

HOW MCDONALD'S OVERCAME A CULTURAL PARADOX
TO ACHIEVE SUCCESS IN THE ITALIAN MARKET

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Amy Messina

Abstract

American golden arches among a historic Italian landscape of ancient architecture may seem like a cultural paradox. Fast food in general could be considered an antithesis to the cherished Italian tradition of slowing down to enjoy fresh, delicately prepared meals. However, fast food joints have stood the test of time and become part of many Italian cities' urban landscape. Fast food was initially popularized by a group of fashionable middle-to-upper-class Milanese teenagers called the Paninari, when they marked the Italian chain Burghy as their meeting place. In the late 1990s Burghy was bought by McDonald's and the company quickly gained momentum. However, not all Italians were eager to sacrifice their relaxed pace of life and five-course dining experience for burgers and fries. The Italian-founded Slow Food Movement was created to stand against fast food and fast living, embracing food as a local tradition and lifestyle. To succeed in this market of mixed opinions, McDonald's had to choose its globalization strategy carefully. The company used standardization and adaptation strategies to create a strong image and appeal to consumer preferences. Strategic implementation of product, price, place, and promotion decisions have contributed to McDonald's domination, operating more than 560 restaurants throughout Italy today.

Take a minute to imagine some things that make Italy so special. First, think about the architecture. Incredible intricate details cover the inside, outside, and even the hidden corners of many ancient Italian buildings. White stone and colored marble are used to tell amazing stories of the past through sculptures and art. Churches, statues, and stunning facades are all a part of the scenery. The country is rich in history and marvelous architecture that makes you wonder how their design was even conceptualized, let alone constructed. Think about stunning coastline views. Vibrant hues of gentle blue waves and colorfully painted buildings built into mountain sides almost seem too good to be true. Next, think about traditional Italian cuisine: plates of al dente pasta covered with red sauce and topped with fresh basil, bruschetta with chopped juicy red tomatoes, fresh mixed seafood tossed with olive oil and thick spaghetti, or maybe a plate of thinly sliced prosciutto, salami, and pancetta next to fresh cheeses like burrata and mozzarella. So where do the Golden Arches fit into this landscape?

If you think Big Macs and French fries have no business being in Italy, you are not alone. The concept of a fast food chain in Italy certainly appears to be a cultural paradox from an outside perspective. Also, there are many good reasons to justify why it seems that fast food would fail in the Italian market. When thinking about all of this, some questions may come to mind like how did fast food become so successful in a country that lives so differently from the one that popularized it? Or, why would Italians choose to eat at a McDonald's when there are so many authentic Italian restaurant options?

To dive deeper into the notion of this cultural paradox, it is important to point out the reasons why Italy might be unwelcoming to fast food. A counterargument of Italian slow pace of life, the country's scores on Hofstede's Five Cultural Dimensions framework, and the Slow Food Movement encapsulate why fast food could be considered an antithesis to the cherished Italian

tradition of slowing down to enjoy fresh, delicately prepared meals. Overall, Italians tend to enjoy life at a much slower pace than individuals in America, an important influence in Italy's opposition. Focusing on the three most relevant factors of Hofstede's Five Cultural Dimensions, uncertainty avoidance, power distance, and indulgence, one can deduce that Italians do not enjoy trying things too far outside the sphere of their comfort zone and often do not indulge in their cravings. As a culture, they feel much more comfortable sticking to the status quo and what they are familiar with. The Slow Food Movement is an organized group of all those against the ideals of fast food while embracing food as a local tradition and lifestyle. However, not all were opposed to trying the new burger joint. Those in favor of fast food in Italy from the get-go were a subculture of young Milanese, who popularized fast food from its inception in the country, inspired by the fast pace of life they believed Americans were living. Referred to as the Paninari, these individuals were known for their iconic fashion and consumerist tendencies. Their name derives from their original meeting spot, Café Panino, but quickly moved to Burghy, when Italy's first fast food chain made an appearance. Within a few years, Burghy was bought by the fast food giant McDonald's and it was up to the company with the Golden Arches to conquer the market. To succeed in this country of mixed opinions, the company had to choose its globalization strategy carefully. A winning combination of standardization and adaptation strategies coupled with strategic implementation of price, place, and distribution decisions have contributed to McDonald's domination, operating more than 560 restaurants, 340 McDrive, and 320 McCafé in Italy today. Though faced with many obstacles, McDonald's overcame what seemed to be a cultural paradox and achieved success in the Italian market.

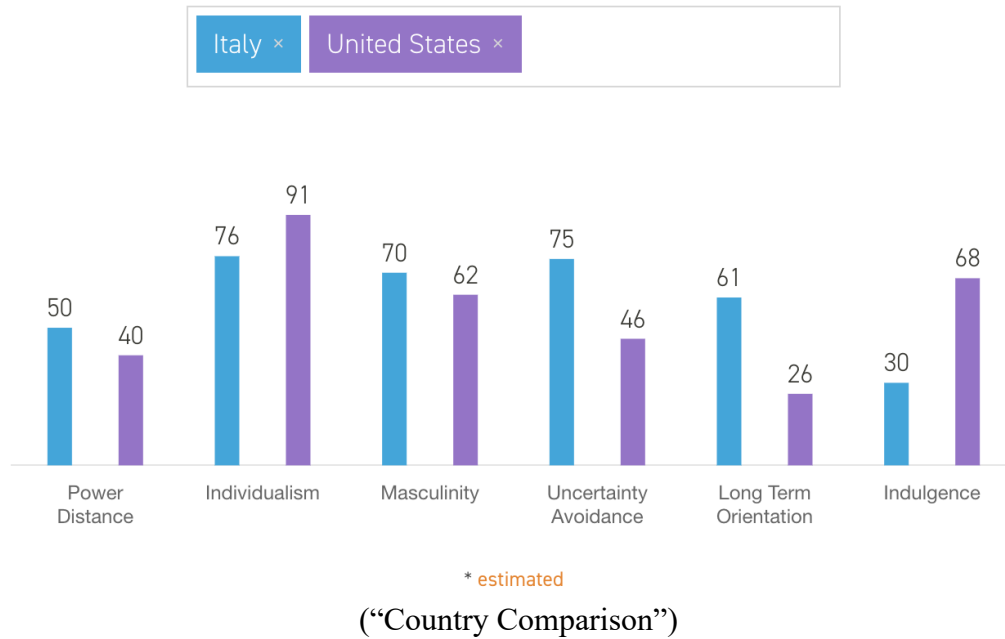
One significant concept that supports this apparent contradiction is the way Italians view time. In general Italians enjoy a pace of life much slower than that of Americans. Italian culture

can be considered to follow the polychronic time system. Polychronic time, or P-time, is more dominant in high-context cultures, where completion of human transaction is emphasized more than holding to schedules. P-time is characterized by the simultaneous occurrence of many things and by “a great involvement with people.” P-time allows for relationships to build and context to be absorbed as these are important parts of high-context cultures. The P-time system focuses on looser time schedules, deeper involvement with individuals, and a wait-and-see-what-develops attitude. P-time is characterized by a much looser notion of being on time or late (Graham). This manifests as an opposition to fast food because of its very nature. Fast food is quickly prepared and the emphasis is on quantity over quality. Contradictory, Italians prefer to enjoy life at a slower pace and focus on quality. For example, two Italian colleagues conversing might opt to be late for their next appointments rather than abruptly terminate the conversation before it came to a natural conclusion. This concept is not so much putting things off until tomorrow as it is the concept that human activity is not expected to proceed like clockwork (Graham).

Another strong point in the counterargument can be explained by looking at Hofstede’s Five Cultural Dimensions. This theory, developed by Geert Hofstede, is a framework used to understand the differences across cultures and discern the ways that business is approached between them. In simpler terms, the framework is used to distinguish between different national cultures, the dimensions of culture, and assess their impact on a business setting (“Hofstede's Cultural Dimensions Theory”).

Although the framework includes five, three of the most relevant dimensions to argue the case for Italy’s possible rejection of fast food are uncertainty avoidance, power distance, and indulgence. Figure 1 shows a comparison of these dimensions’ estimated values between Italy and the United States.

Figure 1



First, uncertainty avoidance has to do with the way a society deals with the fact that the future can never be known. This ambiguity brings with it anxiety and different cultures have learned to deal with this anxiety in different ways. The extent to which the members of a culture feel threatened by ambiguous and unknown situations and have established beliefs and institutions that try to avoid these is reflected in the score on uncertainty avoidance. A high score of 75 indicates that as a nation Italians are not comfortable in ambiguous situations (“Country Comparison”). This alone is a great explanation for why Italians may have been unenthusiastic with adopting fast food from the get-go. The estimation shows that as a culture they may shy away from what is unfamiliar to them. From a marketing perspective this means that these consumers might require significantly more convincing to understand the value of a new business venture or would require more information before taking the initiative to try something new for themselves.

Next, power distance is the cultural dimension that reflects the extent to which a community accepts and endorses authority, power differences, and status privileges. It is defined as the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally (Tavanti, 290). This is relevant not so much for how the influence of power directly impacts consumers, but how this translates to consumer attitudes. The effect is similar to that of uncertainty avoidance. A score of 50 shows that Italy tends to prefer equality and decentralization of power, however deep-rooted institutions show Italy's aversion of straying from the norm ("Country Comparison"). Italians accept and expect that some groups in society are more powerful than others (Tavanti, 290). Specifically, the dominant presence of the Roman Catholic Church has deeply influenced Italian cultural values and its tolerance to unequal distribution of power (Tavanti, 289). The papacy has a long and significant history in Rome. The term "Holy See" refers to the supreme authority of the Church, that is the Pope as Bishop of Rome and head of the college of Bishops. It is the central government of the Roman Catholic Church ("Our History"). According to Catholic tradition, the Holy See was founded by Saint Peter and Saint Paul in the 1st century (History.com Editors). The papacy is regarded as one of the most enduring institutions in the world and has had a prominent part in world history (Byrnes). This is relevant because it has ingrained in the Italian culture a tendency to accept the status quo and resist change (Tavanti, 289-290). Fast food caused quite the uproar in Italy because of how new and different it was to the culture. The business model and essence of fast food was completely foreign to what customers and business owners were accustomed to. Italian businesses and restaurants are commonly individually or family owned and maintain a local feel. In direct contrast is the chain and franchise style business structure of typical fast food restaurants. Chains are made to have a uniform look and

feel, and give consumers the same experience at every branch. This business model is obviously very common in America with a plethora of on-the-go food options. Perhaps Italians felt they would be giving up a piece of their own culture by buying into fast food chains in Italy.

Indulgence is the third dimension that deserves discussion. It is defined as the extent to which people try to control their desires and impulses, based on the way they were raised. On this continuum, relatively weak control is referred to as “indulgence” and relatively strong control is called “restraint.” A low score of 30 indicates that Italian culture is one of restraint. Restrained societies do not prioritize leisure time and control the gratification of their desires. Groups with this orientation believe that their actions are restrained by social norms and feel that indulging themselves is fairly wrong (“Country Comparison”). In connection to fast food, this might mean that they do not give into cravings or that it is something to be had only once in a while. This score is especially significant when compared to that of the United States. A score of 68, more than two times that of Italy, means that Americans are much more likely to treat themselves or give into their own temptations/cravings. It makes sense when considering how ingrained fast food is in the fabric of American society.

Italy is a nation of food lovers and a one that considers eating a social experience and cooking a form of art. Fast food was bound to face some resistance in trying to pop up in the Italian landscape. A significant roadblock in Italy’s acceptance of the Golden Arches can be attributed to an organization that directly rejects all that has to do with fast food. The Slow Food Movement was created in Bra, Italy in 1986 by Carlo Petrini. Its aim since the very beginning was to oppose the traditional values and methods of the growing and imported ideology of “fast food and fast living.” The movement is not only about food, but about life choices. Since its inception, the organization has embraced the qualities and lifestyle many Italians would associate

with their grandparents and their way of life: a simpler and more wholesome version of today's consumeristic world, with the ultimate goal of "promoting the idea of food as a source of pleasure, culture, history, identity and of a true lifestyle, as well as a way of eating, which is respectful of the land and of local traditions" (Bezzone). At the core of the movement are three essential concepts, the good, the wholesome, and the right, adjectives that define in simple terms the characteristics good food must possess. "Good" describes the pleasure brought by it as well as the complex series of memories and implications elicited by the emotional and sentimental value food has on every individual. "Wholesome" relates to the fact that food must ultimately be produced respecting the environment and its ecosystems. "Right" pertains to its conformity to concepts of social justice, regarding its production and commercialization. The Slow Food Movement goes far beyond culinary expertise and tradition, it truly embodies a new way of thinking about eating and living. Over the years, the organization has grown and spread to reach the entire world (Bezzone).

Young Milanese were leaders in paving the way for fast food success in Italy. Specifically, the group called the Paninari can be crowned as the originators of fashion in fast food. Emerging in the 1980s, this group of middle and upper-class Milanese teenagers was known for and characterized by their iconic fashion and consumerism (O'Brien). The group arose largely due to deregulation in global markets caused by policies of politicians like Reagan¹ and Thatcher². As a result, markets were flooded with international brands and consumerism

¹ During his presidency, Ronald Reagan implemented several economic policies, often referred to as Reaganomics. Among policies calling for widespread tax cuts, decreased social spending, and increased military spending, was the deregulation of domestic markets, meaning a reduction or elimination of government power within the U.S. market (Kenton, "Reaganomics").

² In 1983, former British Prime Minister Margaret Thatcher and her Conservative government decided to go through with the process of deregulating the city of London along with its banks. October 27, 1986 is the day referred to as the "Big Bang," when the stock market was deregulated in London, England. This event revitalized the London Stock Exchange, allowing external corporations to enter its member firms (Kenton, "Big Bang").

flourished (Taylor). They embraced a sporty Americana look with their own Italian flair, often seen outfitted in “brightly colored Moncler puffer jackets with blue turned-up Levi’s 501s and Timberland boots” (O’Brien). This group was brand oriented and had a taste for luxury, flocking to Vuarnet, Ray-Ban, Armani, Versace, Fiorucci, Trussardi, Stone Island, and CP Company. The most desirable accessory among the Paninari was a Rolex Daytona watch, causing demand for shipments to Italy so high that its price inflated globally. This fashion movement did not take long to strike a chord with other similar-aged Italians and soon spread throughout the whole of Italy, becoming an established style subculture (O’Brien).



(O'Brien)

Rejecting Italy’s culinary status quo at the time - long lunches painstakingly prepared at a slow pace (Taylor), these teens were incredibly fascinated by American fast food chains. At the time the *panino*³ was the fastest Italian food one could find, and became the popular food of choice within this youth scene. One of the first spots that offered this groundbreaking fare was

³ A *panino* is a traditional Italian sandwich made using bread such as ciabatta, francesino (a small French-style roll), and in some cases focaccia. Classic filling options include mozzarella cheese, olive tapenade, arugula, sliced tomatoes, prosciutto, speck, and grilled vegetables, however they are very simple and do not usually contain more than one type of meat and typically no more than three or four ingredients total. They are enjoyed chilled, room temperature, or warmed (Paolo).

the Café Panino (meaning Sandwich Café) in Milan, the locale from which they later derived their name (O'Brien).

The group's nickname went much further than acknowledging their hangout spot, however encapsulating the subculture's values - it embodied the glamorized idea of the fast life they presumed their transatlantic counterparts were living. Essentially, purchasing a sandwich-to-go for the moped ride home symbolized their opposition to the generally slow pace of life most other members of Italian culture were living (O'Brien).

Adoption of these designer status symbols in conjunction with a sense of *sprezzatura*, “studied nonchalance,” were the cornerstones of this subculture. Nonetheless, the Paninari took a strong liking to a fast-paced lifestyle and the culture of a quick dining experience. They would often zoom between fast food joints on their Zundapp, Yamaha, and Suzuki motorcycles (O'Brien), following the newest fast food option. Leaving the Panino Cafe behind, their meeting place soon moved to Piazza San Babila,⁴ where Italy's very first fast food chain Burghy had opened up its first location, latching onto the burger craze gaining momentum across the Italian peninsula (O'Brien). This ultimately became one of the most popular backdrops of the Paninari (Provvidenza).

Burghy was born in 1982 and bought three years later by Cremonini, the first private company in Europe for the production of beef and meat-based transformed products (“The Group”) and Italy's largest meat producer (Ferrari). The Burghy logo and menu were similar to that of the classic American McDonald's, a bright red background with vibrant yellow text, and

⁴ This location is also meaningful for another reason. In the 1960s and 70s the square was a gathering point for youths with political views leaning toward the far right. In fact, Milanese newspapers began calling these youths *sanbabillini*, a euphemism for young Fascists. The far-right sentiment grew so intensely that militant, para-political parties began springing up all over Milan, and Piazza San Babila was always the meeting place (“Around Milan Cathedral”).

menu items ranging from cheeseburgers, chicken and fish sandwiches, to French fries, salads, and milkshakes. The company increasingly expanded especially in Milan and throughout Central-Northern Italy, totaling 96 storefronts in 1995.



(Provvidenza)

Just a few years after Burghy entered the market, Italy's first McDonald's popped up in 1986 in the country's capital (Ferrari). The Rome McDonald's, publicized as the biggest in the world with seating for 450, opened to record crowds on March 20. The owner, Jacques Bahbout, an Egyptian-born Frenchman, made the fast-food parlor out of a prestigious coffee bar he owned just off the Spanish Steps (Suro), across from the Spanish Embassy and right next to Valentino's headquarters (Ferrari). Before the grand opening Bahbout said that Rome was more than ready for its first taste of American-style fast food. In fact, with more than 500 McDonald's locations already established throughout Europe, Italy might have been considered late to the game⁵ (Suro).

The opening was so huge that teenagers essentially stormed the restaurant, stopping traffic and causing havoc in the streets (Ferrari). To make matters worse, the hundreds of motorcycle-riding youths who frequent McDonald's each day cruise the square from noon to midnight, adding to an already chaotic traffic situation in the center of the city (Suro). To stop the madness, officials decreed that McDonald's would have to be closed at certain times until

⁵ Just a year prior, in 1985, McDonald's opened a record 597, meaning they opened a new store every 15 hours. Of that sum, 220 were opened in foreign markets, the most in any one year ("McDonald's Opened a Record...").

further notice (Ferrari). This was McDonald's first problem and definitely would not be their last.

Some were very dissatisfied with the aromatics and commotion the new burger spot was creating. Located just a few doors down was Valentino's atelier. It was not long before the Italian fashion designer began legal action aimed at closing the restaurant (Ferrari). Valentino sued the fast food chain claiming that McDonald's created a "significant and constant noise and an unbearable smell of fried food fouling the air" and ruining their clothes (Suro). He even asked that Italian magistrates order it to be closed immediately on the ground that it is a nuisance (Suro). A long debate ensued, resulting in McDonald's adjusting ventilation and airflow (Ferrari).

Valentino's is just one name in a long list of Romans who were unhappy about the new restaurant. To show their disapproval for the fast food giant, several thousand people rallied in the McDonald's piazza in protest. The assemblage, organized by the "Save Rome" committee, featured Italian singers, actors, and politicians speaking out against the coming of the fast food chain to the land of the pasta. Plates of spaghetti cooked to a perfect al dente in large iron skillet were served to supporters. And from a makeshift stage, celebrities spoke out against the hazards of fast food. They passionately proclaimed the "degradation of Rome" and the "Americanization" of Italian culture if McDonald's was allowed to continue doing business there (Suro).

In order to speed up expansion in the Italian market McDonald's made the bold move to buy out their competitor. On March 22, 1996, *Corriere della Sera*, Italy's most read newspaper, discussed the sale of Burghy to the multinational McDonald's. The article included the following:

“Cremonini will also be the king of the meat of Modena, he will also have had the courage to launch in Italy the way to eat further away from the Mediterranean diet; the fact is that its competitors, the "burger bakers" of Illinois, are an omnivorous multinational, they open a restaurant every three hours, they serve 28 million fast eaters every day. It is difficult to resist this gigantic meat grinder, especially if to try it you had to “borrow” from the banker” (Provvidenza).

From this one could gather that the company was ready to dominate the global market and face any competitors head-on that stood in their way. Burghy was likely shaking in their Italian boots at the thought of competing with the globally-expanding powerhouse that is McDonald’s. Cremonini was not eager, but willing to give up his beloved Burghy, however with a hefty price tag attached. “Between two and three hundred billion lire⁶ was the sum received by President Luigi Cremonini to give up his dream of becoming a mass chef” (Provvidenza).

The sale of Burghy to McDonald’s resulted in an agreement that was beneficial for both sides. McDonald’s took over all Burghy restaurants and in exchange Cremonini became the sole meat supplier for McDonald’s in Italy and parts of Europe, and this commercial agreement is still very much alive today. Needless to say both sides made a fortune. In a short period of time, the Burghy logo was replaced by Golden Arches and it was left up to McDonald’s to convince millions of Italians to eat their burgers and fries (Ferrari).

⁶ the basic monetary unit of Italy (until replaced by the euro in 2002) (The Editors of Encyclopaedia Britannica). In terms of U.S. dollars, this sum would have been valued at between \$126,624,829.97 and \$189,937,244.96 (“Italian Lira (ITL) and United States Dollar (USD) Currency Exchange Rate Conversion Calculator”).



(“20 Years of Crispy McBacon”)

Though it seems McDonald's had gotten started with strong footing, they still had a lot of work to do. In a country that praises dining and home-cooked meals, the company definitely had their work cut out for them. McDonald's had to work strategically to capture this global market. To better understand how McDonald's climbed the fast food ladder to reach success in Italy, we can break down their strategies into the 4 Ps of marketing; product, price, place, and promotion. Often referred to as the marketing mix, they are the 4 basic pillars of any marketing strategy (Patel). Working in unison, they illustrate just how McDonald's came to dominate the Italian market and establish an unshakeable presence in Italy.

First in the marketing mix is product, which is simply what the company sells (Patel). What McDonald's managed to do very well was use a combination of both standardization and adaptation strategies. First, a secret to the company's international success is its standardization strategy. Every McDonald's around the world offers identical food products such as McFlurry, McNuggets, McChicken, Happy Meal, and Filet-O-Fish. These are iconic products that everyone

knows around the world and that helped build the company's strong image. Standardized products build a sense of familiarity as consumers can purchase any of these menu items at any of the company's 38,000 locations worldwide⁷ (Rosenburg). The strategy is also a time and money saver for McDonald's as it helped build economies of scale⁸ (Racoma).

This phenomenon is so powerful that it has its own trademarked name. Sociologist George Ritzer coined the term McDonaldization to describe the assembly-line like standardization process of the company. McDonaldization, Ritzer states, is a result of globalization and leads to global uniformity, influencing local habits and traditions. This model is composed of four basic principles, efficiency, predictability, calculability, and nonhuman technology. The first is efficiency. The focus is on finding the best route to whatever goal is in mind. For McDonald's this means saving time wherever possible to serve guests as quickly as they can. Next is predictability, which focuses on making things the same from one time to another, and one place to another. This means congruity of products all day and every day within the same location, and among all locations. The third is calculability, emphasizing quantity over quality. Quick turnover rates mean customers are served rapidly, making room for ample customers with money to spend. The fourth is an emphasis on nonhuman technology. This involves taking skills away from people and building them into technology, eliminating the challenge of human error ("The Influence of U.S."). As McDonaldization demonstrates, the goal and business model of McDonald's is to produce as many identical products as possible as quickly possible.

⁷ According to the McDonald's Corporation website as of January 2020, McDonald's has locations in over 100 countries. More than 38,000 restaurants around the world serve 69 million people every day (Rosenburg).

⁸ Economies of scale are cost advantages reaped by companies when production becomes efficient. Companies can achieve economies of scale by increasing production and lowering costs. This happens because costs are spread over a larger number of goods. The size of the business generally matters when it comes to economies of scale, so the larger the business, the more the cost savings (Kenton, "Economies of Scale").

The next part of McDonald's marketing plan is their adaptation strategy. This strategy can also be compared to localization. With this strategy, McDonald's adapts to the needs of consumers based on the cultures of specific countries. In Italy, the menu is full of items tailored to preferred Italian tastes and includes local items they are familiar with. Starting with the first meal of the day, the quintessential Italian breakfast is a strong espresso and a sweet pastry (Richelle). Unlike Americans, Italians cringe at the thought of eating something salty for breakfast. Likewise the overseas McCafé menu features a wide variety of assorted pastry, croissant, cake, mini donut, muffin, and macaron options. Pastries include Noisette baskets, hazelnut cream wrapped in short crust pastry, and hazelnut flowers, crumbly biscuits with a sweet hazelnut cream. The hazelnut flavor is a country favorite, as Nutella is one of the most famous food items that Italians are known for. Next, croissants resemble those of a local cafe, offered empty or filled with jam or cream. An assortment of cheesecakes as well as tiramisu are offered to be enjoyed for breakfast, on a break, or an after-lunch sweet. Muffins are also available filled with Nutella. Additionally macarons, a beloved French pastry in Italy, are offered in raspberry, pistachio, salted butter, or chocolate flavors. The McCafé does not stop there. Tailored to the country's love for coffee, consumers can enjoy an espresso, cappuccino, Moroccan⁹, barley coffee¹⁰, and ginseng coffee¹¹. Italians prefer fresh and quality ingredients, so Italian McDonald's serves fresh squeezed orange juice, using 100% Sicilian Red Oranges.

⁹ Espresso coffee combined with delicate milk cream covered with a sprinkling of coca ("Menu: McDonald's Italia").

¹⁰ A caffeine-free roasted barley drink often called *caffè d'orzo*, made in an espresso machine and mimics the taste of coffee (Nair).

¹¹ Ginseng is an herbaceous plant from East Asia, known since time immemorial for its many virtues. Very similar in appearance and colour to milky coffee ("Ginseng Coffee, How to Make and Benefits"), ginseng coffee is made by mixing ground coffee with ginseng powder ("Ginseng coffee").

Completely fresh, consumers can watch the oranges be juiced right in front of them. Guests can also drink ace¹², pineapple, pear, and peach flavored juices.

Moving into the meat of the menu, aside from the traditional offerings, Italian McDonald's offers sandwiches much more luxe than those available in the States. For example, the Chicken Country contains 100% Italian grilled chicken breast with bacon, lettuce, and onion sauce on a long bun. McDonald's also offers a new category of burgers called "My Selection," labeled on the Italian McDonald's website as the "Best McDonald's Burgers Ever" ("My Selection: McDonald's Italia"). Created by the company and selected by Joe Bastianich,¹³ the Chicken Pepper and Asiago DOP & Bacon recipes accompany the Smoky burger. The Asiago PDO & Bacon touches on many local delicacies, containing juicy beef from Italian farms, Asiago DOP,¹⁴ salad, crispy bacon, caramelized onion sauce, Caesar sauce, and bread with sesame and poppy seeds. And for consumers who do want to try an untraditional salty breakfast, they can try the McToast, round toasted buns around baked ham and melted cheese ("Menu: McDonald's Italia").

McDonald's in Italy proved that fast food does not always have to equate to unhealthy food. The Italian menu also features simple and Caesar salads, and fresh snack bags of apples, pineapple, and baby carrots ("Menu: McDonald's Italia"). It is clear that adaptation is a winning strategy for the company. It enables the fast food chain to have a wide reach worldwide as consumers can enjoy products already familiar to them (Racoma).

¹² A juice whose name derives from the three vitamin groups it is rich in: vitamin A, C, and E. It is prepared by combining the juices of oranges, carrots, and lemons ("ACE Juice").

¹³ An Italian-American restaurateur, winemaker, vineyard owner, author, triathlete, television personality and musician ("Joe Bastianich," *Becco*). He is behind some of the best Italian restaurants in New York, Las Vegas, Los Angeles, Singapore, and Hong Kong, and also serves as a judge in MasterChef US, Canadian and Italian editions ("Joe Bastianich," *IMDb*).

¹⁴ Short for *Denominazione di Origine Protetta* (literally "Protected Designation of Origin"), this certification ensures that products are locally grown and packaged. This designation makes a promise to the consumer: it is a guarantee that the food was made by local farmers and artisans, using traditional methods (Ciprietti).

McDonald's has shown significant advancement in the quality of their products. With the belief that the promotion of Italian products is not only a way to enhance the quality of the country's agri-food excellence, but also a sign of responsibility and bond with the territory, in 2008 the company chose to increase as much as possible the use of Italian ingredients. Since then, their Italian suppliers have gone from 30% to 80% ("Italian Quality: McDonald's Italia"). The appreciation for the use of local products shows that Italians also want recipes from McDonald's that are closer to the tastes and culinary traditions of the country. The Italian website, Figure 2, offers a map showing where sixteen ingredients are sourced.

Figure 2

Italian quality

[Home](#) > [The quality](#) > Italian quality



("Italian Quality: McDonald's Italia")

The use of quality ingredients goes a long way for Italian consumers, especially those unenthusiastic about trying fast food. The combination of the adaptation strategy and quality ingredients can be seen as a proactive approach to a country with such a high rating in

uncertainty avoidance, as mentioned earlier. Having recognizable local elements such as these can ease wary consumers into giving the restaurant a try since it would not be a completely unfamiliar experience.

Second in the marketing mix is price, which refers to how much is charged for the product. The pricing strategy is pretty simple, comparable to a chain in the United States, however Italy McDonald's prices are recognizably higher than those in the States. Consider the following comparison: A Big Mac Meal costs about \$6.05 in the U.S.¹⁵ versus \$9.56 (7.80 EUR) in Italy,¹⁶ a 58% price difference, while 20 Chicken McNuggets cost \$5.05 in the U.S. and would cost about \$13.34 (10.80 EUR) at an Italian location, a shocking 164% price increase.

This price difference is probably due to the fact that the company offers ingredients of much higher quality overseas. Better ingredients cost more money, an investment McDonald's was willing to make in Italy. Surely that price comparison might seem shocking to someone from the United States but that is what consumers in Italy were introduced to from the start. Additionally, Italy does not have the selection of fast food restaurants that America has, so consumers are likely not actively comparing prices. Also one could assume that an Italian would rather pay a premium to get superior quality than save a couple Euro to eat poor quality ingredients.

Third in the marketing mix is place, or distribution. This element focuses on the importance of location to a business. Italian McDonald's are often in populated areas, capitalizing on foot traffic and hungry tourists. But there are many details that went into getting locals through their doors as well. For example, McDonald's locations are known for having

¹⁵ United States prices based on Ohio rates ("McDonald's Menu Prices").

¹⁶ Italian prices ("McDonalds Price List/Menu in Italy") converted using the exact exchange rate as of December 19, 2020.

unique architecture around the world and Italy is no exception. At the Piazza di Spagna in Rome, McDonald's is located at the bottom of the Spanish Steps. Its architecture blends well with the surroundings. The marvelous location includes mosaic walls, several statues, fountains and marble and granite floors and walls. It can accommodate up to 800 consumers (Racoma). Not only does this location sound stunning from an aesthetic standpoint, but it is also a strategic move from the business perspective. Maintaining the classic Italian architecture and detail is a method of alleviating some of the uncertainty associated with trying new fast food restaurants. The atmosphere allows for an Italian experience while dining. For locals, this might mean that more were willing to try it because the building maintained the Italian integrity. In terms of tourists, the strategy is a win as it can be a cultural experience while enjoying a fast food restaurant they are already familiar with. Also having unique restaurants inspires people to try multiple different locations. Unlike the United States where locations are often very standard and simple, restaurants with special quicks give consumers a reason to keep going to McDonald's as they travel around Italy.

The setup and overall restaurant style are another key part of the place discussion. Many McDonald's in Italy are built with a dining area, separate from where customers order their food. Oftentimes these Italian restaurants have two levels, where consumers order and pay for their food on the first and walk upstairs for dining on the second. This can be seen to directly correlate to the Italian culture's following of the polychronic time system. Customers are welcome to sit and enjoy their food for as long as they would like, in line with their approach of enjoying life at a slower pace.

A further increase in market share occurred through a business agreement with Italian oil giant Agip (that later became Total Erg). The agreement allowed the opening of many more

restaurants within Agip gas stations, giving those on the road a one-stop-shop and gas station option. This was a completely new concept for Italians who were unexpectedly introduced to the very American concept of the drive-thru. While still not as popular in Italy as they are in North America, the Total Erg drive-thrus remain today (Ferrari).

The fourth and final part of the marketing mix is promotion. This aspect deals with promoting the brand to consumers and generating revenue. An important step in McDonald's Italian takeover was the introduction of franchising, moving away from a controlled corporate environment. Franchising led local entrepreneurs and small businesses to invest and to spread the chain (Ferrari). The primary reason franchising as a strong growth strategy is that it allows the company to expand without the risk of debt or the cost of equity. First, since the franchisee fronts all the capital required to open and operate a location, it allowed McDonald's to grow using the resources of others. By using other people's money, the franchisor can grow largely unburdened by debt. Furthermore, since the franchisee—not the franchisor—signs the lease and commits to various contracts, franchising allows for expansion with virtually no contingent liability, thus greatly reducing the risk to the franchisor (Siebert). The number of McDonald's currently open in Italy today would have been unthinkable in the 1990s. Even better for McDonald's, they remain one of the very few chains that have managed to achieve success in Italy, at least to this magnitude. Others have tried and completely failed while Burger King has a much smaller market share (Ferrari).

To gain even more customers, the company embraced a careful campaign of providing good, healthy food based on Italian products and ingredients, moving away from their greasy, fast food image (Ferrari). McDonald's focused on emphasizing their more wholesome and healthy options like their Caesar Salad with 100% Italian crispy chicken breast with sweet cherry

tomatoes and flaky cheese and the simple Green Salad with green and red lettuce, songino,¹⁷ baby spinach and cherry tomatoes (“Menu: McDonald's Italia”).

Something strikingly different between McDonald's in Italy versus the United States is its logo and branding. Yes, the company is still known by its trademark Golden Arches, however the backdrop they sit on is green rather than their signature red. This initiative swept through Europe in 2009, replacing the firetruck red with a more toned-down deep hunter green. McDonald's choice in “going green” was to promote a more eco-friendly image of the company in Europe (Montagne). More recently, McDonald's has taken steps to show that this is not simply a marketing ploy. A November 2020 article from Environmental Leader states that McDonald's Italia will install 200 electric vehicle charging stations inside the 100 McDonald's parking lots across Italy. The company partnered with Enel X to transition towards electric transportation and to underline the importance of a sustainable footprint. The charging points working at maximum output will lead to a net saving of over 1,800 tons of CO₂ emitted into the atmosphere (Holbrook). Although this was not started at the offset of McDonald's in Italy, the alteration of the logo may have appealed to some consumers who did not buy into the company from the start. The traditional red is flashy and commemorative of American fast food. The green logo prompts consumers to ponder the reasoning behind the change and to look into the company's sustainability measures.

It is fair to say that McDonald's has dominated the fast food market in Italy. The sheer numbers alone are an impressive feat. As of June 2018, there are 560 McDonald's restaurants, 340 McDrive, and 320 McCafé in Italy. From a strong start and through steady growth,

¹⁷ Songino is another name for “valeriana,” or lamb's lettuce (Bolton).

McDonald's was able to capture the Italian market. The incredible architecture, coastline views, and traditional delicate cuisine make it seem that the Golden Arches would not fit into the Italian landscape. This cultural paradox can be further explained by the counterargument of Italian slow pace of life, the country's scores on Hofstede's Five Cultural Dimensions framework, and the Slow Food Movement. In general, Italians live life at a much slower pace than Americans, making the concept of fast food seem incongruent. Looking at Hofstede's Five Cultural Dimensions, specifically uncertainty avoidance, power distance, and indulgence, one can gather that Italians are likely not comfortable with trying things too far outside of their comfort zone and do not often indulge or give into their cravings. As a culture in general, they would rather shy away from what is unfamiliar to them and stick to the status quo. Groups of those in direct opposition were eager to protest the newly introduced fast food. The Slow Food Movement stands firm in its adversity to the concepts of "fast food and fast living" while promoting eating as a holistic lifestyle, respectful of the land and local traditions. The fashionable subculture group called the Paninari can be attributed with popularizing fast food in Italy, enjoying fast-lane living and eating at the Italian Burghy chain before McDonald's opened up its first location in Rome. Once McDonald's entered the market, it was not long before the company sought complete domination and bought Burghy, kickstarting the chain's growth. To supplement the company's strong start, they used a combination of product, price, place, and promotion strategies. In terms of product, the company seamlessly integrated standardization and adaptation strategies. McDonald's decided to serve American classics like the McNuggets while emphasizing localized products like pastries, espresso, and fresh squeezed orange juice. Next with price, the company charges higher rates by communicating elevated quality to consumers. Winning strategies regarding place include taking advantage of unique architecture and separate dining

rooms where consumers can sit and enjoy meals at their own pace. Much of the company's growth success can be attributed to franchising and working with local entrepreneurs to mitigate risk. Additionally, McDonald's was able to shift their image from the stereotype "fried food" restaurant to a healthy food option by promoting their fresh food options like their salads. Also green is the company logo in Italy, representative of McDonald's sustainability initiatives. McDonald's faced many challenges during its growth in Italy, but was not shaken from its goal of dominating the market. Although the company seemed to have all odds stacked against it, McDonald's overcame a cultural paradox to achieve success in Italy.

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