Shark Tank: Developing a Fast Food Concept

Investing in the Middle East
If you walk into a McDonald’s in another country, would you expect it to be exactly like in the U.S.? What might be different and WHY?
Possible differences

• Buildings

• Employees: ethnicities, languages they speak, uniforms they wear

• Menu items
What will the building look like? Why do you think the McDonald’s in Kosovo (bottom left) and the one in Russia (right) look different?

http://www.submergingmarkets.com/submerging_markets/2004/06/_f_rom_where_i.html

http://bturn.com/wp-content/uploads/2012/05/McDonalds-Kosovo_2.jpg
Reasons for differences:

• Style of buildings in that country

• Affordability (reconfiguring older buildings instead of building new ones) – especially in poor (or recently war-torn) countries like Kosovo

• Desire to look “modern” but still maintain their cultural uniqueness
Menu Items

McDonald’s menu in Sarajevo, Bosnia-Herzegovina.
A breakfast menu at McDonald’s in Mexico includes McMolletes (refried beans, cheese, and pico de gallo on an English muffin).

http://www.pinterest.com/strawcouture/mcdonalds-foreign-menu-items/
McDonald’s in France has this item:

http://blogs.westword.com/cafesociety/2010/08/top_five_mcdonalds_innovations_that_we_dont.want_to_see_here.php
McDonald’s in Israel serves kosher meat; in Muslim countries halal meat.
There’s no beef in McDonald’s in India: Chicken and Veggie Burgers (below)

A “burger” in Arab lands is a “McArabia,” served on Arab flat bread with Arab cheese.

http://www.brandeating.com/2012/05/around-world-biggest-mcmenu-part-six.html
Dessert in a Chinese McDonald’s
What are some possible reasons for the different menu items?

- Religious reasons (no beef in India; specially prepared meat – and no pork – in Jewish or Muslim restaurants)
- Availability (and low cost) of certain foods (lobster burgers in Canada, not in Jordan)
- Cultural preferences
Who works at McDonald’s

and what do they wear??
To think about: What factors determine who works in fast food in a country and what the uniform is like?

• Origins (Are the workers mostly foreign guest workers or locals?)
• Gender (Do women work there more than men or vice versa? Why?)
• Age (Do more young people work there than older people? Why or why not?)
• What are the cultural ideas of style and modesty?
McDonald’s uniforms in Britain: two styles

http://news.bbc.co.uk/2/hi/business/7360276.stm
Brightly colored uniforms in India

http://money.howstuffworks.com/mcdonalds6.htm
McDonald’s Uniforms in Taiwan


McDonald’s in South Africa

http://www.hotelandrestaurant.co.za/tourism/mcdonalds-sa-launches-national-breakfast-day-on-18-march/
Are there other cultural factors to consider?

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In a traditional Gulf Arab country, men and women order in separate lines (with a barrier between them).
How does stability in a country affect U.S. companies’ business decisions about investing there?

How can attitudes toward the U.S. in a particular country affect business investments by U.S. firms?

http://www.costaricantimes.com/cr-stereotypes-for-gringos-ticos/15631
How does a country’s economy affect U.S. companies’ decisions to invest there?
Note: Investors do put fast food places in poor neighborhoods or consider investing in war-torn countries after a conflict, but they plan carefully (and take these factors into account)!
Discussion:

If you wanted to develop a fast food restaurant in another country, what factors would you have to consider?