chapter 6: Conclusion/Recommendations

There are numerous implications that can be drawn from the American fast food industry's operations in China. This paper has sought to consider fast food in China within the general context of consumerism.

It seems that the American fast food industry has contributed to the development of a burgeoning consumer culture in China. Because of the economic reforms that China has enjoyed since opening to the West, the lifestyles of many contemporary Chinese people are dynamically different now than they were a mere generation ago. By allowing greater consumer flexibility and thereby authority, the people of China today have been presented with much better opportunities to simply make decisions for themselves. Choices are made in China today about how to live, what to consume, and, in the context of this paper, what to eat. While greater consumer power has allowed the Chinese to enjoy additional freedoms, it would be foolish, however, to simply argue here that having choice is better than having no choice at all. In order for Chinese consumers to be responsible, they need to develop a better understanding for both how they consumer and what it is they consume. In terms of fast food in China, a much more lucid understanding of the many adverse health effects that are precipitated by fast food consumption must be initiated through a better education of what fast food is, how it is prepared, and what health ailments it might exacerbate. The responsibility of creating better consumer awareness falls on a variety of different entities, including local community and parent counseling groups, recognizable health organizations, both domestic and international, Chinese universities, and even the Chinese government itself. Open dialogue between these stakeholders must be fostered,
with particular emphasis given to the Chinese government. The Chinese Communist Party in China is almighty. Convincing the politicians of China that unfettered economic progress and development of foreign companies does have its share of negative reverberations will be an important step in enacting more thoughtful regulation, control, and ultimately understanding of the effect American fast food has on the average Chinese consumer.

At the same time though, American fast food will always be considered foreign in China. Whether or not it is considered a novelty and a gimmick, however, is less certain. It is important for the perception of American fast food in China to devolve away from this mania and come to be recognized as it is here in the United States: an enjoyable treat only from time to time.

The story of fast food in China is not black and white, yin and yang, however. The American fast food industry has been monstrously successful in China and in the near future will serve as an example to other foreign industries looking to develop in Asia. As corporate pioneers that have been successful in fostering a working relationship with Chinese consumers, the American fast food industry has managed to define for all other industries the rules for marketing and expansion within China. The American fast food industry has demonstrated the viability for Western companies in China to not only sell products that engage the tangible senses of touch, smell, and/or taste, but their need to market a social experience that pacifies consumer psychological comforts as well. While many might consider the fast food industry an abomination that is likely precipitating many negative implications in China, such as the concerns for dietary health, the Chinese
seemed to have actually benefitted socially from this industry that has helped to redefine the guiding practices of fair, consumer friendly business in China.

The American fast food industry had helped to transform modern China in a variety of different ways, both good and bad. As a developing country of 1.4 billion people, China must continue to rely on foreign investment to put people to work and to keep its economy growing. China needs to continue to transform itself from a nation that produces into a nation that consumes. The fast food industry, although far from perfect, is an industry built to serve the consumer. The fast food industry’s success in China speaks to the fact that the consumer buying power in China is growing and that the future can and will be better. This industry has also played a tremendous role in dismantling China’s cultural prejudices and has trail blazed a corporate growth model that has allowed its businesses and its products to reach millions of consumers of varying background and social class. In China, the American fast food industry has been vastly transcendent and has helped to redefine life, food, culture, design, and sociability in the world’s second largest economy.
Endnotes

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