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The Rise of American Food in China

Shiyan Wang
swang108@usfca.edu

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The Rise of American Food in China

Shiyan Wang

APS 650: Capstone Project

Professor Brian Komei Dempster

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Abstract

Over the years, American food has become more and more popular in China. Today, the Chinese are more open to trying new cuisines. To fully understand the forces that have catalyzed the growing presence of American foods in China, my research project demonstrates the complex web of factors that shape how American food businesses' presence in China has changed over the last decade. Examining a diversity of sources, including existing trend data, my analysis focuses on the domestic and global factors that have facilitated the growing presence of American food restaurants in China. Using this research as a jumping off point, I argue that this increased presence is an indicator of changes in Chinese food culture in response to new economic developments and global trends taking shape. This project asserts that three main factors are responsible for this food phenomenon: globalization, urbanization, and localization. First off, globalization and China's economic downturn have affected China's food culture and encouraged the growth of American food businesses in China. Second, urbanization and China's shifting food culture have been driving forces in the marketing plans for these businesses. Third, the businesses which utilize effective localization strategies have the best chances of success. In turn, culturally appropriate marketing strategies and implementation are the key measures of success or failure for these businesses. The elements for the successful opening of a business include cultural sensitivity, appropriate products, proper location, and an efficient supply chain. By developing this detailed, comprehensive understanding, American businesses can increase their likelihood of sustainability and profitability in China. Moreover, this analysis will inform my own plans, as an entrepreneur, when I open one and serve as a guide for others who wish to do so.

Keywords: fast food in China, localization, globalization, urbanization

Introduction

Fast food outlets or restaurants from Western countries or cultures were less popular and not widely accepted in China when McDonald's first established its operations in China in 1990. Indeed, most Chinese citizens had hardly ever heard of Western fast food dishes such as hamburgers and French fries, among others that McDonald's would sell in its restaurants from the 1990s and onwards.¹ Although few people may have anticipated that McDonald's and other Western food chains would flourish rapidly in the Chinese market, the media began reporting the unexpected. One online news article asserted that from the time McDonald's started its operation of selling Western fast foods in the Chinese market, the American food chain started to experience a steady and successful expansion.² The implication of such media reports is that restaurants selling American and other Western food in the Chinese markets continue to get a positive reception from the local Chinese population.

Determining the real reasons behind the ever growing popularity of American food in China is a vital step, but doing so is a complicated proposition with a mixture of encouraging and discouraging factors. According to a CNBC article by Amelia Lucas, the growth of American restaurant chains such as Popeye's and McDonalds in China is evident.³ On one hand, China's large population and its ongoing economic downturn appears to attract American fast food

¹ Ruixue Chen, "Effects of McDonald's on Younger Chinese Lives Generation's Lives," *University of Missouri*, August, 2014, <https://artifactsjournal.missouri.edu/2014/08/effects-of-mcdonalds-on-younger-chinese-generations-lives/>

² Chen.

³ Lucas, A. "US restaurant chains look to China for sales growth as trade war continues." *CNBC* (2019): <https://www.cnbc.com/2019/08/02/us-restaurant-chains-look-to-china-for-sales-growth-as-trade-war-continues.html>

restaurants. However, American food businesses may have established themselves in China at a desirable speed because of factors like the trade war and China's retaliatory taxes on America's exports and businesses.⁴ The explanation for why the presence of American foods is rising in China overemphasizes certain factors: China's large local population, its economic downturn, and trade wars with America. Indeed, the factors accounting for this phenomenon extend beyond these three reasons. Namely, China's rapid growth as the most developed economy in the Asia Pacific region, among other issues, also has led to the preponderance of American food ventures in the Asia Pacific countries.

To fully understand the forces that have catalyzed the growing presence of American foods in China, my research project demonstrates the complex web of factors that shape how American food businesses' presence in China has changed over the last decade. Examining a diversity of sources, including existing trend data, my analysis focuses on the domestic and global factors that have facilitated the growing presence of American food restaurants in China. Using this research as a jumping off point, I argue that this increased presence is an indicator of changes in Chinese food culture in response to new economic developments and global trends taking shape. This project asserts that three main factors are responsible for this food phenomenon: globalization, urbanization, and localization. First off, globalization and China's economic downturn have affected China's food culture and encouraged the growth of American food businesses in China. Second, urbanization and China's shifting food culture have been driving forces in the marketing plans for these businesses. Third, the businesses which utilize effective localization strategies have the best chances of success. In turn, we can look at culturally appropriate marketing strategies and implementation as key measures of success or failure for

⁴ Lucas.

these businesses. The elements for the successful opening of a business include cultural sensitivity, appropriate products, proper location, and an efficient supply chain. By developing this detailed, comprehensive understanding, American businesses can increase their likelihood of sustainability and profitability in China. Moreover, this analysis will inform my own plans, as an entrepreneur, when I open one.

Theories About the Popularity of American Food in China

In a review of the existing discourse, we see how local and external “factors may have contributed to the rapid growth” of American food businesses in China. China’s demand for fast food in its burgeoning population has increased tremendously. Wang et al. examined the domestic Chinese fast food market and found evidence of the market’s growth due to different factors such as economic growth, urbanization, population increase, and a change in the Chinese people’s social norms and lifestyles. Today, more Chinese prefer to eat out more frequently than eating in their homes.⁵ With regards to the external environment, China faces increasing pressure from the growing numbers of international fast food service providers, the phenomenon of globalization, and increased availability of foreign food brands and choices. Despite offering good findings about the factors behind growth of the international food market in China, Wang’s study has a low quality of evidence, because it uses the review method. Using only secondary research increases the risk of carrying forward the mistakes of previous researchers. It is important to have the first-hand data and information that will help us find out the real answers.

⁵ Youfa Wang., Liang Wang., Hong Xue., & Weidong Qu, “A review of the growth of fast food industry in China and its potential impact on obesity.” *International Journal of Environmental Research and Public Health* (2016): 13(1112), 1-16. DOI: 10.3390/ijerph13111112

Moreover, despite some articles identifying economic recession or downturn as one of the reasons for the growing popularity of American diets in China, further investigation reveals some inconsistency. An article for *China Highlights* website reveals how Chinese indigenous foods are generally of lower cost than American fast foods, though food prices also depend on the restaurant one visits. According to Pang's article, an exemplary local Chinese breakfast costs between 3 and 20 Yuan, whereas a Western breakfast taken from a fast food restaurant is priced between 30 and 40 Yuan.⁶ Clearly, a local Chinese breakfast is cheaper compared to those offered in American restaurants. In other words, even if one argues that American fast food is a draw in China due to its low cost, one must acknowledge such comparative statistics in their analysis.

Moreover, Pang made a comparison between the price of Chinese fast foods and American fast food in China. According to Pang's findings, Chinese fast food restaurants offer low-cost and high varieties of meals at a cost that ranges between 2 and 10 Yuan. On the contrary, American fast foods cost about 40 Yuan on average. Pang finds that Chinese foods are priced lower than American fast foods. However, Lucas and Chen et al. explain the rise of American food restaurants in China using the recession factor. Lucas and Chen et al. suggest that American food is cheaper than Chinese diet, yet the actual comparison of prices in the study by Pang et al. in their 2022 article implies the opposite answer. Such inconsistency of research findings means that the urge of consumers to purchase cheaper foods due to economic recession may not be the real reason for the rising presence of American food in China.

⁶ Kelly Pang, "What it costs to eat and drink in China: Breakfast, lunch, dinner, snacks, and drinks," *China Highlights* (2022): <https://www.chinahighlights.com/travelguide/chinese-food/eating-drinking-cost.htm>

These various sources all inform the most significant point of research: to determine the precise reasons accounting for the rise of American food in China. Inconsistency of research findings such the one underlying in Pang and Chen et al., on one hand, and Lucas, on the other hand, suggest that previous researchers may have failed to determine the most apparent or real factors behind the phenomenon. Resolving such inconsistency is possible by eliciting data from the most reliable primary sources, which includes getting first-hand testimonials and statistics from the people who are establishing American restaurants in China. Moreover, most studies do not seem to consider how China's rise as the most developed economy in the Asia Pacific affects the growth of American food businesses. The following section attempts to determine the real factors behind the rising presence of American food in China.

China's Globalization

Three major factors are responsible for the popularity of this industry. First and foremost is globalization. Globalization of the Chinese food market is a real reason behind the growing popularity of American food in China. Some authors emphasize how globalization, along with China's economic downturn, encourage the growth of American food restaurants in China. Globalization has opened up China and made the country more accessible to foreign investors. As a consequence, American fast food companies have gained faster and easier access to the vast Chinese market. Most transnational fast food businesses have established and localized their diets strategically to attract both Chinese and non-Chinese urbanized consumers in China.⁷

⁷ John Mylonakis, & Michalis Evripiotis, "Towards an assessment of globalization and localization of western fast food chains in China: A case of KFC," *European Journal of Business and Innovation Research* (2016): 4(3), 17-28.

Economic downturn, on the other hand, is reducing incomes for the Chinese people, forcing them to resort to consumption of cheap fast foods.⁸

Food globalization refers to the rising trend whereby multinational food businesses continuously increase their presence through integration and domination of foreign markets.⁹ Globalization is also defined as “a historical and spontaneous process of liberalization as well as integration of capital, markets, labor force, as well as technology and information into one global market.”¹⁰ Food globalization emerged as a factor that popularized American food in Chinese society based on how the trend affects the food culture or eating habits of the Chinese people. In the history of China’s food culture, consumption of meals used to happen in the home environment, while eating out or in restaurants was a practice preserved for the upper class members of the society.¹¹ Historically, therefore, China had restaurants, but food businesses lacked adequate spaces for the masses because of the prevailing cultural practice of families eating at home.

The era of globalization, however, saw China adopt an open door policy strategically in order to attract foreign direct investment. China’s open door policy was coupled with rapid economic growth, a busy economy, and increase of people’s incomes; these factors combined to change the culture of eating from home to one where people ate more at restaurants. Whereas China’s open-door investment policy enabled the Eastern economy to accumulate \$307.6 billion worth of FDI by 1999, many of the foreign investors were Western food retailers that included

⁸ Yimin Chen, Yulin Liu and Xin Fang, “The New Evidence of China’s Economic Downturn: From Structural Bonus to Structural Imbalance,” *PLoS One*, 16, no. 9 (2021): e0257456.

⁹ Anastasia Gonchar, “Globalization of Taste and Modernity,” *Student Publications*, 420 (2016): 2.

¹⁰ Gabriella Hanus, “The Impact of Globalization on the Food Behavior of Consumers – Literature and Research Review,” *CBU International Conference Proceedings*, 6, no. 1151 (2018): 170.

¹¹ Gonchar, “Globalization and Taste of Modernity,” 4.

multinational businesses like KFC, Walmart, McDonald's, Quaker Oats, and Proctor and Gamble, among others.¹² In short, China's open door policy globalized the domestic food market by attracting Western restaurants in the form of FDI, thereby increasing the presence of American food in China.

China's Urbanization

Globalization, in turn, is interconnected to urbanization and economic growth. Investors will not put money into these businesses without economic motivation, which is informed by the potential of cities to create a huge return on their investment. The business starts with the big cities, minor cities and smaller cities. China's large urbanized population also explains the increasing popularity of American food in the Chinese Republic. China's large population, combined with the change of the Chinese people's food culture, is a critical factor supporting the growth of American food businesses in the Eastern country. China's large population, which represents approximately a-quarter of the world population, provides a ready market for American food in a country that is becoming largely urbanized and who prefer eating out more today than they did before. American fast food restaurants have identified the ready market they have in China's large urbanized population with its transformed food culture.

As a consequence, China has more American fast food outlets today than at any time in its history. Kentucky Fried Chicken, KFC, has opened 4,260 restaurants in China in less than 30 years.¹³ Moreover, Pizza Huts has 1,300 fast food restaurants in China with a plan to open 2000

¹² Gonchar, 5.

¹³ Youfa Wang, Liang Wang, Hong Xue, and Weidong Qu, "A Review of the Growth of Fast Food Industry in China," *IJERPH*, 13, no.1112 (2016): 1.

new locations while McDonalds plans to open 10 new outlets per week.¹⁴ Such robust plans to open numerous restaurants by global fast food “giants” are clear indications that American food companies enjoy a large and ready market for their fast foods due to China’s large and urbanized population and the increasing effects of globalization. Therefore, American food is gaining popularity in the Chinese market as companies recognize and capitalize upon these demographic changes in the Chinese population and social trends. As a result, nowadays, operating an American restaurant may not be as cumbersome as it was before.

Localization

Along with following the trends of urbanization, American businesses have adopted a strategy of localization to popularize their food commodities among Chinese people. KFC is a typical American food company that has used the localization strategy to increase marketability and appeal of its dishes to the Chinese people. In KFC’s localization of its Western fast foods, the American company operates on a model in which they redesign products to meet the needs of the local population.¹⁵ More precisely, KFC’s localization strategy means the company can ignore its traditional model in America—one of franchised operations with a limited menu, low prices, and an emphasis on buyers ordering their foods and drinks to go. Rather, the localization strategy of KFC entails menu reinvention, addition of plenty of food choices, and designing menus differently according to foods preferred in different Chinese regions.¹⁶ For example, in Sichuan province, local people really like spicy food, so KFC has launched various kinds of

¹⁴ Youfa Wang, Liang Wang, Hong Xue, and Weidong Qu, 2.

¹⁵ John Mylonakis and Michalis Evripiotis, “Towards an Assessment of Globalization and Localization of Western East-Food Chains in China,” *EJBIR*, 4, no. 3 (2016): 21.

¹⁶ Mylonakis and Evripiotis, 21.

spicy burgers in the region. KFC's localization strategy justifies the speedy growth of the American food business in China, for Chinese people do not perceive the company's localized foods as foreign, but they view the products as properly aligned to their needs and tastes. Overall, American foods are becoming more and more popular in China due to food globalization, the ready market from China's large and urbanized population, and KFC's use of localization strategy. China's open door investment policy during the era of globalization has attracted American food businesses as FDIs. China's large population, which is getting highly urbanized, has changed from a culture of eating at home to one of eating out, supporting the market for fast foods. Lastly, KFC's localization strategy increases the appeal of American foods to the needs and tastes of Chinese people. At the same time, low pricing is not an issue that explains the observed trend, since American fast food is in fact more expensive than Chinese fast food.

Marketing Strategy

So ultimately, why do these businesses succeed or fail? In short, it is due to one important word: marketing.

The marketing strategy used by every organization is important because it considers all the areas connected to sales and then ensures that the consumers become aware of the product's capabilities, which will trigger them to make a purchase. This process begins with proper research being conducted in the marketplace that takes into consideration one's competitors and the target customers. The marketers then consider the benefits of their message to the customers and what they want. The marketing strategy used in different countries varies based on

consumer needs, and cultural aspects may also influence the marketers. Pizza Hut and Domino's pizza are two companies that operated in China with different marketing strategies. Pizza Hut was successful in China while Domino's Pizza failed despite using similar marketing strategy, because one recognized the difference in consumers' taste and preferences and the importance of cultural influence, while the other did not.

In China, Pizza Hut decided to use the localization strategy by building and running their restaurants as casual luxury (not cheap) restaurants and managed to become extremely successful in China. In most cases, pricing is not a factor for Chinese people when it comes to the dishes that they purchase. The Chinese dietary norms have been impacted by globalization, which has since shaped Chinese people's diet culture.¹⁷ This explains why Pizza Hut is performing better in China. However, the success is driven by the fact that the company is a local one and a strong brand which many Chinese people can relate with in terms of their quality pizza. However, the most important strategy that Pizza Hut used for marketing is the casual dining experience, which allows their customers to purchase their food at low prices while having a social, communal experience with others.¹⁸ This approach ended up broadening the company's customer base. Social attitudes and good food preferences can greatly influence food choices that people make.¹⁹ Pizza Hut understood the importance of marketing according to the tastes and preferences of the consumers, and this is the reason they achieved a large customer base. The company also

¹⁷ Wang-Chen, Yixi., Kellow, Nicole and Choi, Tammie. "Exploring the Determinants of Food Choice in Chinese Mainlanders and Chinese Immigrants: A systematic Review," *Systematic Review*, 14, no. 346 (2022): 3.

¹⁸ Yum China Holdings, Inc. "Pizza Hut celebrates 30th Anniversary in China: *Cision PR Newswire* Last Updated September 18, 2020 <https://www.prnewswire.com/news-releases/pizza-hut-celebrates-30th-anniversary-in-china-301133847.html>

¹⁹ Sun, Shaojing., He, Jinbo and Fan, Xitao. "Mapping and Predicting Patterns of Chinese Adolescents' Food Preferences. *Nutrients*, 11, no. 9 (2019): 2124

understood the cultural aspect of socialization, which is strengthened by offering a space and product that allow people to easily share their meals. It is clear that their strategy attracted a large number of customers.

On the other hand, when it comes to Domino's Pizza, the American strategy of marketing did not produce the intended outcome of attracting more customers, because it did not target the needs of the consumers. Despite the fact that Chinese people have grown to love American or foreign food because of globalization, Domino's Pizza marketing strategy did not work because the focus was not on Chinese people but rather on Americans. The company failed to recognize that the Chinese people have different cultures, a factor that was overlooked. It means that the marketing strategy did not appeal to the Chinese consumers. In particular, Domino's Pizza lacked a social aspect to its dining experience as it operated only take-out and delivery services. Therefore, Chinese consumers opted to purchase from companies like Pizza Hut that understood their communal culture better. The failure of Domino's Pizza in China occurred because the company's marketing strategy did not consider the Chinese people's culture and needs of consumption.

Pizza Hut was successful in China while Domino's Pizza failed despite using similar marketing strategy. The one crucial factor is that Pizza Hut recognized the importance of shaping their approach to align with consumer tastes and preferences. Unfortunately, Domino's Pizza was not able to make this vital connection. Consumers are in most cases driven by the company's ability to meet their needs in culturally appropriate ways. Pizza Hut had an upper hand because it was a local company that understood Chinese people's culture and needs, which led to them changing its marketing approach towards them. However, Domino's Pizza failed to recognize that Chinese people had different eating habits than Americans. As we can see, one's

marketing strategy can either allow a company to flourish or lead to a loss of revenue and customers.

Launching: What to Do

In order to effectively run an American restaurant in China, it is important to be conversant about cultural differences and particulars, which should profoundly affect one's marketing strategies. Culture influence one's shopping behavior and shape one's niche in the consumer market, and different strategies work in different cultures. Cultural awareness explains why Pizza Hut gained prominence in the Chinese market while Domino Pizza struggled to survive in the same market, yet they all ventured out in order to find a place in the same market niche. Culture provides valuable context and shapes consumer behavior and should be a significant points of analysis for the rules and standards of a business while operating in a particular market. Therefore, it is important that before opening an American restaurant in China, a study of consumer behavior needs to be done with regard to culture. Such an analysis should draw out significant cultural similarities and differences that a business must recognize which, in turn, will impact their operations and approaches.

Apart from cultural differences, it is important for one to have an informed understanding of the fast food industry in China. This helps to establish the concomitant and competitive patterns between modern and traditional, between western-style and Chinese-style and between low grade and high grade foods. This brings into play the preferred product lines. For example, most Chinese prefer grains, vegetables and beans.²⁰ Furthermore, their technique of cooking

²⁰ Yu Cui and Zang Ting, "American Fast Food in Chinese Market: A Cross-Cultural Perspective" Master's Dissertation in International Marketing, Available in <https://hh.diva-portal.org/smash/get/diva2:286121/FULLTEXT01>

relies more on deep frying than boiling. Lastly, Chinese prefer food which is low in calories. It would also be appropriate to identify existing local brands of products and align one's products with them. These are some of the factors that any American fast food ventures need to consider when scouting out a region where one might open a restaurant. One of the advantages in China is the fact that most urban populations are increasingly embracing the concept of dining out and this makes restaurants a viable business. In an interview with Aaron Allen, he asserts that "the Chinese market is a potential that not even trade wars would deter American brands from venturing in."

Effective Ways to Open a Business: Culture, Consumers, and Products

For those who wish to open such a business, there are many important factors to consider. First, one must approach this according to the type of business they are. The fast food industry in China has attracted well established companies who control a substantial market share. Most of these companies have opted for ownership rather than building a franchise since they have the ability to finance their operations single-handedly. However, for startup businesses, franchising is an effective way of venturing in the vast Chinese market since it helps in reducing the investment and risk costs and also ensures faster geographic expansion. However, franchising is only effective when there are skilled and entrepreneurial persons, and the restaurant is relatively small. It is also the better option for a startup restaurant to have a limited easy-to-make menu. As a manager of KFC states, "we have developed our restaurants globally through franchising."²¹

²¹ David Bell and Shelman Mary, "KFC's Radical Approach to China," *Harvard Business Review*, 2011. Available in <https://hbr.org/2011/11/kfcs-radical-approach-to-china>

Developing a strategic alliance with other like-minded companies almost assures that one can leap into the market share of emerging markets.

Infusing brands with Chinese characteristics is a sure way of gaining a mileage among Chinese consumers since they would perceive the restaurant as part of the local community. The restaurant would not be seen as western-style venture but rather offering an abundance of flavors including traditional Chinese dishes that appeal to Chinese customers.²² Drawing from the success story of KFC, we see how important it is to form a strategy that effectively captures the market without ignoring what has worked in the home market. Most western enterprises often export their approach to foreign expansion and try to sell goods and offer services just like they have done in their home market. They are often inclined to do what has worked for them in the past. While considering the Chinese, it would be good to adapt products that suit Chinese tastes. Some of the new products sold in the Chinese market have special recipes in China. Therefore, entrepreneurs need to be always looking out for new tastes that fit Chinese customers. Given the dynamism in the Chinese fast-food industry, there is a need to have an aggressive, open approach to new product development, so that one's restaurant would remain competitive in the market.

In order to succeed in the international market, all restaurants have to modify their products for the local markets. The implication is that a company needs to hire some local people as waiters who can gain important feedback from and cater towards consumers who look for products that represent their cultural identities. Cooperation with other Chinese brands would also be a better way of developing a new business. Also, for a startup restaurant, delivery service would make the restaurant grow tremendously. Having an online booking system would be

²² Yu Cui and Zang Ting,. "American Fast Food in Chinese Market: A Cross-Cultural Perspective," Master's Dissertation in International Marketing, Available in <https://hh.diva-portal.org/smash/get/diva2:286121/FULLTEXT01>

appropriate and convenient for customers who prefer ordering the food prior and picking it up at a specified location. With the ongoing Covid pandemic, online operation is a vital component that must be considered by any business venture operating not only in China but also in the international market.

Moreover, product differentiation is a major marketing strategy in terms of food. Taking from the example of KFC strategic management, making a brand that would be perceived as part of Chinese is very important in putting a restaurant on a platform for growth.²³ Offering a variety of flavors and an appealing ambience will help win over many consumers. Offering a wide variety of products of high quality and exceptional tastes gives consumers an opportunity to choose healthy and delicious meals among the available options.

Location

Another significant factor one must consider is location. China is a vast nation and every region differs from another, especially with regard to economic development and culture. Therefore, one should pick a location that favors fast food joints or a location that is a potential hub for fast food stores. Results from a survey indicate that urban people are more inclined to fast food particularly those that live in better developed regions in the eastern and southern provinces.²⁴ It is important to take stocks of pros and cons of different regions considered and choose one that offers the best opportunity for attracting consumers. The site for establishing the

²³ Edwige Kamitewoko, "Determinants of Entrepreneurship Success: An Examination of Chinese-Owned Businesses in Congo Brazzaville," *Chinese Studies*, 2, no. 3 (2013): 113-120.

²⁴ Kamitewoko, Edwige. "Determinants of Entrepreneurship Success: An Examination of Chinese-Owned Businesses in Congo Brazzaville". *Chinese Studies*, 2, no. 3 (2013): 113-120.

enterprise should be spacious enough to allow for both indoor dining and outdoor seating. It should also accommodate sites for parking, check-points, and pick points. The main objective should be not only to sell food but also leave consumers with a memorable, positive dining experience.²⁵ As a result, the consumer will more likely to come back to the restaurant in order to have the same experience again and again.

Supply Chain

In taking a step back and looking at the big picture, we need to acknowledge that getting an effective supply chain is one of the determinants of success for any business venture. In western nations, the food industry relies on a network of distributors which ensures proper handling and refrigeration of food right from the manufacturer all the way to the restaurant. Such networks are rarely if ever in existence in other emerging international markets. Therefore, there is a need to cross examine the logistics of developing similar distribution arms and also consider building warehouses.²⁶ This will give the restaurant an upper hand in terms of introduction of new products, sustaining a complex menu, and increase in operation. Secondly, a company needs to develop a supplier rating system which enables the managers to only engage with suppliers that perform best. The system will ensure that suppliers are closely monitored right from the farm including personal hygiene. Food safety is very important when operating in an international environment. For effective and sustainable operations, the restaurant may need to

²⁵ Yixi Wang-Chen, Nicole Kellow, and Tammie Choi, "Exploring the Determinants of Food Choice in Chinese Mainlanders and Chinese Immigrants: A Systematic Review," *Systematic Review*, 14, no. 346 (2022): 3

²⁶ David Bell and Mary Shelman, "KFC's Radical Approach to China," *Harvard Business Review*, 2011. Available in <https://hbr.org/2011/11/kfcs-radical-approach-to-china>

source most of its supplies in China so as to cut on costs and enhance the relationship with the local government.

Managing the Restaurant

Having a memorable slogan that embodies the vision of the business will help to motivate and direct with regards to the quality of service and products offered, which will help in attracting and retaining consumers. Proper training of employees in service is vital in keeping up with emerging trends in the market. Training employees with best skills and instilling values of teamwork will ensure that they offer excellent customer experience. Also there is a need to build trust among consumers, and this can be achieved by ensuring transparency to stockholder and having ethical, responsible practices in terms of the supply chain. An example is the effort by McDonald to have its vendor grow potatoes in China rather than exporting them from America. Another important factor to be aware of is that Chinese people are often curious about new things, and therefore one need to launch new products very quickly in order to capture the interest of consumers.

Conclusion

All in all, you need to stick to your traditions, but at the same time you also need to be fickle. Adapting Chinese culture and creating new models that fit Chinese consumers are the keys to ensuring sustainability of your business. Pay attention to larger social forces like globalization and urbanization, know the supply chain, and create marketing strategies that are sensible and effective. But don't lose sight of the importance of localization and understanding who your consumers are, what they need, and how to reach them. By seeing the world through

their eyes, you can better create a successful vision. Most important: do not lose the essence of who are and create an inspiring vision that connects with others!

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