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McDonald's' Local Strategy, from El McPollo to Le McWrap Chèvre

by Nataly Kelly | 1:00 PM October 8, 2012

A cup of rice with chicken, ginger, onion, shallots, and chili peppers. A fried patty made of potatoes, peas, and spices, topped with tomatoes and vegetarian mayonnaise. Grilled chicken in pita bread with lettuce, tomato, onion, and tahini sauce. English muffins topped with refried beans, white cheese, and salsa. Breaded chicken covered in guacamole. A deep-fried roll of beef ragout. Lamb wrapped in Arabic flat-bread with shredded lettuce and tomatoes. A sandwich made of grilled salmon and dill sauce.

Do any of these dishes sound like they could possibly come from the same restaurant, let alone the same massive restaurant chain? Let's try referring to these menu items as you would order them locally: Bubur Ayam McD (Malaysia), McAloo Tikki (India), McArabia (Egypt), McMollete (Mexico), McPollo (Chile), McKrokot (Netherlands), McTurco (Turkey), and McLaks (Norway).

Yes, to the delight of many Americans and to the dismay of many others, the golden arches of McDonald's appear throughout the world. But the menu items vary greatly. Go to a McDonald's in Singapore, and you can order jasmine tea and a Shaka Shaka Chicken, which you create by dumping spice powder into a bag and, with a quick "shaka" of the bag, coating your chicken patty in local spices. In Spain, you can actually buy the country's chilled soup, gazpacho, at McDonald's, where it is served in a carton. In Brazil, you'll find McDonald's filling that rectangular apple pie crust with bananas instead.

The burgers that made McDonald's famous also vary tremendously by country. Head to Japan and you can order a Koro Burger, which consists of mashed potato, cabbage, and katsu sauce. In Hong Kong, you'll find a burger that is served not between sesame seed buns, but between rice cakes. In Malaysia, you can order a Double Beef Prosperity Burger, which features spicy black pepper sauce. In Italy, the burgers come with pancetta and usually are on ciabatta rolls. Visit India, where eating beef is against religious rules for about 80 percent of the population, and you won't find any beef burgers on the menu whatsoever.

In Germany, you can pick up a McSausage Burger. In Greece, a Greek Mac. In New Zealand, a KiwiBurger. In Costa Rica, a McPinto Deluxe, with rice, beans, and plantains. In Thailand, a McSamurai Pork Burger. Head to the United Kingdom around Christmastime, and you can order a mincemeat and custard pie for dessert. When in France, you can order Le McWrap Chèvre, a goat cheese wrap. In Argentina, you can have wine with your McDonald's meal; German outlets of McDonald's sell beer; in Israel, kosher food is served; and in Hawaii, you'll be handed Spam with your breakfast. How's that for contrast?

I see five important takeaways in McDonald's global success:

1. **Don't confuse your brand with your products.** While it's true that the McDonald's brand is strongly associated with hamburgers, this has not prevented the company from dropping all meat from some local menus. McDonald's announced that it will open up its first vegetarian restaurants in India, a nod to the dietary preferences and religious beliefs of local customers.
2. **Figure out which products have international appeal.** It's quite likely that some of your products might be desirable in every market, as McDonald's has found. Some of the company's products, such as its fries and shakes, stay consistent at most of its global locations.
3. **View a new market as a chance to take on new brand attributes.** While McDonald's is known for its affordable

fare in the United States, in many countries with a growing middle class, it can actually be a status symbol to be seen eating there. Don't assume that just because your brand has negative aspects in one market that it will necessarily carry them into another.

4. **Remember that "small markets" may very well define your future.** Many companies make the mistake of only focusing on major world economies. McDonald's is a global company, but about 70 percent of its revenue, which normally tops \$20 billion annually, comes from restaurants in Australia, Canada, China, France, Germany, Japan, the United Kingdom, and of course, the United States. Paying attention to those countries that "only" make up 30 percent of the company's revenue is a wise move. As their spending power grows, so too does their share of the pie.

5. **Let your customers tell you what they want.** McDonald's did not come up with all those adapted product offerings in isolation from its customers. Rather, the company observed the behaviors of customers in these local markets and packaged their products in ways that would seem local and familiar. When was the last time you adapted a product for a new market based on in-country customer feedback? You should.

This last lesson is one that even McDonald's sometimes forgets to implement. Recently, the company launched a new advertising campaign for the Hmong in Minnesota. Not only did it botch the translation (http://www.twincities.com/stpaul/ci_21467811/st-paul-mcdonalds-apologizes-mistranslated-hmong-language-billboards), but it tried to convince the tea-loving Hmong people to embrace coffee. Had the company talked with members of the community first, they would have learned that not only was the translation incorrect - so was the product selection. No matter what markets you're in (http://blogs.hbr.org/cs/2012/08/speak_to_global_customers_in_t.html), remember to put your customers at the heart of your product choices, and it's hard to go wrong.

This blog post is partially excerpted from Nataly Kelly's book, Found in Translation.