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The global-local dilemma in the marketing mix: a comparison of Italian and Russian consumers' perceptions of American fast food restaurants

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Introduction

During the last decades of the 20th century, the global economy has undergone a significant change. The removal of barriers to trade among countries has made the internationalization process an attractive choice, as it results in a higher profitability and greater growth. This phenomenon is called globalization, and it "refers to the shift toward a more integrated and interdependent world economy" (Falco, 2018; Hill, 2013).

In this thriving global environment, when firms decide to expand their business to new countries, they face an important trade-off between two different choices: the standardization or the adaptation of their marketing mix. The marketing mix framework considered is the one firstly introduced by McCarthy and after implemented by Booms and Bitner, counting a total of seven elements called the 7Ps. When entering a new market, standardizing the elements of the marketing mix is a cost-efficient choice, since it allows the achievement of scale economies worldwide and the consequent cost reduction. On the other hand, the consumers in foreign countries may have different needs, values and culture than the ones that companies are used to serve in the domestic market, and the economic situation and the business conditions may differ (Falco, 2018; Hill, 2013). Thus, the adaptation of the marketing mix elements is required to meet the market conditions and the local consumers' needs, and often a certain level of autonomy is given to the local subsidiaries or agencies, whose decisions may be in line or in contrast with the head quarter's directives (Solberg, 2000).

This trade-off between adaptation and standardization is called global-local dilemma, an issue that has been discussed overtime by different scholars that has generated two opposite schools of thought (Ramarapu, Timmerman & Ramarapu, 1999). On the one hand, Theodore Levitt in 1983 was the first who introduced the advantage of the standardization and the inevitable convergence toward a global market; on the other hand, adaptation supporters leverage on the idea that the adaptation to the local market generate a better consumers' engagement and appeal (Falco, 2018; Hill, 2013).

Finding out an ultimate solution to this dilemma has always been the subject of several debates among scholars and marketing managers. The main goal of this dissertation, which is based on a previous paper written by Falco in 2018 as mentioned several times in the theoretical part, is to find an answer to this question, and to achieve this goal the standpoint adopted is the consumers' one. The markets selected for running the experiment are the Russian and the Italian one, two countries that present several differences in political, economic, cultural and social terms. The marked diversity between these two countries ensure a better reliability of the methodology adopted, since the expectation is that the insights from the two markets will be different, testing in this way the trustworthiness of the model. The industry selected is the fast food industry, an industry where players compete internationally, where daily customers are million and where the global-local dilemma has a relevant significance. Nevertheless, due to the large number of international companies that do business in this industry and due to the different nationality and culture that characterize them, it appears appropriate to investigate only international companies that belong to the same country. Considering these observations, the United States of America seem to be the best choice, since a great number of fast food restaurants originating in this country are widespread all across the world and their global brand are well known by consumers.

Apparently, there are no previous researches that investigate the global-local dilemma in the marketing mix of fast food companies based on Russian and Italian consumers perceptions, thus the contribution of this research will be firstly to develop a model to address the global-local dilemma of the marketing mix, and secondly to solve the dilemma in the fast food industry of the Italian and Russian market, finally giving suggestions to the companies that want to enter these markets and doing business in this industry. Therefore, the object of this dissertation is the global-local dilemma in the marketing mix, and the subject is the role of consumer perceptions in addressing the global-local dilemma in the marketing mix of American fast food companies. Therefore, the key goal of this thesis can be expressed through the following research question:

RQ: which are the elements of the marketing mix of American fast food restaurants that should be adapted to the local market and which are the ones that should be standardized according to Italian and Russian consumers' perceptions?

In addition, we want to compare the perception of Italian and Russian consumers. The idea, based on empirical evidence, is that Italian consumers consider themselves food enthusiast and food expert, and this is due mostly to the food culture rooted in Italy. In addition, this makes Italians a conservative and withdrawn population when it comes to explore foreign cuisine, especially if the quality of the ingredients is perceived as low (Censis, 2015). These facts are translated in two hypotheses:

H1: Italian consumers are more favourable to the adaptation of the American fast food restaurants marketing mix elements to the local market than Russian consumers

H2: Russian consumers have better perceptions of the American fast food restaurants marketing mix than Italian consumers

In order to address the research question and to verify the hypotheses, both a quantitative and qualitative methods have been used, namely a survey and two focus groups for each market. The total number of participants to the experiment was 198, 109 Italians and 89 Russians. Finally, the results are compared and summarized.

The results of this research show that the extreme approach toward a complete standardization or a complete adaptation is not applicable for this industry, but rather a mixed approach is required.

Chapter 1: The global local dilemma in the marketing mix of American fast food restaurant

1.1 The global local dilemma in the marketing mix

1.1.1 Origins and development of the marketing mix framework

The concept of marketing mix was introduced for the first time during the American Marketing Association conference in 1953, when the Harvard professor Neil Borden mentioned the idea proposed by his colleague James Culliton that considers the marketing managers as artists that mix several ingredients in order to obtain a certain response from the market. The outcome of this creative process is what Borden defined "marketing mix" (Van Waterschoot & Van Den Bulte, 1992). According to Borden, the elements that compose this mix are several, and he listed them in a wide group composed by twelve decision areas. They are: product planning, pricing, branding, channels of distribution, personal selling, advertising, promotions, packaging display, servicing, physical handling, fact finding and analysis (Anderson & Taylor, 1995). This was only the first attempt to identify the elements that compose the marketing mix. Indeed, overtime different scholars have been trying to give their own contribution changing some of these elements or adding new ones (Van Waterschoot & Van Den Bulte, 1992). Among all the new classifications developed overtime, the one proposed in 1960 by the American professor Jerome McCarthy in his book *Basic Marketing: A Managerial Approach* was the one that has achieved the greatest acceptance in the marketing sector (Anderson & Taylor, 1995). McCarthy's definition of marketing mix was based on four basic but fundamental pillars, the so called 4Ps of marketing mix: product, price, place and promotion (Van Waterschoot & Van Den Bulte, 1992). Therefore, the marketing mix can be defined as "a set of controllable variables at the disposal of marketing management which can be used to influence customers" (Rafiq & Ahmed, 1995). The 4Ps of McCarthy's marketing mix can be described in this way:

- **Product** is what is being sold and it is not only a set of tangible features and physical evidences, but it is a complex combination of visible and invisible benefits that satisfy customer needs. Therefore, even a service belongs to the category of products, since it is a way used by a company to deliver its value to the market in exchange of money (Hill, 2013).

- **Price** is the element of the marketing mix that establishes the amount of money to be charged to obtain the product. According to the pricing strategy adopted it is possible to implement price discrimination, predatory pricing, multipoint pricing and experience curve pricing. Each of these techniques has to be applied in the right contest in order to get market share (Hill, 2013).
- **Place** is the location or the channel through which the company delivers the product to the consumer, and it often reflects and incorporates the positioning and the style of the business. According to the level of concentration of the retailers, we can refer to concentrated distribution if there are many retailers that serve the same market, or fragmented distribution when the retailers are few and own a significant market share. Finally, channel length refers to the number of actors that operates between the two extremes of the distribution chain, then between producer and consumer (Hill, 2013).
- **Promotion** is the mean through which communicating the attributes of the product to prospective customers. A firm can choose among different kinds of promotion tactics, such as direct selling, sales promotion, direct marketing and advertising. The communication strategy is developed implementing one or several promotion channels in the same time. Some firms use a specific channel according to the target market they want to reach and to the product itself they want to sell (Hill, 2013).

McCarthy's classification of marketing mix is the one that has been always considered the dominant one, due to the simplicity and essentiality of the elements that compose this framework (Van Waterschoot & Van Den Bulte, 1992). However, even after McCarthy's contribution, several additional attempts to modify this framework have been made by different scholars. For example, in 1976 Nickels and Jolson suggest the addition of packaging as the fifth P in the marketing mix; Mindak and Fine in 1981 considered public relations as the fifth P; Kotler proposed in 1986 the introduction of Power as additional element; in 1991 Payne and Ballantyne have shown the importance of people, processes, and customer service in the field of relationship marketing (Rafiq & Ahmed, 1995). Among all the scholars, Booms and Bitner have given a significant contribution to the original 4Ps framework developed by McCarthy. Indeed, they added three other elements to the structure creating the 7Ps framework:

- **People** consist on all human actors that play a role in the product or service delivery. Especially in the service market where production, purchase and consumption happen in the same moment, the employees of the companies have the crucial task of communicating the product quality to the customer, making the purchase itself an experience and influencing the consumer's perceptions. Therefore, the quality of the people influences the quality of the product (Rafiq & Ahmed, 1995).
- **Physical evidence** refers to the environment in which the service is provided and any physical item that is involved in the product or service delivery (Ivy, 2008). The environment often reflects the quality of the service that is provided, becoming a part of the product itself; the physical items are the materialization of the characteristics of the product, becoming in this way part of the products itself. The role of the physical evidences in marketing is to facilitate the communication of the value of the product (Rafiq & Ahmed, 1995).
- **Procedures** are the processes and activities necessary to deliver the product to the consumer. They consider issues such as queuing, delivery time and procedure (Rafiq & Ahmed, 1995).

The original aim of Booms and Bitner was to expand the classic marketing mix concept in order to create a new framework that includes the marketing components of the services (Ivy, 2008). Nevertheless, some sustain that this differentiation between marketing mix for product and for services is unnecessary (Rafiq & Ahmed, 1995). Indeed, as stated by Levitt "…there is no such thing as the service industries. There are only industries whose service components are greater or lesser than those of other industries. Everybody is in service" (Levitt, 1972, p. 41).

Moreover, a further typology of framework has been made in 1990 by Lauterborn, a professor of The University of South Carolina. The new framework substitutes the original 4Ps with the new 4Cs, creating a consumer-centric view and prioritizing the consumers' needs instead of the company's business necessities (Lauterborn, 1990). The 4Cs of the new framework born from the 4Ps of the original one: Product becomes "Customers values and benefits", since it is not about what the company sells but what consumers want, and the company does its best to provide a solution for the consumer's problems or a valuable benefit for the consumer's needs (Dennis, Fenech & Merrilees, 2005); Price is what the company charges to the market in order to cover its production cost, but in the perspective of the new framework it evolves in "Cost to the consumer", including not only the price written on the label of the product, but also all the tangible and intangible cost that consumers pay to get a product (Dennis, Fenech & Merrilees, 2005); Place considered as the location where the product or the service is supplied becomes "Convenience for the customer", giving the possibility to the client to choose the best way and channel to buy a product (Dennis, Fenech & Merrilees, 2005); the element Promotion becomes "Communication", which differs from the original one since it is a bidirectional exchange of information, a dialogue between company and market where the original message is not only a mere tool of persuasion but an input that is followed by a feedback (Dennis, Fenech & Merrilees, 2005).

In conclusion it is possible to affirm that the 4Cs framework is a diverse framework that does not replace the previous one but that gives to it a new light adopting a different point of view; the 7Ps marketing mix framework, which is the one that will be investigated in this dissertation due to its completeness and width, can be accepted as a general framework to be used with the purpose of developing a marketing strategy from the firm side, and that supports the implementation of the strategic plan and the achievements of the firm's objectives still through the satisfaction of the consumers' needs (Dennis, Fenech & Merrilees, 2005).

1.1.2 The global-local dilemma in the 7Ps marketing mix

During the last decades, the world business dynamics have changed drastically, increasingly shifting the companies' interest from the domestic to the foreign markets, willing to seek more attractive investment, higher profitability and greater growth. This international orientation has been driven mostly from the technological progress, especially on transportation and telecommunication, with the consequent removal of barriers to trade and the boost of investment flows and information circulation. This phenomenon is defined as globalization, and it "refers to the shift toward a more integrated and interdependent world economy" (Falco, 2018; Hill, 2013). In this scenario, the idea of international marketing has received significant attention; Albaum and Peterson define the concept of international marketing as "marketing activities relevant to products or services that directly or indirectly cross-national borders." (Albaum & Peterson, 1984). When entering a foreign market, international companies face the critical trade-off between two opposite approaches: standardization or adaptation of the marketing mix. The former is a global strategy that consists on the standardization of the elements of the marketing mix worldwide, while the latter is an approach based on the adaptation of the marketing strategy to the local market in order to better meet the specific consumers' needs (Falco, 2018; Hill, 2013). This global-local dilemma has been discussed overtime by different scholars, and the outcome of this debate has generated two opposite schools of thought (Ramarapu, Timmerman & Ramarapu, 1999).

On the one hand, one of the first and most committed supporters of the standardization approach is Theodore Levitt. According to Levitt, in a modern global economy where the reduced geographical distances among countries have favoured the communication, the interconnectedness and the transportation of goods and people, the national trends fostered by information circulation assume an international flavour, and consumers' preferences are converging toward a global market where the homogenization of needs, wants and values are gradually erasing the cultural identity that characterizes and distinguish a country from another (Falco, 2018; Levitt, 1983). There are several examples of international companies that standardize their marketing mix, for example: Coca-Cola is a standardized product present worldwide; Russian stations are filled with ads written both in Cyrillic and Latin letters; P&G uses the same taglines to promote its brands worldwide; entertainment has a global breath, NBA and Hollywood's movies are examples (Falco, 2018; Kaynak & Herbig, 2013). The principal economic advantage of such a situation is the achievement of scale economies and the consequent cost reduction, which is pursued through the standardization of the marketing mix (Falco, 2018; Levitt, 1983). In support to the standardization advantages, there were cases where the adaptation strategy was a complete failure due to the high cost of adapting the product to the local markets. A famous example is the one of Hoover Ltd., a U.S. company specialized in the production of domestic appliances that in 1960 decided to expand internationally entering the Western Europe countries. From a market research on the consumers' usage of domestic appliances, emerged that people of different countries in Europe had different needs and usage behaviours. Therefore, Hoover decided to produce and market washing machines with different features in different countries. The outcome of the experiment was disastrous, since the production costs were too high and the company was forced to increase the market price to cover them, making the product uncompetitive and, finally, returning to the original standardization strategy (Falco, 2018; Levitt, 1983).

On the other hand, the adaptation supporters point out that it is not possible to undervalue the political, economic and legal differences among countries, especially those differences regarding the consumers themselves, such as culture, values and lifestyle (Naidu, Tamer & Zou, 1993). Words, symbols and gestures may assume different meanings in different countries. For example, while in some culture kisses are used to express affection, in other cultures, especially in the East of the World, kissing is a taboo. Therefore, the same commercial showing people kissing can be perceived in a completely different way from different people (Falco, 2018; Kaynak & Herbig, 2013). Companies that localize to meet local needs are perceived as closer by their customer, they become more competitive locally and the consumers are more loyal to the company (Falco, 2018; Kaynak & Herbig, 2013). In support to this school of thought, there are several studies that show the existence of divergent trends in terms of consumers' needs: some of them prove how different cultures attribute different importance to the diverse features of the same products; others state that the more the population become educated the more the consumers tastes diverge from the mass; another evidence is that even though the globalization is a strong trend, as a matter of fact the global companies that standardize all the elements of the marketing mix are still a minority (Naidu, Tamer & Zou, 1993). An empirical example in favour of adaptation supporters is the Parker's company failed attempt to adopt a global strategy. When the pens producer company decided to shift from the multinational approach to the global one, they centralised the decisions making power delegating the management of the global marketing to a single marketing company. In order to pursue a global approach, they standardized packaging, graphic and layout in all countries, and they used the slogan "Make your mark with a Parker". Although the company was confident that the global preferences were converging and that they could have been addressed by a single prospective, the campaign was unsuccessful and they moved back to the previous strategy (Falco, 2018; Kaynak & Herbig, 2013).

Although there are different opinions regarding the global-local dilemma in the marketing mix, different studies have tried to address the issue providing some variables that give a guideline on what should be adapted, standardized, and to which extend:

- **Product**: what makes the difference on the degree of standardization or adaptation of the product are the characteristics of the product itself. In general, industrial goods and products that meet global needs are easier to standardize, since their production take place in large scale and they require little adaptation worldwide. The level of technology of the product matters as well, since high-tech products face a very high level of competition and they are very expensive; therefore, firms cannot waste time and money adapting them, especially in the early stages of the product life cycle. Another factor is culture. Some products are more rooted in the local culture, such as non-durables and home used products, then it is difficult to ignore this cultural influence and standardize them: food, drinks and cosmetics need a certain level of adaptation to be accepted by the market. Finally, when a product has a good reputation and it is perceived as a global success it is easier to standardize it (Ramarapu, Timmerman & Ramarapu, 1999)

- **People**: in order to be successful, people inside the company must understand people outside the company, that is the consumers. Consumers tastes are the main driver for adaptation. Clothing, automobiles styles, entertainment and even breakfast are affected by consumer tastes (Ramarapu, Timmerman & Ramarapu, 1999): Germans prefer eating bread or meat, French do not eat corn traditionally, that is why Kellogg's cornflakes had very little success in when entered these markets (Falco, 2018; Kaynak & Herbig, 2013). The level of sophistication matters as well, since in poor countries where the consumers' needs are very basic, some goods may be difficult to be marketed and the adaptation required is higher. Finally, the market segment to which a product belongs may push for standardization, since it is perceived as an identification symbol of a certain social group: Levi's for example is a brand that targets the specific segment of young people, therefore there is a common base for its products (Ramarapu, Timmerman & Ramarapu, 1999).
- **Place**: The country where to enter may influence the decision-making process in the marketing mix. In countries with poor economies, it is easy to enter with product that are considered obsolete in other countries, getting quickly a big profit and develop them later-on according to the local requirements. Even similarity across countries are considered an advantage for standardization strategies, since it is convenient to standardize the marketing mix in those markets where consumers have similar preferences and needs, without requiring any specific adjustment. Finally, competition affects the choice, since when the competition is high the product standardization is not a good choice, because a standardized product will be difficult to be noticed among several competitors by consumers; while in market with low level of competition the product can be easily

standardized since it does not face any substitute (Ramarapu, Timmerman & Ramarapu, 1999).

- **Physical evidences**: in general, the environment where the consumers purchase and the physical items recall a specific brand image and have a specific assimilation in consumers mind. However, there are case when even physical evidences should be adapted to meet the market differences. The luxury brand Louis Vuitton for example sells its products in luxury shops located in exclusive boulevards or buildings in countries such as United Kingdom and continental Europe while in Hong Kong, United Arb Emirates and Romania the company's distribution point are located in common streets, since in these countries the distribution model differs. (Falco, 2018; Dumitrescu & Vinerean, 2010). Even Nike's biggest store, the so-called Nike towns, have different styles in terms of design lights, music, organization and atmosphere according to the culture and to the trends of the city and the country where they are located (Falco, 2018; Keller, 2013).
- **Promotion:** there are pros and cons for the standardization of advertising. The advantages are: first, standardization means cost reduction since it is possible to invest in the development a global marketing promotion and to use it all around the world; second, it is better to invest money and efforts developing only one single successful marketing campaign rather than several unsuccessful adapted campaigns, wasting not only money but also time and creativity commitment; third, it is better to have a single brand image rather than a fragmented idea due to the diversity of the different campaigns. On the other hand, in support to the adaptation theory of the promotion there is not only the already discussed evidence of cross-cultural differences but also the more stringent barrier of the legal regulation. Indeed, legal conditions may vary in different countries and a standardize advertising may not be allowed in a specific nation. For example, a Kellogg's commercial already used elsewhere in Europe and showing the benefits of the cornflakes could not be showed in the Netherlands since the local law forbids references to health and medical content of the products (Hill, 2013).
- **Processes**: process standardization is an advantage since it allows the usage of similar marketing methods in different places, despite the diverse political, economic, cultural, social and marketing differences. Manager states that

wherever a successful process is applicable, it is better to standardize it instead of reinventing it (Griffith, Chandra. & Ryans, 2003).

- **Price**: It is evident that due to economic differences the pricing strategy will be adapted from a country to another. Therefore, the price discrimination can happen when two different market are separate, then no arbitrage is possible, and when the demand in the country where the higher price is applied is inelastic. The price of the products may vary according to the different positioning that a company assume in different markets: the distribution chain The grocery retailer The Spar for example, applies low prices in Germany, due to the fact that it is considered a cheap supermarket, while in United Kingdom and Ireland The Spar has a different positioning in consumers mind; indeed, due to the design of the sales points and the products traded, it is considered a high-end supermarket and the products are sold at a higher price (Falco, 2018; Dumitrescu & Vinerean, 2010).

Anyway, a firm might find the right compromise when deciding which element of the marketing mix to standardize or adapt according to the country where is going to enter, always taking into account all the differences mentioned before. The mix of all the changes in the marketing mix elements makes a unique combination that can guaranty the firm success (Hill, 2013). Adopting one or the other extreme approach only may not be efficient; not even the first promoter of standardization Theodor Levitt has considered this path as the unique way for a firm success indiscriminately. Indeed, he considered the global approach as an option to consider before wasting resources in an unproductive localization (Ramarapu, Timmerman & Ramarapu, 1999). However, facts remain that "the key to defining either standardization or localization as a strategic thrust is to identify the overriding orientation; for standardization, maintaining the basic integrity of the marketing mix wherever applied; for localization, maintaining a disposition of reinventing strategy in each new market" (Ramarapu, Timmerman & Ramarapu, 1999).

1.1.3 The role of subsidiaries in addressing the global-local dilemma in the marketing mix

In the previous paragraphs the main trade-off discussed in the standardization-adaptation matter was the one between scale economies and cross-cultural issues. However, there is another important issue to be considered: the relations between the head quarter and local subsidiaries (Solberg, 2000). One of the past Procter & Gamble's vice presidents, Edwin Artzt, clearly described this situation between head quarter and local management saying that "There is no way a company can impose a direction on them (local managers) … we can challenge them but it is still their ideas that makes or break these brands" (Chase, 1987). Indeed, it has been analysed in different studies how local subsidiaries gradually take root exploiting their knowledge of the local environment, acquiring more power and independence from the head quarter and moving the real decision-making power from the top to the bottom of the corporate organigram (Solberg, 2000). The presence of asymmetric information between subsidiaries and head quarter is proved in a study of Solberg (1989) where he analyses the strategies used by importers in terms of marketing and he shows how there is a strong correlation between the degree of adaptation of the marketing mix and the support of local advertising agencies. Here it is evident that the issues of cost reduction achievable through scale economies and adaptation due to markets differences are not the only forces that affects this trade-off, but companies' internal relations play a role (Solberg, 2000).

The relation between headquarter and local subsidiary has been identified in a framework based on two dimensions: market knowledge and influence on marketing. The former represents the level of knowledge of the market at the head quarter level; the latter expresses the level of influence and control of the head quarter on the marketing decisions of the subsidiaries in foreign markets. Combining these two dimensions, it is possible to identify a framework made by four different typologies of relations with different levels of standardization and adaptation (Fig. 1).

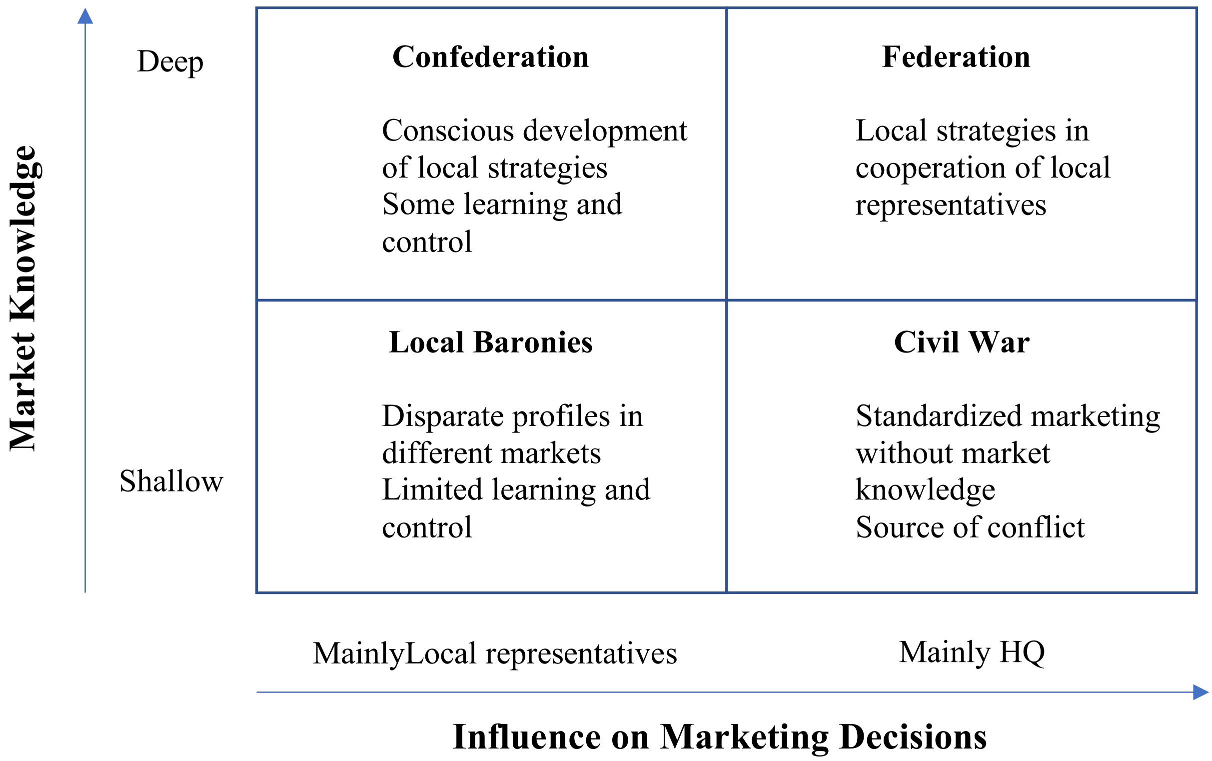


Figure 1: Classification of governing strategies in international marketing (Solberg, 2000).

- **Local Baronies**: they are the result of low market understanding and low control on the subsidiary from the head quarter. In this situation, the subsidiary has a big independence from the mother company due to the lack of knowledge of the latter. Managers from the subsidiary have often the last word during meetings and discussions, and the marketing strategy adopted by different subsidiaries changes according to the market. In addition, the support of local agents increases the gap between global and local management making marketing decisions, giving to the subsidiaries even greater autonomy (Solberg, 2000).
- **Confederation**: this situation can be considered the evolution of the local barony. The company has an appropriate knowledge of the foreign market, but it exerts a scarce control on the subsidiaries which, although they have a discrete operative independency, they act under the aware supervision of the head quarter. This strategy is required when the cultural differences are so pronounced that the adaptation to the local market is essential to achieve the success. Unilever and

Nestlé are examples of companies that represent the confederation strategy (Solberg, 2000).

- **Civil War**: it is the situation when the company has a scarce knowledge of the market, but it wants to influence the marketing decision of the subsidiaries. Therefore, when the head quarter gives directives to the subsidiaries without having a real understanding of the market, conflicts arise because the local managers do not accept head quarter's orders and are unwilling to collaborate with corporate managers. The outcome of this is the so called "not invented here syndrome" the same matter that caused Parker Pen Company's global standardization strategy failure, as exposed in chapter 1.1.2 (Solberg, 2000).
- **Federation**: in this case the company has strong influence on marketing decisions and a deep market knowledge. The control over subsidiaries and the strong market awareness allow the company to operate globally and to develop an international brand image despite the cross-cultural differences. The relation between head quarter and subsidiaries is collaborative since they are both aware of the market situation. However, the final decision is made by the head quarter, that implements the strategy according to the advices of the local managers. An example of this kind of strategy is Coca-Cola company, while Procter & Gamble is on the fence between federation and confederation (Solberg, 2000).

In a following study, Solberg (2002) tries to compare the four strategic approaches in order to rank them according to four drivers: level of adaptation, export performances, cooperative climate and negative reaction (Solberg, 2002). The outcome of this study shows how the knowledge of local market conditions is an important driver that pushes toward the standardization across markets. Indeed, local baronies show the highest level of adaptation followed by civil war, while the confederation and federation have the lowest. In terms of performance, the best are federation and confederation, while the other two strategies' score is low. Finally, the control over the subsidiaries' marketing decisions leads to a negative cooperative climate and reactions, while the autonomy of the local subsidiaries has a positive effect on relations (Solberg, 2002).

1.2 The global-local dilemma in the marketing mix of American fast food companies

1.2.1 American fast food restaurants: definition, development and cultural impact

Nowadays, fast food restaurants can be considered a symbol of the modern development, due to their global presence and their great level of innovation and novelty, boosted by the industrial revolution, the high rate of urbanization and the arising wellbeing. Indeed, due to the higher level of income and the consequent lack of time, dining outside is a well spread trend among Americans (Price, 1991). Already in the 1970s it was estimated that the 20% of the budget of American consumers' food consumption was spent to eat outside, and in the 1980s the fast food sector counted for approximately the 25% of the whole consumer catering market (Price, 1991). In the United States revenues for this industry increased from a scarce $6 billions in 1970 to $21 billions in the 1979 (Kinsella, 1982), and in 2015 the value of this market was about $200 billions (Sena, 2018). Today, the fast food market value is estimated to be over $570 billions, and just in the U.S. are counted over 200,000 fast food restaurants where about 50 million Americans eat every day (Sena, 2018).

The modern popular culture and the society itself indirectly reflects values and trends that are shaking the world as we know it. The influence of these trends is also reflected on the business world, especially in those industries that serve the mass market. This is the reason why it is possible to find an analogy between popular culture and the American fast food industry (Kinsella, 1982). However, before starting to investigate this parallelism, we need to give a definition and a schematic classification of fast food restaurants in order to have a better understanding of the topic, since there is not a unique clear definition. Several formulations have been given: Bender and Bender (1995) define fast food a "general term used for a limited menu of foods that lend themselves to production-line techniques; suppliers tend to specialize in products such as hamburgers, pizzas, chicken, or sandwiches" (Goyal & Singh, 2007); on the Data Monitor's (2005) survey of fast food market the definition points-out the sale of food and drinks for immediate consumption either on the spot where it is purchased, or for consumption elsewhere (Goyal & Singh, 2007); as per Merriam-Webster online dictionary fast food is a kind of restaurant "designed for ready availability, use, or consumption and with little consideration given to quality or significance" (Goyal & Singh, 2007). From these definitions, the common elements that can be extrapolated to describe the fast food industry are the quickness of the service and of the consumption, the low price, the scarce perceived quality of the food, the possibility to eat it without cutlery since the disposable packaging helps on this purpose, and the product durability limited to minutes or hours (Price, 1991). However, the retails that have these characteristics and that sell fast food products can be categorized in different business types, according to the extent the fast food products generate revenues (Price, 1991).

- Single Business Outlet are those restaurants where the sales originated from the fast food products are at least 95% of the total revenues; examples of this typology are McDonalds's and Burger King, since fast food is the core business (Price, 1991).
- A Dominant Business Outlet is a retail that sells mostly fast food products but generate about the 30% of the revenues from the sale other products; examples are bakery, cafes and restaurant with take away (Price, 1991).
- Related Business Outlets are retailers where non fast food products compose the 31% - 65% of the total sales; examples are cafés where there the take away service is reduced or pizza restaurants (Price, 1991).
- Unrelated Business Outlets are retailers that derive maximum the 34% of the revenues from fast food product and at least the 65% of the sale from other products; examples are pubs, canteens or supermarkets (Price, 1991).

Fast food has not only had an impact on the world economy and on the business environment due to its profitability, but it has played a significant role also in shaping the modern culture, because of different reasons. Nowadays, one of the main reasons why fast foods are so popular is because they are sustained by industrial processes and because they serve the mass market and the development of technology has been an essential step toward the achievement of the industrialization and the massification of the food production. Denny's fast food chain at the beginning has been using frozen food that was delivered to the restaurant, wormed up to 90° and then ready to be eaten. When the demand for its food became industrial, the restaurant chain was not able anymore to afford the big cost of freezing the food, and it had to change its process switching to the dehydrated food (Kinsella, 1982). Regarding the food served, the basic idea of the fast food chain is that it is possible to find the same products everywhere and it will have the same taste. Therefore, when it comes to food preferences, the fast food industry is incurring in the standardization of the taste. Indeed, as a mass-market industry, products of different fast food seem to be the same, but what makes the difference is the advertising and the marketing manipulation techniques used by each company (Kinsella, 1982). Another fast food's feature that has influenced the popular culture is the so-called manipulation of the taste, a process that make the fast food not only a cheap and fast alternative to the restaurants but a real experience, and fast food companies do it in order embedding a specific image or meaning in their products. For example, Burger King has influenced the perception of its product through the "make it special" campaign, a marketing strategy that transmitted to consumers the idea that Burger King is an experience that consumers can have also in important moments of their life, such as celebrations or events, and not only when they look for a quick and cheap meal (Kinsella, 1982). As seen from the definition provided before, another characteristic belonging to the fast food industry is the low quality of food. Indeed, to appreciate a fast food meal, consumers do not really need a gourmet taste and they are aware of it, since they prefer to sacrifice the taste and give importance to other factors such as the simplicity of menu, the small time needed to make an order and to eat (Kinsella, 1982). When it comes to quality, there are two aspects to be considered, the quality of the food and the quality of the taste: the former is about the nutrition properties of the products, while the latter regards the general opinion that fast food products are tasteless, simplistic and plain (Kinsella, 1982).

Considering this parallelism between the American popular culture and the fast food industry the conclusion is that these restaurants are the expression of the mass culture, embedding and representing the features of the American culture where it was started and the values belonging to it (Kinsella, 1982).

1.2.2 The global-local dilemma in the marketing mix of American fast food companies: the glocal strategy

Nowadays, the fast food restaurant is a global phenomenon with an enormous market worldwide, and the idea of fast food is often associated to the country where this kind of restaurant appeared for the first time: The United States of America. The remarkable success gained over time and the consequent rapid expansion of its market through the system of franchising has brought quickly to the well-known and debated question concerning the adaptation or the standardization of the marketing mix to the foreign markets. Indeed, marketers are aware that in different countries there are different market conditions and it is extremely important for a company to identify and understand these diversities in order to decide whether to adapt or standardise the marketing mix (Mamalis, Ness & Bourlakis, 2006). Regarding the marketing mix in the fast food industries, there are studies that evaluate and rank the impact of the 7Ps on the consumer attitude toward the restaurants. According to these studies, factors such as brand image, restaurant's environment and location are the most important drivers that push consumers to choose a restaurant rather than another, while price, promotional deals and quick service are given secondary importance (Harrington, Ottenbacher & Fauser, 2017). Some other researches point out a relation between variety-seeking and the physical environment of the restaurant. Indeed, it seems that the physical location has an influence on the consumers' level of satisfaction, boredom and variety-seeking (Harrington, Ottenbacher & Fauser, 2017).

Nevertheless, in a sector such as the fast food industry where the primary product is food, it is difficult to find a universal principle that can be applied internationally, since consumer tastes and needs may differ significantly due to several reasons and, among these, differences in culture and traditions play an important role. Therefore, in order to appeal the foreign market in the best way, some sustain that fast food companies should adapt their marketing mix elements to the local market preferences (Mamalis, Ness & Bourlakis, 2006). Nevertheless, as mentioned in the previous paragraphs, there are some advantages in pursuing a standardization strategy, especially in terms of cost saving and process reproduction. Therefore, the question that spontaneously arise is: to which extend should fast food companies adapt or standardize their marketing strategy and which elements of their marketing mix is more convenient to adapt or standardize? Unfortunately, the previous researches on this dilemma have not provided any valid and always applicable guideline. On the contrary, in a study conducted on a sample from the Fortune 500 companies by Gomez-Mejia and Palich (1997) and at the business unit level by Samiee and Roth (1992), it was demonstrated that there is not a systematic correlation between the only adoption of an adaptation/standardization approach and the firm's performance (Cervellon & Dubé, 2000). In more recent times, a concept that has gained more and more credit in the business environment is the so called glocalization, an approach that combine the two strategies so far debated and that can be considered as the keystone of this dilemma (Vignali, 2001).

Due to the paucity of the extant literature that covers the topic of the local-global dilemma of the marketing mix in the specificity of the fast food industry, the best way to analyse the implications for companies is to observe an empirical example.

McDonald's glocal approach is considered one of the most valuable examples of this concept, and its strategic view is fully expressed through the phrase "think global, act local" (Falco, 2018; Vignali, 2001). Let's now analyse each single element of its marketing mix "glocalized" worldwide.

Product

Products in McDonald's restaurants are one of the most iconic examples of glocalization. The menu is structured in a way that flagship products such as the most famous burgers and the fries are always available everywhere and they have the same unique taste. The standardization of certain elements in the menu is a clever strategy for both the consumer and the company: the former has the certainty of finding his favourite meal in whatever fast food belonging to the chain all around the world, the latter has the advantage of cutting significant cost due to the standardization of the product and to its mass production (Falco, 2018; Vignali, 2001). Anyway, there are countries where the local taste, religion or culture require the adaptation of some products in order to appeal consumers. For example, German McDonald's serve beer among the other drinks, while grilled salmon sandwiches are sold in Norway; in India or other Muslim countries, religious norms forbid the consumption of some specific typologies of meat, and McDonald's addressed this problem substituting those products that would breach the religious principle with other meal made ad hoc for that country, for example using mutton instead of beef and selling Vegetarian McNuggets (Falco, 2018; Vignali, 2001). Another adaptation technique is using national ingredients acquired from local producers, in order to extend the benefit of the localization also to the business environment. An example of this strategy can be seen when McDonald's decided to introduce in the menu of the French restaurants a variety of burgers made with d French cheeses such as chevre, cantal, and blue instead of the original cheddar (Falco, 2018; Crawford, Humphries, Geddy, 2015).

Promotion

In order to engage different customers in different places of the world, McDonald's needs a promotional channel that can reach as many countries as it can. That's why events such as the Olympics Games or the World Cup are used by the company to advertise its restaurants worldwide. However, the local approach is still maintained when it comes to adapt the strategy to a specific country. For instance, during the World Football Cup 1998, in England the public figure used in the commercials was the English footballer Alan Shearer, while in the same role was covered by the French goalkeeper Fabien Barthez (Falco, 2018; Vignali, 2001).

Differences regarding the broadcasting of TV commercial influenced McDonald's advertising strategy in China. Indeed, while in America the program shown in TV is often interrupted by commercials, in China commercials are only transmitted at the end of the program, making this promotional channel less valuable for McDonald's, since it does not reach the same audience than it does in America. On the contrary, Chinese population has a higher propension for reading newspaper, that is why this traditional channel is preferred (Falco, 2018; Vignali, 2001). Another clever local tactic was to pair to McDonald's mascot Ronald a female partner called Aunt McDonald, who plays the important role of entertain the kids in the restaurants. This adaptation has been necessary only in some specific cultures where the female gender was considered more adapt for fulfil this job (Vignali, 2001). The motto "brand globally, advertise locally" elaborated by Sandler and Shani (1991) fits perfectly McDonald's promotional strategy (Falco, 2018; Vignali, 2001).

Place

Although all the McDonald's restaurants around the world are often located in strategic, neuralgic and overcrowded locations such as airport, shopping centre and in proximity of metro stations, restaurant are built according to the architectural style of the country where they are. Indeed, while in America the restaurants are identified from the famous golden arches that reproduce the idea of the yellow "M" of the logo, the buildings that contain a McDonald's restaurant in European countries cannot ignore the country's architecture and lifestyle (Falco, 2018; Crawford, Humphries, Geddy, 2015). France for example, is a country where people like to spend their time in restaurants, that is why the internal design and the furnishings are designed to create a choosy ambience where French costumers can not only dine but also relax and chill (Falco, 2018; Crawford, Humphries, Geddy, 2015). In Saudi Arabia McDonald's restaurants, due to cultural and religious issues, man and woman dine in different areas, each reserved to a gender (Falco, 2018; Crawford, Humphries, Geddy, 2015).

Price

The most important driver in McDonald's pricing strategy is the consumers' perception of value. The price is set according to what consumers expect to eat and according to their consideration of the overall service. Since McDonald's products are renowned to be cheap, the risk is that a low price may communicate low quality (Yeu, et al. 2012). However, when it comes to price a product, McDonald's is very careful not only in evaluating the cost of the product, the expected demand and the competitors prices, but marketers are also very careful to adapt the price to the country's economic situation (Falco, 2018; Vignali, 2001). That's why, the price of the same product may vary considerably among countries, otherwise it would be impossible to penetrate a market using the same price everywhere. For example, in 2006 the price in dollars of a Big Mac in South Korea was 3.86$ while its cost in Switzerland was 6.59$, since the purchase power of the consumers in these two countries is different (Falco, 2018; Statista 2016). This pricing strategy is so accurate that it can be used to compare the purchase power parity between currencies. Indeed, on the base of this principle, in 1986 the newspaper The Economist invented the so-called Big Mac index, a method to compare the purchasing power parity between currency using the price of the Big Macs in different countries (Falco 2018, The Economist 2018).

People

McDonald's is very committed to respect the specific labour conditions in each country, and its policy promotes the selection of local human resources and the professional growth of these. In this way, McDonald's managers are people from the place that can better understand the local consumers' needs. On the other hand, in order to standardize the McDonald's experience worldwide, managers and employees can follow a specialization course at the Hamburger University in Illinois, which provide several classes that range from cooking techniques to restaurant management. In this way, the staff of all the restaurants are trained in the same way and can provide the same level of service (Vignali, 2001).

Public relation is an important issue to be considered when it comes to adapt employees' behaviour to different cultural settings. In restaurants located in Chinese metropolis, Beijing for example, there are receptionists who are responsible for assisting and greeting the clients of the restaurants. Such adaptation is required because in the eastern cultures greeting the guest is a fundamental value. On the other hand, this kind of service may be considered inappropriate in a country such as UK, where British customers may prefer to dine in privacy without having any interaction with anyone (Falco, 2018; Vignali, 2001).

Process

McDonald's can be considered a master in process standardization. There are specific directives regarding the preparation of the meals, the cooking time required and specific standards in term of size and quality of the ingredients used, and when it cannot meet the quality requirements due to the specific conditions of the country, it vertically integrates. In Russia for example, the quality standards of the local meat are different than the ones required by the company (Vignali, 2001). Therefore, McDonald's integrated vertically and now produces its own meat. To achieve the process standardization even the layout of the kitchen equipment is the same everywhere, and commands and screens use symbols instead of words to overcome the language barriers. The only adaptation allowed in process comes when in the menu there are unusual meals that require special machines to be prepared (Vignali, 2001).

Physical evidences

McDonald's promotes the same values everywhere, and this is why it is possible to find the same ambiance and atmosphere in each McDonald's; the only difference is the way these values are expressed in different countries. For example, in China it is possible to perceive the family value from some phrases and pictures printed on the restaurants' walls, that recall the values of the family (Vignali, 2001).

Even the layout of the location is influenced: in America, as mentioned before, the restaurants are recognizable from the two golden arches that compose the famous "M", while in Europe the style is soberer and it recalls the architecture of the European cities (Falco, 2018; Vignali, 2001).

1.2.3 The decision-making autonomy in the fast food restaurants' franchising system

As seen in the previous paragraphs, sometimes the power regarding marketing decisions is divided between the company's head quarter and the local subsidiary. The fast food industry is an industry where the level of adaptation has to be calibrated properly since the product delivered is food, and marketers have to consider carefully the consumers preferences. A successful strategy to address this issue is the franchising, the most diffused system in the fast food industry that summed to the business services accounts for more than 50% of international franchising operations of U.S. firms (Paik & Choi, 2007). This system consists in a legal agreement between two actors: the franchisor, who is the party that lends an already proved business model and the brand rights in exchange of a payment, and the franchisee, who is a local entrepreneur that starts his own business paying a royalty to the franchisor, receiving support from him and exploiting the advantage of a global brand (Paik & Choi, 2007). Indeed, the franchising model has several advantages in terms of global-local marketing, since it does exploit the expertise, the network, the adaptability and the market knowledge of the local franchisees while providing a global standard of education, business knowledge and brand power (Crawford, Humphries, Geddy, 2015). The issue of the franchisee's autonomy is quite debated, especially when it comes to manage this relationship between a franchisor and a franchisee that are in different countries.

According to Dant and Gundlach (1998), there are four key variables that influence the franchisees' desire and the perception of independence in the decision-making process: market competition, success in the franchise system, degree of experience of the franchisee and the growth stage (single-unit or multi-unit ownership). In order to test these variables, Paik & Choi (2007) analysed them comparing the results of the American and European fast food market (Paik & Choi, 2007).

The competition level has been proved to be indirectly related to the level of autonomy required by the franchisees. Indeed, on the one hand, a high level of competition increases the franchisee's need of support since it is more difficult to succeed in such an environment. On the other hand, the franchisor follows the strategy development of the franchisee more strictly, since he is concerned about the potential damages of image that can suffer worldwide. Domino's in Iceland for example, owns a 60% market share, and this favourable dominant position in the market has allowed it to make important marketing decisions independently from the franchisor permission, regarding the new adapted products to launch, the location where to open the restaurants, the local suppliers to select and the marketing campaign in general (Paik & Choi, 2007).

The level of success in the franchise system influence indirectly the need of autonomy. Indeed, successful franchisers tend to rely more to the franchisor since the attribute their success to the franchisor's efforts in terms of marketing and global support.

However, European franchise tend to attribute the success to both their own efforts and the franchisor's one, and this makes this point a bit controversial (Paik & Choi, 2007).

The degree of experience initially was thought to have a direct correlation to the level of independence required, but after the study conducted by Paik & Choi (2007) it was found out the opposite. This indirect relation is due to different reasons: first, the franchisor has no advantages on giving more autonomy on marketing decision according to the franchisee's level of experience; second, the more the relationship last, the more the trust between the parties grows, and gaining autonomy is not what the franchisee wants; third, usually the ideas of the franchisors are well thought, and they aim at the achievement of the franchisees success, then there is a convergence of interests. For example, the manager of an Irish Subway franchisee expressed his enjoyment in not having any kind of autonomy, since Subway always wants the best for its franchisees network, and it suggests always the best alternative (Paik & Choi, 2007).

The growth stage of the franchise may influence the level of control on the marketing decisions. Indeed, at the beginning of the expansion process the fast food chain relies more on the expertise of the local owners of the restaurants, since in this phase they lack experience of the foreign markets. Just after, when they have acquired a certain amount of experience and influence, they become stricter since their interest shifted from building the brand to protecting it. Papa John's was born in 2001 in the U.S. and in that period the franchisees in the U.K. were quite autonomous; later on, when the brand become well recognised internationally, Papa John's started monitoring strictly the franchisees' activities (Paik & Choi, 2007).

However, there are franchising system that are very well organized. Once again, McDonald's is one of the best examples in terms of marketing decision power division between franchisor and franchisees. Its system is structured in three different level of promotion and the marketing strategy is set at a global level but implemented to a local level:

- The first level of advertising is the highest and widest. It includes all the marketing initiatives undertook globally, such as international sport partnerships, big events sponsorship and global campaigns. To fund the initiatives at this level of the system, each franchisee has to pay a 2% of the monthly revenues to McDonald's corporation. The total budged collected is managed by a commission composed by different franchisees that represent their own region during the periodical meetings held in Chicago. Here, with the support of marketing specialists, the budget is used to provide the franchisees with the appropriate advertising board, posters and general marketing equipment to be used in the restaurant (Gerhardt, Hazen & Lewis, 2014).

- In the second level, a regional approach is used. The McDonald's owners from the same region meet on a monthly base and, with the guide of an assigned marketing agency, they discuss and plan how to implement a regional marketing strategy. Even in this case, the 2% of the monthly revenues is payed from all the regional McDonald's owners, and this sum is used to implement regional marketing initiatives or used to boost the national marketing guidelines implemented at the first level. Sometimes, this budget is used to introduce new customized product in order to fulfil the specific region needs (Gerhardt, Hazen & Lewis, 2014).
- The third level is the local advertising. To this level belong all the initiatives originated by the singles McDonald's restaurant owners such as banners, coupons, partnership or advertising in local channels or anything else they assume can increase the revenues and get visibility. The budget to be spent at this level of advertising is decided by the McDonald's owner and it can vary a lot from the 2% required at the other levels. This advertising is the most catching since it is the most adapted to the local market and it leverages directly on the local community's requirements (Gerhardt, Hazen & Lewis, 2014).

1.3 Consumers' perceptions of American fast food restaurants

1.3.1 Consumers' perceptions

The image that a company has is the way it is perceived by its consumers. In order to build a solid image, marketers adjust the elements of the marketing mix to appeal and to communicate to the consumers a specific message that contains the values and the positioning of the company (Hanna & Wozniak, 2013). According to the definition of image given by Martineau (1958), the image is "the total set of attitudes, the halo of psychological meanings, the association of feeling, the indelibly written aesthetic messages over and above bare physical qualities" (Martineau, 1958). A company image is based on its customers' perceptions, where elements such as product, brand, packaging, location, advertising and so on are input factors that stimulate sensations in the consumer mind and are interpreted and converted into perceptions. Indeed, perceptions can be defined as “the process of selecting, organizing and interpreting sensation into a meaningful whole” (Hanna & Wozniak, 2013). Each single element of the marketing mix has to be configured in consideration of the others in order to build an overall image which give the right stimuli to form the intended perceptions that marketers want to transmit to consumers (Hanna & Wozniak, 2013).

The perceptual selectivity that begins with the exposure to and environmental stimulus and that terminates with the creation of perceptions can be considered as a process (Fig. 2).

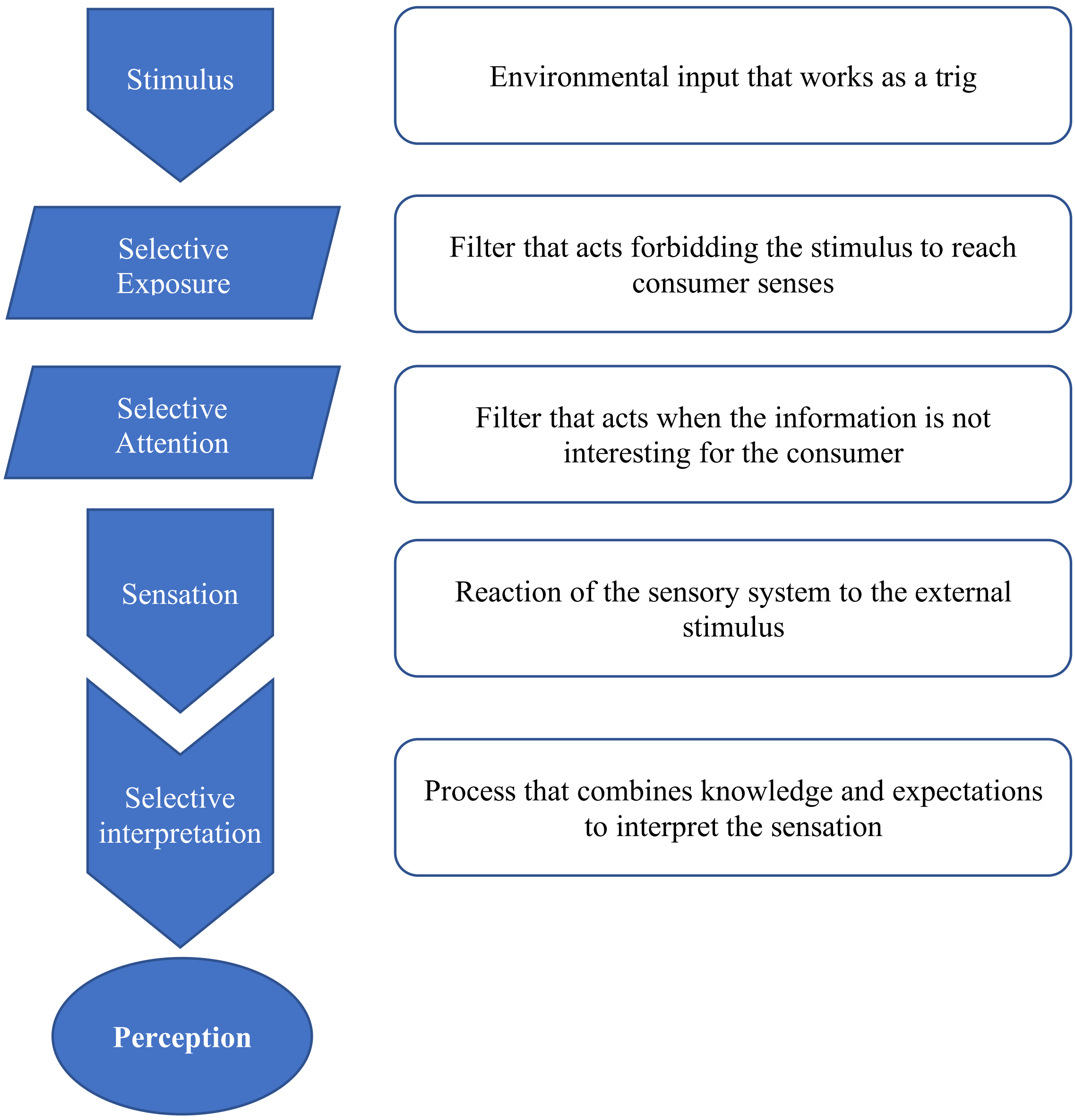


Figure 2: The perceptual process (Hanna & Wozniak, 2013).

The perceptual process begins with the exposure to a stimulus and this happens when a person gets in contact with it. However, not always when there is this first contact there is also a reaction from the individual; indeed, the person has to be attentive to the stimulus putting mental capacity on it, and this can happen either voluntarily or involuntarily (Hanna & Wozniak, 2013). Then there is the sensation, that is the reaction of the sensory system to the external stimulus. The sensory system is simply made by the five senses, such as sight, sound, smell, taste and touch, and it is through these transmission channels that stimuli are captured (Hanna & Wozniak, 2013). Each element of the marketing mix can be a source of stimuli but sometimes these inputs are ignored by our brain thanks to a selection mechanism that acts as a filter. These filters are the selective exposure and the selective attention. The former is in function when we ignore information that we consider unimportant, for example when we do not even pay attention to an ad showed in TV or one of the hundreds products on the supermarket's shelf, simply because we are not even exposed to the stimulus; the latter is active when we pay attention only to the information that are interesting for us, ignoring or not giving weight to all those information that we do not care about because we deem they are irrelevant (Hanna & Wozniak, 2013). Therefore, once a stimulus overcomes these filters, the following step is the selective interpretation, which is the process that combines our knowledge with our expectations and that generate the perception, which may either coincide or not with what the generator of the stimulus was intending to communicate. This process is the most important and critical since what really matters is the interpretation of the stimulus and the meaning that consumers give to it in order to get a perception (Hanna & Wozniak, 2013).

However, in the perceptual process what makes the difference are not only the features of the stimuli but also the characteristics of the people that get the perceptions. Indeed, all the humans being are diverse, and they differ in terms of interest, needs, culture, feeling, experience, self-perception and lifestyle, and each of these elements influence the way stimuli are interpreted (Hanna & Wozniak, 2013). For example, the perceptions that a customer has about a restaurant depends on the previous experience that he or she had in that restaurant, or we would perceive a meal tastier if in that moment we are hungry, or we are likely to buy a car of a brand that represent our lifestyle and our self-perception (Hanna & Wozniak, 2013). In the process of elaborating information and forming perceptions, two different paths have been recognised, and what makes the difference is either the predominance of the external stimuli or the personal characteristics of the individual. The first of these two is the bottom-up process, that is when the features of the object work as inputs that are captured by our sensory system which transmits them to our brain where they are elaborated to form perceptions. The second process is the reverse, that is when perceptions are generated from the specific qualities of the perceiver, namely experiences, needs, goals or self-consideration, which lead to an active seek of the meaning behind a stimulus and, consequently, to the formation of the most correct perception (Hanna & Wozniak, 2013).

Stimuli and perceiver's characteristics are definitively the most important drivers of perceptions, but the circumstances and the context where the perceptual process takes place have also an influence on it. These situational variables are:

- Physical surrounding: all the elements that belong to the environment and that can impact the consumer perception, such as the store layout, the atmosphere, the employees' style or the way products are displayed (Hanna & Wozniak, 2013).
- Social surrounding: it is the group of all the people present in the environment, such as employees, other consumers or friends, the behaviour they show in the context and attitude they have toward the perceiver. For example, a mum who is accompanied by her son in a supermarket will be more likely to buy candies or other junk food just because of the pressure of the kid (Hanna & Wozniak, 2013).
- Task definition: it is the role in the shopping process. For example, when the buyer of a product is not the consumer of it, the perception may vary significantly. Just imagine a dad that buys deeper for his baby, the perceptions of the product may vary significantly; or when a person who is invited for dinner to a friend's house has to buy a bottle of wine to bring as a gift, for sure in this case the brand will impact the perceived value of the product (Hanna & Wozniak, 2013).
- Time perspective: the concept of time is very relative, and it may differ from person to person impacting the perceptions formation and the consumer behaviour. For example, working consumer are more prone to shopping in the weekend, while for a retired person it does not matter that much (Hanna & Wozniak, 2013).
- Antecedent state: it is the temporary condition and mood of the individual. It can be for example the fact of being happy or sad, or having a big purchase power at the moment or not (Hanna & Wozniak, 2013).

Therefore, the combination of stimuli, personal characteristics and situational variables are the principal elements of the formula that has as result consumer' perceptions. However, there is another element that ultimately influences consumers' perceptions: expectations. Indeed, consumers often do not know in detail all the characteristics of a product or a service, and consequently they cannot get the whole set of information needed to assess accurately its quality (Kenyon & Sen, 2012). A product or a service may have different properties that shape expectations in the consumers mind, and they can be distinguished in three groups. The first group is composed by search properties, which are all those features that allow consumers to get an objective opinion of the product even before the purchase or the consumption, such as speed, capacity, colour, dimensions or price. Secondly, experience properties concern the characteristics that can be assessed only after the use, purchase or consumption of a product or a service, for instance taste, comfort or level of satisfaction. Finally, credence properties are those properties that can be perceived not even after the consumption or usage of the product, because the consumer has not the proper level of knowledge or expertise to assess the quality correctly, for example in the case of automobile maintenance or after a surgery (Kenyon & Sen, 2012).

1.3.2 Endogenous and exogenous factors affecting consumers' perceptions and attitudes toward fast food

It is recognised that developing the marketing strategy of a fast food company requires a deep understanding of consumers perceptions and of what is actually important for them, especially when a company decides to internationalize (Kara, Kaynak & Kucukemiroglu, 1995). As seen in the previous paragraph, people are different, and their personal characteristics may affect the perceptions they have of a product or a service. Indeed, even in the fast food market, consumers' perceptions may vary according to different factors: some of them are endogenous, since they are originated internally, from the consumers' demographics, values or feelings; some others are exogenous, since they are originated from external sources, such as the features and the quality of the marketing mix elements implemented by the company.

Regarding those endogenous elements that are originated from the consumers' characteristics, in some studies conducted by Srivastava (2015), where he studied the Indian consumer loyalty toward national and international fast food chains, he identifies some demographic factors that have an influence on consumers' perceptions of fast food and on their preference of a global brand rather than a local one (Srivastava, 2015). The results show that the gender is not a variable that influences the attitude toward fast food chains in general, despite for the major sensibility of woman to health promotional campaigns, which explains why they are more likely to order meals containing fish, fruit or vegetables (Hwang & Cranage, 2010). Moreover, age is a demographic variable that has a significant impact on consumers' perceptions: young people whose age ranges between 19 – 25 years old are significantly more attracted by fast food, especially the global ones, and they have a better perception of them relatively to people older than 50, who are more loyal to the traditional ones. Furthermore, there is a correlation between the level of education and the fast food attitude, and the study shows two significant paths: that the lower the level of education, the better is the perception of fast food, and also that the higher the level of education the higher the loyalty to global brands rather than local ones. In addition, income level has an interesting trend: low income people are more positive toward fast food, especially the local ones, and this positive attitude increase at the same pace of the income since the time available for workers that perceive a medium salary is reduced and fast food become a timesaving alternative; when the income become middle-high there is a trend inversion, since status exigences come to play. Furthermore, higher income people prefer global fast foods. In addition, belonging to a specific social class seems to be associated with different perception of fast food; it has been discovered that people belonging to upper social classes are more severe in evaluating the meals, supporting the thesis elaborated by Srivastava (2015) that demonstrates the correlation between high level of education, high income and scarce consideration of fast food (Hwang & Cranage, 2010). Finally, a correlation has been found between the ethnicity and the fast food consumption, since has been proved that black people, native Americans or mixed-race people are more likely to be fast food consumers (Srivastava, 2015).

In another study conducted by Kashif, Awang, Walsh and Altaf (2015), they researched which factors are associated to the consumer rejection for global brands, investigating how differences in norms, values and other cultural elements may influence consumers perceptions of fast food. Specifically, the scholars have analysed how Pakistan consumers' perceptions of U.S. fast food are influenced by credence and feeling such as religiosity, ethnocentrism and animosity (Kashif, Awang, Walsh & Altaf, 2015). "Religion is the extent to which people follow a certain set of beliefs and practice the beliefs in their life" (Kashif et al. 2015). As a matter of fact, some religions forbid the consumption of some kind of food, and transgressions may trig social conflicts: for example, Hinduism does not allow its adherents to eat beef, or Muslims consume only Halal food products (Kashif et al. 2015). Ethnocentrism is the absolute preference of domestic products over foreign products. This feeling usually scores a high rate in those countries where there is a strong sense of patriotism and affection toward the home country, and the motivation at the base of this feeling is the willingness to help the local producers and to contribute to the economic growth of domestic industries. It has been demonstrated for example that Chinese consumers are very ethnocentric, and they intentionally refuse to buy imported fruit brands to support the local producers (Kashif et al. 2015). Animosity is the feeling of antagonism toward the country where the brand comes from. In this respect, people with high level of animosity tend to be reluctant toward products originated in other countries and more price sensitive, while consumers showing low level of animosity are more willing to buy global brands. Usually the feeling of animosity is originated by historical, cultural or political factors. It is not surprising for example that Iranian consumers show a feeling of hate for the U.S. products because of the U.S. military presence in the bordering Iraq (Kashif et al. 2015).

The second categorization of elements that influence consumers' perception is the one composed by the exogenous factors, which are the ones originated externally and that are strictly connected to the value supplied by the company. Customer service is considered nowadays one of the most important aspect of all business, especially for customer-oriented firms where the consumers loyalty is a key factor for the success, and fast food retailing is not excluded. Companies invest a lot on this issue since it has a direct impact on consumers perception of the whole firm and on their intention to repurchase. Companies such as McDonald's or Burger King for example, make the service their primary concern, welcoming whichever kind of complaint or suggestion in order to transform it in an opportunity to improve the quality of the service (Kara, Kaynak & Kucukemiroglu, 1995). In a study conducted by Namin (2017), where he studied the importance of customer service in the relationship between customer satisfaction and behavioural intentions, it is demonstrated that fast food restaurant managers should concentrate their efforts on customers returning and repurchasing at their restaurant through improving customer satisfaction (Namin, 2017). Indeed, five have been demonstrated to be the most important feature of a good customer service for consumers, and in the study of Namin (2017) they are ranked as follow. First, reliability on the staff, which includes the punctual and correct fulfilment of the employees' tasks; second, responsiveness of the service, that is the speed and accuracy of the service provided; third is empathy, which is the skill that allows employees to understand consumers' needs by actively responding to their complains and solving their problems in a warm and friendly way; next there is assurance, that is increased through a clear information, respectful communication and trust building; finally in order of importance there are tangibles, which are the physical elements that compose the restaurant's environment (Namin, 2017).

Another significant aspect of fast food that concerns consumers is the unhealthy proprieties of the food served. According to the study conducted by McNeal and Al. (1980) on the consumer perceptions of fast food, although the meals served are considered quite nutritious, at the same time they were perceived as containing high-calories and additives; it is interesting that the nutritive values are not a concern for consumers, and this support the thesis that what drive consumer to eat such meals are drivers such as taste, price and convenience (Hwang & Cranage, 2010).

Thus, it is clear from the previous literature that consumers' perceptions about fast food restaurants may vary considerably according to different factors, endogenous and exogenous, and when defining the correct marketing mix to be implemented, both the categories have to be taken into account to meet consumers' needs and to build a trustful relation.

1.3.2.1 The country of origin effect as a factor influencing consumers' perception

A very important exogenous factor that deserves a special attention, due to its important role in determining consumers' perceptions, regards the country where the product has been manufactured: it is the so-called country of origin effect (CoO). Samiee (1987) defines the CoO effect as "any influence, positive or negative, that the country of manufacture might have on the consumer's choice process or subsequent behaviour" (Elliott & Cameron, 1994). It is nowadays universally recognized that "a product's country of origin can influence consumers' evaluative judgments of the product" (Pharr, 2005). However, the CoO cannot be considered a standing alone effect, but its action is influenced by other moderators that may alter the its impact. In observing the impact of CoO effect on consumers' perceptions, the hardest challenge is to isolate this effect from the others. Different studies have analysed these variables, showing their effects on consumers' perceptions and on cognitive and behavioural responses; they can be summarized as follows (Pharr, 2005).

First, the product itself has a dominant role in assessing the degree of influence of the CoO effect. Indeed, studies have demonstrated that both extrinsic and intrinsic product features have the ability to moderate CoO' s influence, negating the idea of a generalizable and absolutely identifiable CoO that effects consumers' perceptions; for example, luxury goods and publicly consumed goods are strongly affected by this effect, while necessary or privately consumed good do not receive this kind of influence. Moreover, simple and frequently purchased products receive a weak CoO effect, while complex and rarely purchased goods enjoy a high influence (Pharr, 2005). Second, endogenous characteristics such as individual consumers factors, the level of familiarity with the product or the involvement level and type with it, may affect the degree of the effect (Pharr, 2005). Third, brand image and price level have been found to moderate the CoO on product evaluations and purchase intentions, since the former act as positive shield in case of a negative CoO and the latter may significantly reverse the effect of positive CoO (Pharr, 2005).

Another important evidence is the assimilation of the stereotypes that belong to a country to a product that was made in the same country (Maheswaran,1994). Ahmed et al. (2004) identify three way how this stereotyping process acts: first, if there is a previous knowledge and awareness of the characteristics of a product made in a specific country of origin, then there will be the unconscious assimilation of these characteristics to another product made in the same country; second, as previously mentioned, the evaluation process of the will take into account a combination of CoO's stereotypes and some secondary cues, such as the price or the brand, to evaluate the product; third, in case of absence of the necessary amount of cue or previous information to evaluate the qualities of a product, the product may be heuristically associate to the stereotypes of the country of origin (Ahmed et al., 2004). In addition, it has been noticed that often the CoO effect does increase its strength when the country where the product is made has a high level of economic development; on the other hand, consumers that live in more developed country are less influenced by the CoO effect and tend to more supportive for the domestic products (Elliott & Cameron, 1994).

When consumers evaluate a product, their perceptions are formed on the base of several cues, and it is possible to group the cues that influence consumers' choice in two groups: intrinsic and extrinsic. Intrinsic cues are those that are impossible to detect before the purchase, such as taste, quality or performance; extrinsic cues are those that are recognizable even when there is scarce knowledge of the product, such as brand, price or packaging (Elliott & Cameron, 1994). Even considering the difficulties in studying the effect alone, Elliott & Cameron in the study conducted in 1994 have tried to isolate the CoO effect in order to understand if it actually has a significant influence on consumers' choices when compared with national products. The scholars found that consumers in general prefer local products over foreign, as far as the price and the quality is equivalent or better. Consequently, in case the domestic products are perceived as lower quality over the imported ones, consumers can easily switch to the foreign brand. However, when the intrinsic cues make not possible for the consumers to perceive properly the quality between a local and a foreign made product, the CoO has the role to tip the balance acting as a quality label (Elliott & Cameron, 1994).

Therefore, it is clear that the CoO effect has a significant impact on consumers' perceptions and that it can vary according to the different internal and external factors that play a role in the perceptual process.

1.3.3 Italians and Russians consumers' perceptions of food

"Food is an intimate part of people's daily life and food consumption is increasingly related to community identity" (Lizzi & Righettini, 2018). Consumers seem to be more and more aware of the importance of a correct and balanced nutrition and, in a country such as Italy, the food issue has always had a great importance due to the historical tradition of food preparation. Indeed, local traditions, regional specific cousins, the high quality of the row materials and the rediscovery of the Mediterranean diet are some drivers that have shaped the consumers orientation and perceptions toward food (Lizzi & Righettini, 2018).

During the global event of Expo 2015 held in Milan, where the principal topic was food, Italian consumers were asked their opinions about food. About 46 million Italians representing 90% of the respondent, declare to have a basic knowledge and an active interest toward food, and 29,4 million consider themselves food enthusiast, in the sense that they like discussing about food; among these, 7,2 million define themselves expert and 1,9 million are real experts (Censis, 2015). Regarding the cognitive relations coming from food, the most popular ideas are "health", "fun" and "identity", and these terms can be considered the three main values of Italians consumers when it comes to food. In addition, 50 million Italians declared to consume daily different Italian meals according to the geographic area they belong, but about 30 million consume or are still likely to try other countries' dishes (Censis, 2015). Regarding the quality issue, Italians are more likely to select a high-quality product rather than a cheap product, since quality is the main driver of their consumption decisions (Censis, 2015). Regarding the feeling of ethnocentrism, it has been proved that usually people in developed countries prefer domestic products to the foreign one, and this is factor that would push Italian consumers to prefer domestic product over imported one.

Regarding the Italian fast food attitude, 20,2 million Italians declare to dine in fast foods restaurant, and among these 2,8 million regularly and 17,4 sometimes, and the best consensus for fast food comes from under 35, which are 8 million (Censis, 2015). The fast food industry in Italy see florid prospective for its future in terms of sales, value and transactions. Innovation is the key success factor to be competitive and shaping the offer on the base of the newest trends is mandatory to satisfy consumers' needs. For instance, among the most recent trends, health and wellness gain ground, steering fast foods' customers towards products such as fruit and vegetables, but also authentic and home-made products lead positive consumers perceptions. In Italy, fast food chains are trying to follow these trends and they adapt their menus introducing local fruit or vegetables (Passport, 2018a).

In the Russian market the situation is quite different. The traditional Russian diet consists of a lot of carbohydrates, fatty and high-energy food, which is a habit that was introduced in Russian people life from the times of food shortage during the World War II and the following period of the Soviet Union (Honkanen, 2010). The excessive consumption of salt, fat and sugar, as well as a low consumption of fruits and vegetables is still a problem in the Russian diet which can be described as unhealthy, showing then a positive attitude toward meals as the ones consumed in fast food restaurants (Honkanen, 2009). According to a report of Yormirzoev, Teuber & Li (2018) that aims at analysing Russian consumers habits, the first and most important factors that lead Russian consumers' choices are price, healthiness and sensory properties, such as quality, appearance and taste (Yormirzoev, Teuber & Li, 2018). Previous studies show that the level of trust that Russians consumers have on food is pretty low: agricultural product are considered safe from the majority of people, while less than half consider safe products like fish. In addition, a minority of Russian consumers trust the food control authorities, which are accused to not manage the food riskiness properly (Yormirzoev, Teuber & Li, 2018). Regarding the perceptions on domestic versus foreign imported products, it seems that consumers are indifferent among the two. However, it has been proved that consumers living in developing or emerging economies have a better perception of foreign products, since they perceive them as better quality or higher status, and the recent restrictions on importation may have an influence that has changed consumers thinking way (Yormirzoev, Teuber & Li, 2018).

Regarding the fast food industry in Russia, this sector has been facing a high growth in 2017, boosted by the expansion of the international fast food chains, such as McDonald's and Burger King that for the moment are the two dominant players (Passport, 2018b). Several innovations have been introduced in the marketing strategy, such as the delivering service through Uber eat, aggressive promotional campaigns against competitors and the exploitation of current trends to engage more consumers. In this competitive landscape, fast casual restaurants such as Teremok are considered the domestic leader, which leveraging on traditional products of the Russian cuisine such as bliny, is considered the domestic leader (Passport, 2018b).

Chapter 2: Comparison of Italian and Russian consumers' perception of American fast food restaurants

2.1 Methodology and experiment design

In this dissertation, the selected perspective to address the local-global dilemma in the marketing mix of American fast food companies is the consumers' perceptions, and the selected markets are the Italian and the Russian ones. In order to get the consumers' perceptions, two different research methods have been employed: a qualitative method and a quantitative method, namely focus groups and surveys. The principal aim of this research is to investigate which elements of the marketing mix have to be standardized and which have to be adapted to the local market according to the consumers preferences. However, other factors have been investigated through the survey and other insights have been collected from the focus groups, and they will be exposed alongside the main findings.

Focus group

Four focus groups have been made in total: each focus group was composed by 5 or 6 participants of the same nationality, involving a total of 22 people, 11 Italians and 11 Russians. The Italian consumers that took part to the focus group have been selected on the base of their perceptions of American fast food from a former group of volunteers; before starting the experiment, candidates have been asked to express their perceptions of fast food, and by doing so it was possible to create two groups composed by people with heterogeneous perceptions, making room to interesting debates and valuable insights. As for the Russian consumers, due to the scarce affluence of volunteers, the groups have been made without following any specific criteria.

All the focus groups have been carried out following a list of questions that served as generic guideline, but they were kept quite open in order to give the participants the opportunity to further elaborate and deepen the interesting issues. The questions have been adapted to the nationality of the participants, especially the ones concerning parallelism between the home country and the U.S. or the adaptation of elements of the marketing mix to the domestic market.

The focus group had as primary objective to investigate consumers' perception and preferences regarding the adaptation or standardization of the 7 Ps of the marketing mix of American fast food restaurants, showing them real evidences and providing empirical examples of how the elements of the marketing mix are adapted or standardized in the home country. The participants were then asked to figure out whether an alternative strategy of what is actually adopted by American companies in terms of adaptation or standardization would be preferred. Furthermore, additional questions have been made to investigate the consumers feelings, perceptions and attitude toward fast food. Sentiments such as animosity and ethnocentrism, and effects such as the country of origin have been researched in the consumers answers. Moreover, participants have been asked to discuss freely about their perception of some elements of the fast food marketing mix, such as atmosphere of the restaurants, quality of service and employees, food served, prices, promotion and processes. These secondary discussions are twofold: first, giving the member of the focus group a full view on the fast food world prior to answering the questions concerning the global local dilemma; second, to get other precious insights from consumers that may explain trends and contribute to the development of further researches.

Survey

Two different surveys have been made and launched through the Google Forms app, one in Italian for the Italian consumers and one in English for the Russian consumers, and it reflects the structure used as guideline to carry out the focus groups. The Italian respondents were 109, and the sample is mixed in terms of gender, age, income and education; the Russian respondents were 89, the majority of the respondents age ranges between 18 – 35 years old, but still heterogeneous in terms of education and income.

The content of the two survey was identical, except for the reference to the home country that was adapted to the target respondents. The survey is structured as follows:

- An introductive session, where the respondents are asked to give some demographical data, such as gender, age, level of education, geographical area of origin and income, and to express their overall perception of American fast food.
- A first part where they are asked to express their level of agreement or disagreement on some statements that express feeling of animosity and ethnocentrism and that investigate the country origins effect.
- A second part where the respondents were asked to evaluate their perceptions of each element of the marketing mix of the fast food companies.

- Finally, the respondents are asked through examples and real evidences whether they prefer to adapt or standardize the elements of the marketing mix, giving also the opportunity to express a preference for a mixed approach or to judge the global-local dilemma as irrelevant for as specific issue.

It is possible to find the survey submitted to the Italian and Russian consumers in the Appendix.

Perceptions assessment scale

In order to measure consumers' perceptions, a scale from 1 to 5 has been used, by giving to each number a specific meaning:

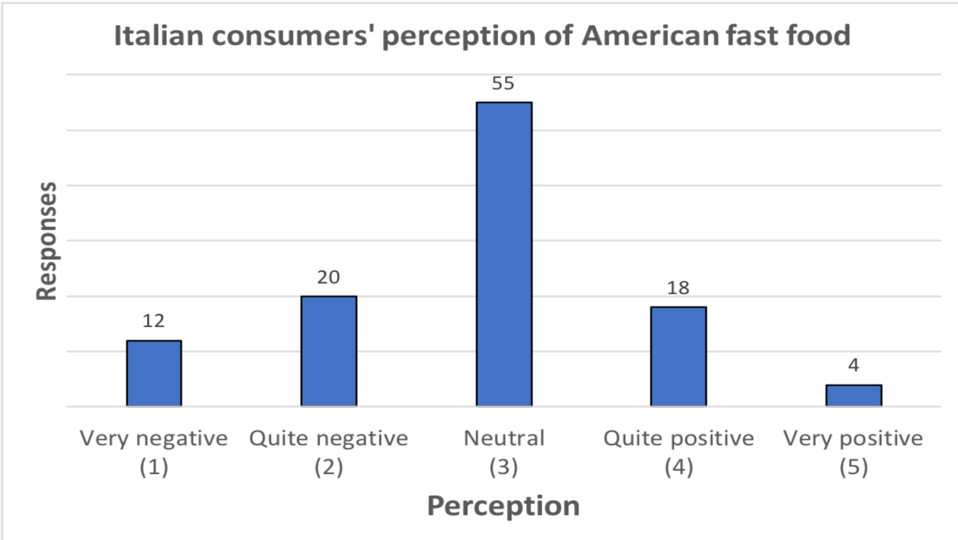
1 - very negative
2 - quite negative
3 - neutral
4 - quite positive
5 - very positive

This scale has been used not only in the survey but also to measure the perceptions of the participants during the focus groups discussion.

2.2 Italian consumers' perceptions expressed in the survey and in the focus group

During the focus group it came out that Italian made products are associated to high quality, especially when it comes to food. On the other hand, American made products are perceived as good in fields such as technology, but when it comes to food the first thing consumers think is "junk food". The two main reasons that push Italian consumers to eat in fast food are the lack of time, then the speed of the service is a pro, and the taste of the products. Indeed, even if products are considered unhealthy, the taste is so appealing for the consumers that it become a reason to eat it.

The first question of the survey asks Italian respondents to express their overall perception of American fast food restaurants using the assessment scale previously exposed. The result given by the survey, where 109 answers have been collected in total, is that Italian consumers perceive fast food with an average grade of 2,84 out of 5,00, which means that the Italian market has a slight negative perception of fast food, tending toward neutrality though. Indeed, the majority of the respondent have a neutral perception while less than the 4% of the total have given the maximum grade. On the other hand, the 11% of respondents consider American fast food restaurants very negatively. The answers can be summarized in the graph 1, where the answers' frequency distribution is showed.



Graph 1: Italian consumers' perceptions of American fast food restaurants in a scale from 1 to 5. Frequency distribution of the answers.

As for the questions that investigate the level of country of origin effect, animosity and ethnocentrism, different questions have been made.

To assess the CoO, respondents have been asked to choose in which fast food restaurants they would prefer to eat, either Italian or American, when the products served, the prices and the waiting time is the same in both the cases. The result is that 58,7% of the total respondent would prefer to go to the Italian restaurant while only the 6,4% would choose the American one. The remaining 34,9% think that it depends by other factors different than nationality. This evidence is also reinforced by a further question where they were asked whether they agree with the statement "I perceive Italian fast food better than American fast foods". Even in this case, the majority agreed, a substantial portion was indifferent, and a small percentage does not agree. This proves that Italians have a better consideration of the made in Italy factor, proving the added value coming from the country of origin effect. However, during the focus group emerged that the Italian brand may suffer from the internationalization process. Indeed, an Italian chain of restaurants present in all Italy and even abroad would be perceived as lower in quality, since the replication of the business model influence negatively the perception of genuineness, authenticity and freshness.

Regarding the feeling of ethnocentrism, the survey shows that Italian consumer are quite indifferent to the development of the local economy, but still a good part of the respondent stated that they would agree with the consumption of local products in local fast food restaurant to support the Italian economy. However, from the focus group it came out that the preference for Italian restaurant even in this case is still bounded to local products preference rather than to a spirit of patriotism.

As for the feeling of animosity, consumers were asked whether they would not eat in an American restaurant just for reasons of antagonism toward this country. The great majority of the respondents do not feel any sort of antagonism or just do not care about this issue when they select the restaurant where to eat. Only a scarce 4% feel antagonism toward America and would not eat in these restaurants.

In the second part of the survey, the perception of the single elements that compose the extended marketing mix, the 7 Ps, have been assessed. Finally, in the third part of the survey, consumers where asked whether it would be better for them to adapt to the specific country, culture or needs each element of the marketing mix. The results of the survey and the insights from the focus group are showed following.

Product

Food served in American fast food restaurants was graded with a 2,87 / 5,00 by Italians. This means that the perception of the product is slight negative, and this is due mostly to the awareness of the high calories contained and to the lack of freshness of the ingredients. However, as stated before, the taste is one of the principal drivers that push consumers to eat in American fast food. Indeed, one of the participants to the focus group that gave at the beginning a mark of 2 out of 5 to the fast food in general stated that "It does not really matter what there is inside, we know that it is not healthy but sometimes you just need McDonald's products, it does not matter which one because all them have almost the same taste. I do not feel the need of Big Mac, I just feel the need of McDonald's".

Regarding the global-local dilemma, the survey showed a dominant preference for the adaptation of this element of the marketing mix to the local taste, and a preference for those products that are made with Italian or local ingredients. Nevertheless, American fast food chains are famous for the standard products served all around the world and this is definitely one of the most important success factor in this industry; therefore, this result has to be interpreted as the willingness of Italian consumers to find in the menu specifically adapted meals in addition to the already existing and worldwide famous standard fast food products (Graph 3).

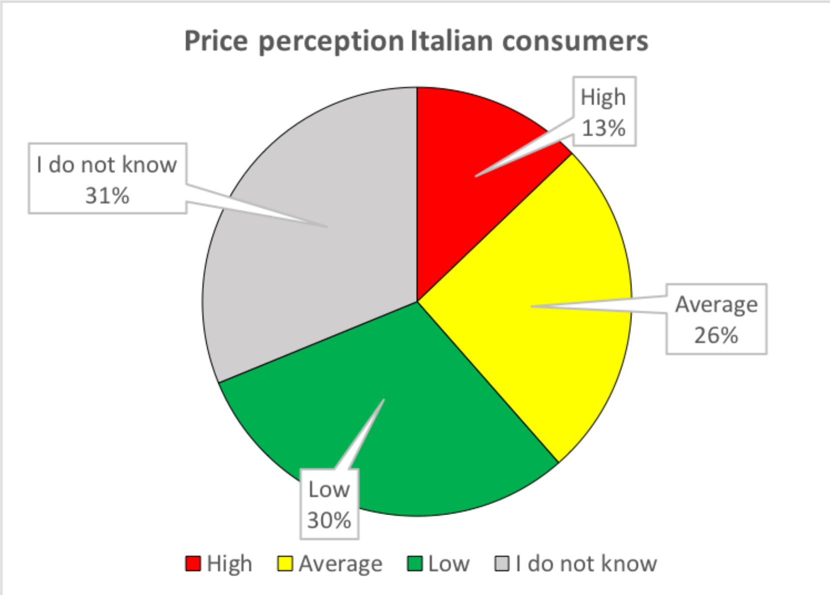
Promotion

Advertising, events and discounts scored 3,73 / 5,00 which is a quite positive result. However, consumers complain the fact that often the product showed in commercials is quite different than what they get in the restaurant, as in the reality food is presented in a not really appealing way. In addition, a positive insight came from a participant to the focus group. He said that “they do not have a good product, but they show it in such a good way that you want to eat it, and it works since the restaurant is always full of people willing to eat. In addition, communication works magnificently since it is very funny playing games through the mobile app that make you come back and purchase more and more”.

As for the adaptation and standardization of the promotion, the survey shows that adaptation works better than standardization, but the possibility of using American elements is appealing for a significant part of the respondents. In addition, during the focus group two commercials were showed. The two commercials promoted the same product, but one was American and the other was the Italian adapted version. In the majority of the cases Italians preferred the Italian version. Some insights came out: first, product is extremely important and it has to be showed in all his features; second, commercials that represent common life scenes are more appreciated since consumers can put themselves in the situation represented; third, humourism is a good way to catch consumer attention, but to push them to buy the product has to be showed (Graph 3).

Price

The American fast food prices have been rated with a grade of 3,73 / 5,00, which indicate a positive perception of this element. Asking whether consumers want the price to be adapted or standardized is a trivial question, since they would answer whatever represents a lower price for them. That is why consumers have been asked about their price level perception, during the focus group and in the survey as well, different opinions have been expressed regarding this issue. Indeed, the sample is quite distributed between people who consider prices lower, equal or higher than Italian fast food average. However, the majority of people consider the prices as medium-low (Graph 2). Finally, it is interesting that about one out of three respondents do not have a clear idea of the average prices and he preferred not to answer this question. This may indicate the price as a marginal factor in fast food choice for Italian consumers.



Graph 2: Italian consumers' perception of American fast food prices. Answers distribution

People

Employees get a score of 3,31/ 5,00 that means that they are perceived as a slight positive factor in the fast food marketing mix. However, from the focus group emerged that the relevance of employees in this kind of business is quite marginal since the interaction with them is extremely low, and this is due also to the introduction of the easy order system, that allow clients of fast food to order from mobile app or the totems in the restaurant.

When asked whether is better that employees should be adapted to the local cultural standards of efficiency and behaviour or standardized to a single unique standard of behaviour and efficiency all around the world, the consumers answered that adaptation to the Italian style is accepted with 35% of responses in favour. However, the majority (52,3%) answered that a midway has to be found, therefore glocalization seems to be the way. However, from the focus group emerged what matters is not the adaptation or the standardization of the employees' behaviour, but the important characteristics are the professionality, availability and the good manners of the staff. (Graph 3).

Physical evidences

Design, comfort and facilities of the restaurant are perceived with a score of 3,48 / 5,00 which is a midway between neutral and good perception. Some members of the focus group said that they like the ambience because it is suitable to all kind of consumers and that the atmosphere is happy. However hygienic conditions are perceived as scarce and the presence of the rubbish containers in the dining area affects negatively the perceptions.

Regarding the global-local dilemma, this is the most debated element; some think that it should be adapted to the country's style, someone else thinks that it must be standardized since, as stated by a guy during a focus group "When I enter my favorite fast food chain restaurant I want to feel like at home". The 19,3% is for adaptation, the 33% is for standardization, the 28,4% is for a mix of the styles and finally another 19,3% consider this aspect irrelevant, since they do not even pay attention to the environment when they eat fast food. (Graph 3).

Process

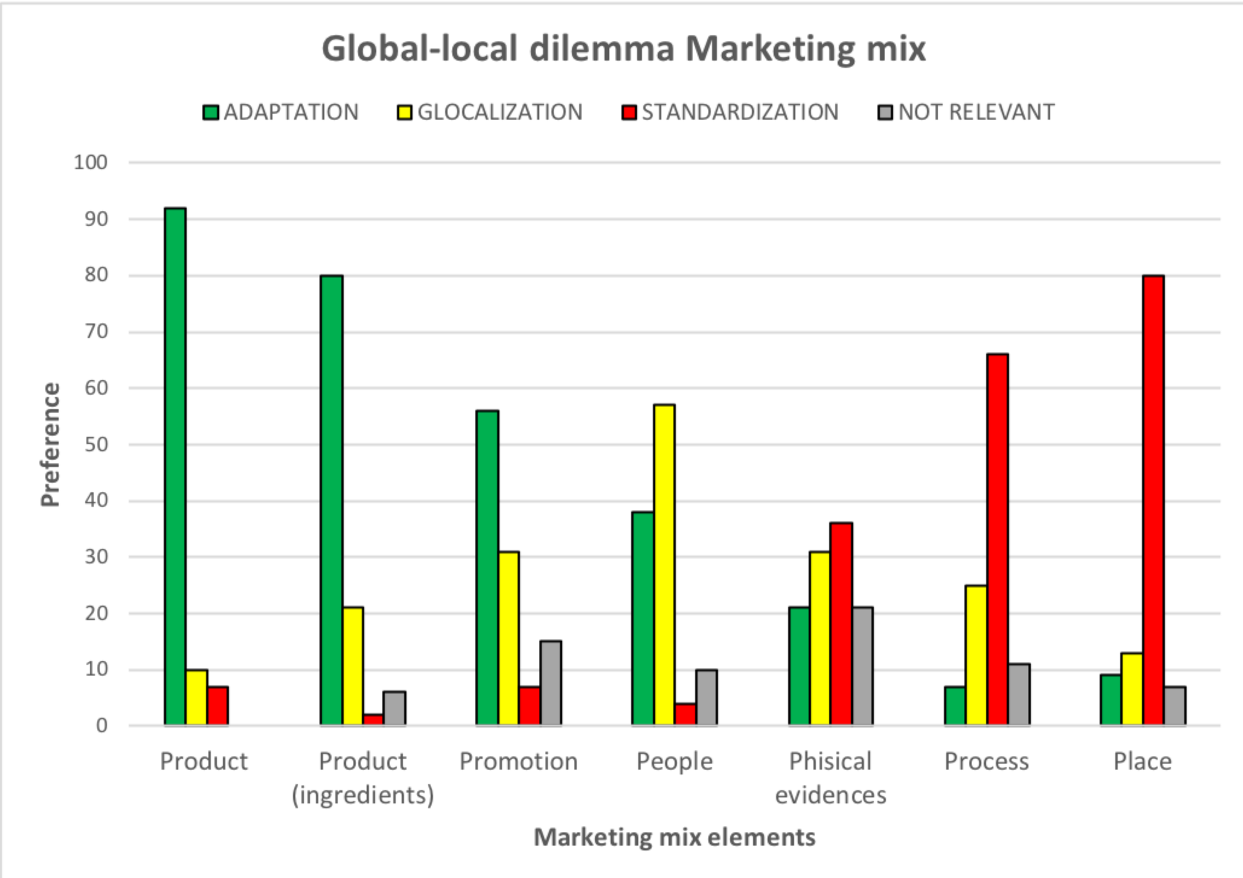
Process are one of the competitive advantages of American fast food, with a perception of 3,93 / 5,00. Time, methods of ordering, preparing and serving food are standardized and consumers are very satisfied of this feature, which is one of the primary reasons why consumers chose to eat in a fast food.

Standardization works pretty well, and even in the survey this preference is expressed clearly: indeed, the 67,5% of respondents want the processes to be standardized everywhere. (Graph 3).

Place

The location of American fast food is considered the best element of the marketing mix for Italian consumers, and it scores 3,99 / 5,00 which is quite positive. Indeed, the large diffusion of the restaurants in the whole country is extremely appreciated by consumers, and the fact that they are positioned in strategic points such as crowded shopping centres, metro stations or airports allows consumers to find a fast food almost everywhere.

From the survey emerges that the standardization of this location strategy is well accepted, and it should not change according to the 73,4% of respondents that support it. However, even if a standardized expansion strategy is a good approach, the knowledge of the local geographical area is necessary to identify the places that provide the best conditions to open a fast food and that have the highest demand for this kind of service (Graph 3).



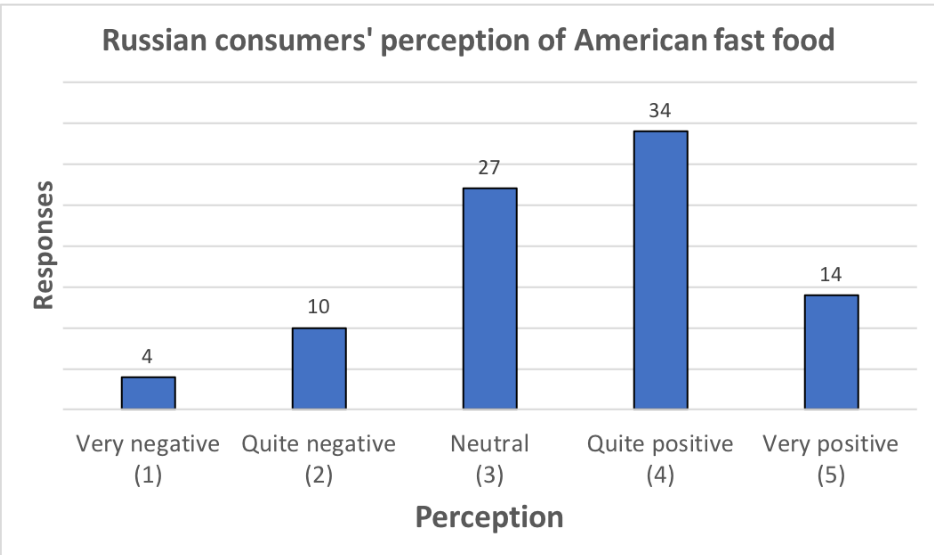
Graph 3: Italian consumers' preferences distribution: standardization, glocalization or adaptation of the American fast food restaurants marketing mix elements

Finally, an interesting observation is that the average of the overall perceptions of fast food is 2,84 / 5,00 and it differs from the average of the perceptions of the single elements of the marketing mix, which is 3,58, with a deviation from the mean equal to 25,9%. This means that either consumers have a distorted perception of American fast food restaurants but when they asses the single elements this perception changes positively, or the they identify fast food restaurant with food served, that in this market scores 2,87 / 5,00, which is very close to 2,84.

2.3 Russian consumers' perceptions expressed in the survey and in the focus group

During the focus group with the Russian consumers it came out that American made products are associated to good quality, food included. In addition, the American lifestyle is considered popular among Russian consumers, and they have a positive attitude toward it. The most important reason that push Russian consumers to eat in fast food is the low-price level, then the speed of the service and the taste are just secondary. Nevertheless, Russian consumers are aware of the fact that fast food is not the best choice in terms of healthiness, but still it is a tasty and cheap alternative when they are in hurry. Finally, the appeal of the American culture trigs the curiosity of Russian consumers, that consider the American fast food as a chance to explore another country cuisine and another lifestyle.

Once again, using the assessment scale previously discussed, Russian consumers perceive the American fast food with an average grade of 3,49 out of 5,00, that shows a midway between a neutral and a quite positive perception. Indeed, the 38,2% of the respondents have a quite positive perception of American fast food, and the 15,7% have a very good perception, while only the 4,5% consider fast food as very negative. The graph 4 shows the answers' frequency distribution.



Graph 4: Russian consumers' perceptions of American fast food restaurants in a scale from 1 to 5. Frequency distribution of the answers.

The result of the questions that investigate the effect of the CoO is that the American brand is an important factor, at least when comparing American fast food to the Russian one, but it is not strong enough to be the most important reason why consumers choose it. Indeed, the 68,5% of the respondents, which is the large majority, think that the country of origin of the fast food restaurant is not a relevant criterion to decide whether to eat there or not, but it depends by other factors different than nationality. In addition, when consumers are asked to compare a Russian and an American fast food, the majority state to be indifferent, but the 30% prefer the American restaurant while less than the 10% think that Russian fast food are better than American ones. This result is coherent with the insights of the focus group, where consumers stated they have positive attitude toward the American fast food world.

Regarding the feeling of ethnocentrism, Russian consumer are mostly indifferent to the development of the local economy or they openly state that they do not care about it. Only a small percentage would eat in a Russian fast food to support the Russian economy.

Respect the feeling of animosity, consumers were asked whether they would not eat in an American restaurant just because of reasons of antagonism toward this country. The great majority of the respondents declares that no sort of antagonism is perceived, and a minor part is just indifferent. A very small percentage instead feels antagonism toward America and would not eat in restaurants that where born there.

The Russian consumers' perceptions of the marketing mix and the dilemma of adaptation and standardization are synthetized in Graph 6.

Product

According to the Russian consumers, product is perceived with a grade of 3,45 / 5,00, which is an overall positive perception of the products. The fast food products are perceived as unhealthy but tasty, and the American factor plays in favour. Regarding the ingredients, although the majority of Russian consumers wants the adaptation of them preferring local ingredients, this element has also received the highest number of answers such as "This element is not relevant for me".

However, from the survey it comes out that the preferred way to solve this issue is to adapt the ingredients, but a lower and still significant number of respondents support the glocalization. Nevertheless, it has to be mentioned that during the focus group some consumers did not agree with the idea of inserting Russian meal in the menu, because they sustain that they can either eat them in Russian fast food or even prepare them at home. Nevertheless, American fast food chains are famous for the standard products served all around the world and this is definitely one of the most important success factor in this industry; therefore, this result has to be interpreted as the willingness of Russian consumers to find some adapted element and not to substitute the worldwide famous meals, which are actually one of the most important appeal factor for this restaurants in Russia (Graph 6).

Promotion

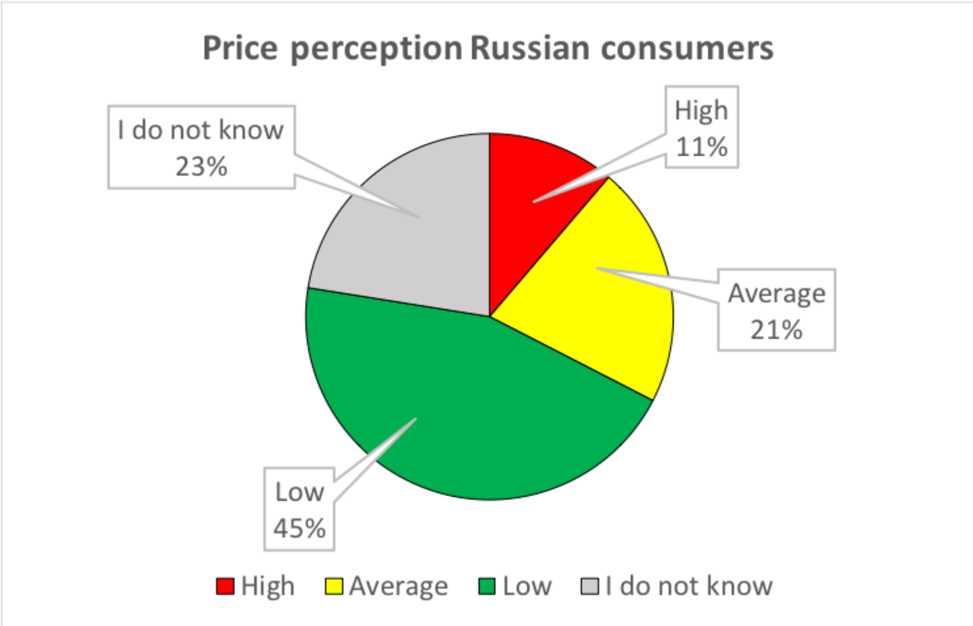
Advertising, events and discounts have received a grade of 3,70 / 5,00 which is a quite positive result. Promotional activities and bundles are an important stimulus for Russian consumers since often a combo menu is the best solution for a quick and affordable lunch. However, when the prices are too low due to an aggressive promotion, consumers feel skeptical toward the products offered, since they think there is something wrong with the product.

Concerning the global-local dilemma, when consumers were showed two different commercials promoting the same product in different countries, they had way more positive perception for the Russian adapted one, because in the background there was a Russian song that is very famous among young people. However, it has be noticed that the Russian commercial has no plot and it is very chaotic. One respondent said that "The video is a mess, there is just a catching song in the back ground, and they bombard you with the image of people eating. I am confused". Another important observation was that the commercials that did not show the price of the product at the end were considered not appealing, since, as stated by another participant, "I would not buy a product without knowing the price". Finally, the survey showed a greater preference for the glocalization of the promotion, and this can be explained by the fact that Russians want to see and perceive the American component even in the advertising (Graph 6).

Price

The price perception of Russian consumers is quite positive, considering that it scores 3,79 / 5,00. It came out from the focus group that price is the most important reason why Russian consumer eat fast food. Indeed, one of the consumers stated that "if the price was not that low, I would never eat in a fast food".

Asking whether consumers want the price to be adapted or standardized is a trivial question, since they would answer whatever represents a lower price for them. That is why consumers have been asked about their price level perception. The 44,9% of respondents consider the American fast food price at the same level of the Russian fast food prices, while only the 11,2% considers them higher. The 22,5% cannot compare them. The overall perception is medium-low (Graph 5).



Graph 5: Russian consumers' perception of American fast food prices. Answers distribution

People

The quality of the employees was rated with a mark of 3,22 / 5,00, that means that employees are considered mostly a neutral-positive element. From the focus group emerged that actually employees are not a key element of the consumers' experience, and this is emphasized by the fact that the process in the fast food industry are more and more automatized.

Regarding the global-local dilemma, participants to the focus group said that the main problem of employees is their bad mood and the absence of happiness and kindness when they do their job. Therefore, in concordance to the survey, a mixed approach seems to be the right way: employees should be trained to be kind and professional in the American way, but at the same time an excessive kindness would be perceive as forced and fake in comparison to the Russian standards (Graph 6).

Physical evidences

Design, comfort and facilities of the restaurant are perceived with a score of 3,47 / 5,00. The majority of the consumers that took part to the focus group stated that restaurants are nice and appealing, although the seats are not very comfortable and sometimes the ambience is dirty.

The fast food style is considered iconic, and the standardization of the ambience is required by a big percentage of respondents, who want to try the American dining experience and want to find it everywhere (Graph 6).

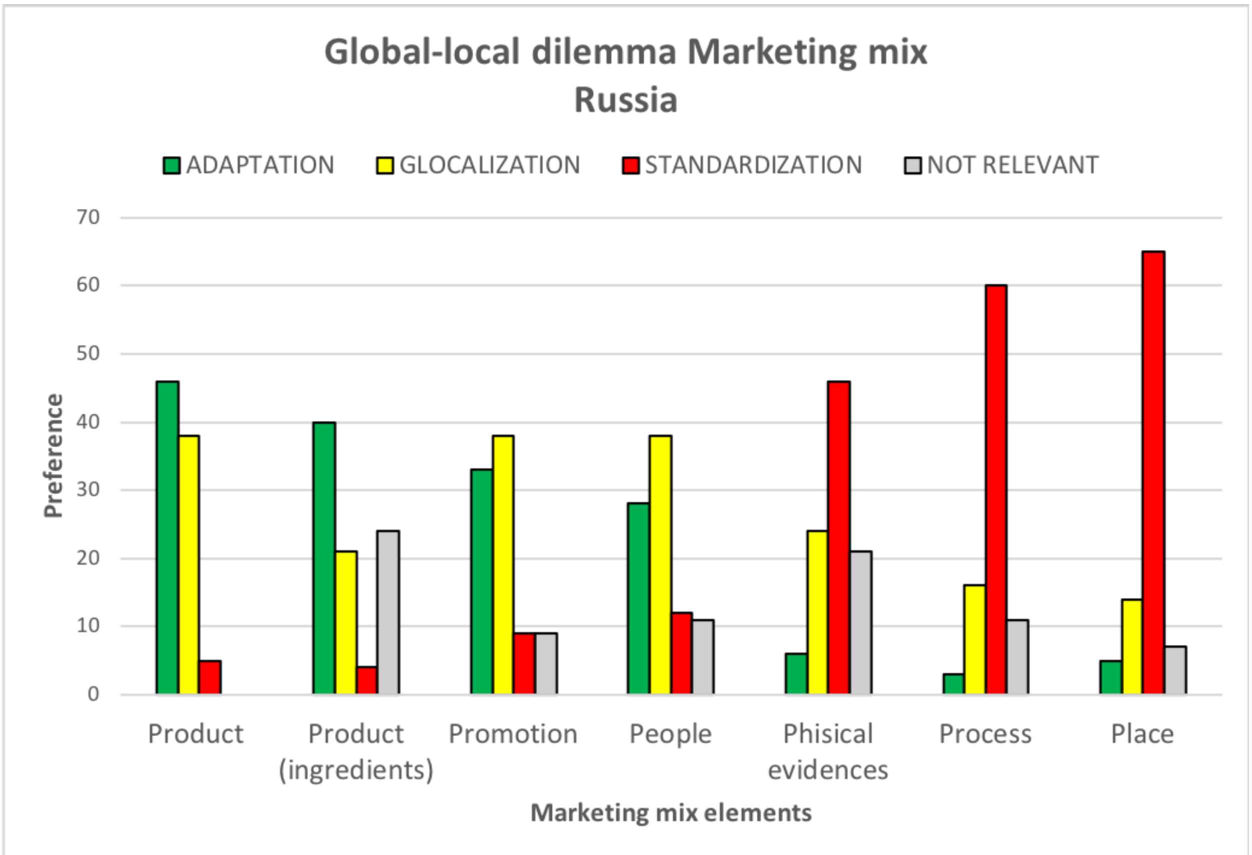
Process

Process of ordering, preparing and serving food are rated 3,65 / 5,00, then the perception of this feature is good. However, sometimes the waiting time is considered too much for Russian consumers, and this may be considered as an evidence of the big number of consumers who eat in fast food.

As for the standardization or adaptation of processes, standardization is perceived as the best solution for this sector, since consumers think this is one of the strengths of this kind of restaurant and they want to have the same system everywhere (Graph 6).

Place

The place where usually fast food are locates are perceived more than quite good scoring 4,11 / 5,00, which is the highest score of the whole marketing mix of Russia. Consumers are happy that they can find a fast food restaurant almost everywhere, and this kind of strategy, that promotes the standardization of the geographical diffusion path, receive the support of Russian consumers. Indeed, the majority of the respondents voted for the standardization of this aspect. Anyway, it is clear that a standardized expansion strategy still requires the knowledge of the local geographical area to individuate the most favourable places where to open a fast food restaurant (Graph 6).



Graph 6: Russian consumers' preferences distribution: standardization, glocalization or adaptation of the American fast food restaurants marketing mix elements

Finally, comparing the average Russian consumers' perception of American fast food restaurants and the average of the perceptions of the marketing mix elements, the results are namely 3,49 and 3,63. Therefore, it seems that there is a coherence between the two numbers, since the deviation from the mean is only equal to 3,9%, increasing the reliability of the results.

Chapter 3: Findings

3.1 Analysis and comparison of results

The principal aim of this research was to address the global-local dilemma in the marketing mix of American fast food companies through the investigation of consumers' perceptions of two different markets: Italy and Russia. Consumers perceptions have been collected through surveys and focus groups, where a total of 198 respondents have expressed their opinions and 22 other consumers have been interviewed.

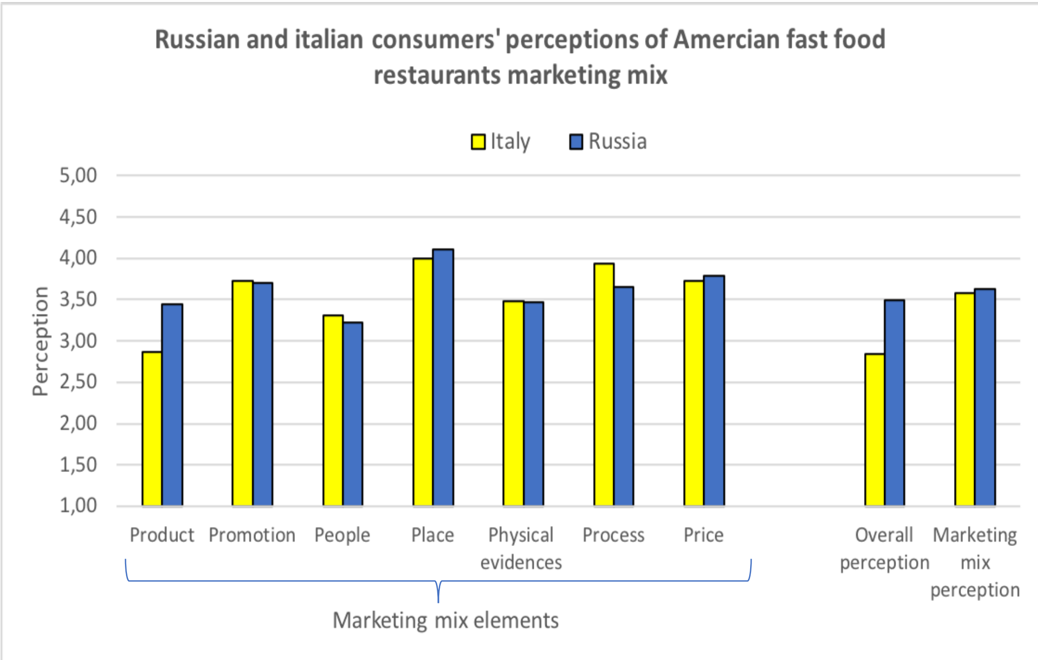
In the first chapter the actual strategies and tactics implemented by some of the biggest American fast food companies have been showed. The general approach implemented can be summarized in the word "glocalization", a strategy that on the one hand consists in the standardization of some elements of the marketing mix worldwide in order to cut the cost by the achievement of scale economies and to exploit the advantages of a global brand; on the other hand, this strategy consists in the adaptation of some elements of the marketing mix to the specific market characteristics to meet the local consumers' needs. In addition, another issue concerns the level of autonomy that the local managers or franchisees should have in making regarding on the marketing mix elements. From the research it is evident that consumers agree on some of the approaches already used from fast food companies, but the aim of this study is to further investigate which one can be improved. In addition, from the precedent researches on this topic emerges that when the company is very internationalized, when it has a big market share, when the level of competition is high and when it is in the business from long time, local managers tend to give away autonomy and follow the global directives. Moreover, different studies have demonstrated that consumers' perceptions are influenced by several factors, such as demographics factors, religion, feeling of ethnocentrism or antagonism toward a foreign country. Finally, the country of origin plays a great role since consumers tend to identify the qualities of the country, both negative and positive, in the product purchased.

Since consumers can be considered the final judges of all the decisions made by companies, the point of view adopted in this research is the consumers' one, and the experiment ultimately aims at giving an answer to the global-local dilemma in the marketing mix of American fast food companies that operate in the Italian and Russian market. Moreover, this research confirms the findings of the previous studies regarding the attitudes toward food that the Italian and Russian consumers. The results of the experiment can be easily compared to show similarities and incongruences of the two markets. U.S. of America enjoy a neutral perception among Italians, while Russians perceive it as an interesting country to discover and they are attracted by its lifestyle. When it comes to fast food, Italians' attitude become negative and the first association is junk food, while Russian are still positive, to the point of defining Americans as "expert in fast food", as stated by a Russian participant. These two different stand points are perfectly reflected in the average perception of the two market. Indeed, in a scale from 1 to 5 Italians perceive American fast food with an average grade of 2,84 / 5,00 while Russian consumers are more positive toward American fast food, and the average perception they have is 3,49 / 5,00. Regarding the feeling of animosity toward America, neither Italians nor Russian have such kind of antagonism, showing a positive attitude toward the country in general. Concerning the ethnocentrism, from the focus group emerged that both the consumers groups have a sort of attachment to their own country, especially Italians. However, consumers state that *ceteris partibus* this feeling does not influence directly the choice of a national restaurant over a foreign since they do not consider the nationality of the restaurant a choice criteria; however, Italians have showed a greater interest than Russians in supporting the domestic brands and in contributing to the growth of Italian businesses. Furthermore, an interesting result regards the different effect of the country of origin on consumers. Starting with the premise that the majority of the respondents is indifferent to this issue, when they were asked to express their level of agreement with the sentence "I perceive national fast food (Russian/Italian) better than American fast food", Russian consumers showed disagreement, which indicates a preference for American fast food over Russian; on the contrary, it seems that the country of origin effect of America is not strong enough to appeal the Italian consumers, since they still perceive Italian fast food restaurant better than American.

Regarding the consumers perceptions of the marketing mix of American fast food companies, the following table and graph resume the overall results of the study (Table 1 and Graph 7).

	Consumers' perceptions	
	Italy	**Russia**
Product	2,87	3,45
Promotion	3,73	3,70
People	3,31	3,22
Place	3,99	4,11
Physical evidences	3,48	3,47
Process	3,93	3,65
Price	3,73	3,79
AVG Marketing mix	3,58	3,63
AVG perception	2,84	3,49

Table 1: Comparison of the Italian and Russian consumers' average perceptions of the marketing mix elements in a scale from 1 to 5.



Graph 7: Comparison of the Italian and Russian consumers' average perceptions of the marketing mix elements in a scale from 1 to 5.

We can compare the Russian and Italian consumers' perceptions using the last two pair of columns on the right of the graph 7. The column labelled "Overall perception" represents the average mark that consumers have given at the beginning of the survey when they have been asked "What is your perception of American fast foods?" before assessing the single elements of the marketing mix. The noticeable gap between the two markets denotes that the Italian consumers' perception of American fast food is more negative than the Russians' one. However, looking at the column "Marketing mix perception", which represent the average of the perceptions of the 7 Ps of the marketing mix, we can see how the gap disappear and the two groups of consumers perceive the marketing mix almost in the same way.

There are different theories that can explain this anomalous result. One is that consumers tend to associate the fast food only to the product, or in other words they associate the restaurant with what they eat without considering the other elements of the marketing mix in their first assessment. Indeed, the score showed by the column "overall perception" is very similar to the "product" one for both the countries. Another interesting theory is that the first impulsive perception of Italian consumers is biased by the very good cuisine knowledge that they have, and consequently they are more severe to assess the foreign food due to the perceived high-quality of Italian food that they use as term of comparison. Indeed, looking at the singles elements of the marketing mix, product is the only one that diverges significantly. This evidence would demonstrate the existence of another force that shapes consumers' perception, that is similar to the country of origin effect but that is originated from the country to which consumers belong and not the country where the product is made: we can call this force "country of belonging effect". Indeed, in support to this theory, scholars such as Hofstede (2011) and Trompenaars & Hampden-Turner (1998) have already demonstrated how different cultures may have diverse norms, values and assumptions, and how a culture may be defined according to several dimensions that define people's characteristics, attitudes and behaviour.

Finally, for what concerns the global local dilemma of the marketing mix it seems that there are some points of agreement between the two markets and some divergent points (Table 2).

According to the survey, the product in Italy needs to be adapted to the local market, in terms of ingredients and meal served. The adaptation of this elements does not mean the substitution of the standard flagship products with the adapted ones, but the implementation of some product which have a traditional Italian factor. In Russia adaptation is preferred as well, but a significant percentage of consumers want to perceive the American element, therefore, glocalization seems to be the way in this market, and the usage of Russian ingredients and the implementation of some Russian elements in the menu may be the way.

Promotion seems to follow the same path, since in Italy adaptation is preferred while in Russia the majority of respondents prefer the glocalization, since they still want to see their American idols, or they want to perceive the American lifestyle in the communication.

According to consumers' perceptions, employees should be glocalized in both Italy and Russia. This means that they should embed the domestic values, culture and attitude but at the same time the American standard of efficiency should be standardized worldwide. However, for consumers from both the countries the issue of adaptation or standardization in not the real matter in this case, but what really matters for them is the efficiency, kindness and availability of the employees.

Physical evidences have received an ambiguous result on the Italian side. Since they do not take a strong position regarding the adaptation or standardization of this element, which is also the one that have received the highest number of "I do not care about it". However, the majority of respondents voted for the standardization. For Russian this element matters, and they want it to be standardized in order to have the opportunity to be full immersion in the American experience all the times.

Processes have to be standardized as well, since consumers of both countries like them and perceive them as efficient.

Place intended as the geographical location and the expansion strategy have to be standardized as well. Therefore, the geographical presence of American fast food should follow a standardized strategy and restaurants should be present in crowded places mostly. Both the consumers groups are satisfied by this standard approach, but clearly the knowledge of the local area and of the local trends are required to build a fast food restaurant in the right place, although the expansion strategy is standardized.

Prices are already adapted to the economic conditions of the country, but the perception of this element are different. However, the average perception is medium-low, which reflects the strategic approach of American fast food chains.

The results can be summarized in the following table that shows the results of the survey. However, these results have to be interpreted with the support of the additional comments and insight emerged from the focus group, since the suggested strategy is the one that has gotten the majority of answers, even when the spread between the most voted approach and the second best is minimum (Tab. 2).

	Global-local dilemma marketing mix	
	Italy	Russia
Product	**Adapted**	**Adapted**
Price	**Adapted***	**Adapted***
Promotion	**Adapted**	**Glocal***
People	**Glocal**	**Glocal**
Place	**Standard***	**Standard***
Physical evidences	**Standard***	**Standard**
Process	**Standard**	**Standard**

Table 2: Consumers' preferred approaches to address the global-local dilemma in the marketing mix of American fast food companies. (*) These strategies have to be integrated with the observations emerged during the focus group.

From the table 2, it is intuitive to notice a similarity between the preferences of the two markets, since both the consumer groups perceive that it is better to adapt or standardize almost the same elements. This is a clear sign that despite the differences between the two countries, there are elements that in this industry have to be standardized and other that have to be adapted globally. This can be considered a starting point for future researches and deeper studies on the way of addressing the global local dilemma in the marketing mix.

3.2 Recommendations for companies

The findings of this research can be translated into specific recommendations for American fast food companies that operate in Italy or Russia, or more in general for companies that are in the food service industry and that are willing to enter either the Italian or Russian market.

First of all, Russian consumers have a better perception of American fast food than Italian consumers. Therefore, companies that operate in Russia can easily take advantage of this positive feeling and promote themselves using the made in U.S. factor to appeal consumers. Indeed, the country of origin effect of the American fast food has some influence on Russian consumers' perceptions, who are attracted by expectation to try something new and not ordinary from the Russian point of view. The global approach in this market can be the best solution in the majority of the cases, since the global American brands have their own appeal on this market.

In Italy the situation is different since it seems that Italian consumer have not a very positive idea and perception of American fast food restaurant, since the country of origin effect has not a great appealing on Italian consumers, who are more sceptical about the American chains and bounded to the traditional Italian food. Then it would be better to adopt a glocal strategy, adapting some elements of the marketing mix to meet the local preferences but at the same time exploiting the global American brand and the operation system used worldwide.

Regarding the adaptation or standardization of the specific marketing mix elements, several recommendations can be given.

Product.

The usage of local ingredients seems to be mandatory to satisfy the Italian consumers and the introduction of adapted products is welcome in the Italian market. Italian consumers are loyal to the traditional food, therefore at least the ingredients should come from local suppliers and the meal in the menu should have some Italian component or should recall a gourmet feature. Russian consumers have a good perception of the Russian food, but they care less about the provenience of the ingredients and, on the contrary, they are willing to try American specialties. In addition, although the majority of respondents are favourable to the adaptation of product, the idea of inserting Russian dishes in the menu is not perceived as good as in Italy, since Russian consumers would prefer to eat traditional meal in Russian restaurant or at home instead of buying them in an American fast food. Anyway, for both the markets, the preference for adaptation refers only to the introduction in the product portfolio of some additional meals that recall the national flavours, and not the substitution of the most important and famous product, which are standard in each fast food restaurant of the same chain.

Promotion.

Adapting the promotion is a good strategy in Italy. American style of promoting is perceived as distant from Italian consumers, that want to identify themselves in the situation proposed in the commercials and to discover Italian elements in the whole communication. Russian consumers prefer a midway, since they want to feel the presence of the American style in the communication, but they still feel the need to recognize themselves in the advertising. In addition, promotions such as coupons, discounts or combo menu are essential in this market, since some consumers declare to eat in fast food restaurant just for the convenient bundle offered.

Price.

In Russia the most important element is price. Consumers are extremely price sensitive and companies should set their prices as low as possible to survive in the market. Italian consumers do not give much attention to this element, but in some cases it is deemed too high considering the perceived quality of the food.

Place.

According to consumers of both Italy and Russia, the expansion strategy is well performing so far, since fast food restaurant are widespread in all the most important cities and areas, and consumers are very satisfied by the large presence of the restaurants in the whole country. Moreover, always aware of the importance of the volumes necessary to stay in the business, companies should evaluate the possibility of opening new restaurant even in the less crowded places to reach consumers far from the big cities. Maybe the elaboration of a less costly business model could be thought to operate and being profitable also in places where the demand is not very high.

Physical evidences.

The restaurant design, style and facilities should be standardized in Russia following the American original style. The reason is that Russian consumers want to experience the American dine, and they would consider the adaptation of this element as contradictory and unappealing. On the other hand, Italians do not really care about this aspect, and their opinion on adaptation or standardization are not really unanimous. In addition, from the survey results that the physical evidences are not an important issue for a good part of consumers, therefore companies should not spend too much effort in addressing this problem in the Italian market.

People.

In terms of people, the survey shows that a glocalized approach is required from both the markets. Both the markets want to see efficient fast food employees that bring the value of both the national and foreign country. However, the survey result should be implemented with the outcome of the focus groups. It is common opinion that what really matter is not the level of coherence to the national culture or to the foreign one, but it is the level of professionality, availability and good manners that the employees have. Therefore, companies should train their employees to develop these soft skills before teaching and transmitting the cultural mindset of the company.

Process.

Process is the greatest strength of fast food and consumers are very satisfied and happy of this. This is the reason why both markets agree with the standardization of processes in the fast food system, which is considered, especially for the Italian market, the most relevant factor that push consumers to eat in a fast food restaurant. Therefore, companies should keep standardizing their processes or even improve them in order to create an excellent perception in consumers mind and to be competitive.

3.3 Limitations of the study and directions for further researches

The research outlined in this thesis is conducted through both a qualitative and quantitative approach, namely focus group and survey. The whole experiment has been conducted in Moscow from the period that goes from the 19th of March 2019 to the 3rd of April 2019. The participants of the focus group have been collected and allocated in the different groups according to their stated perception of the American fast food, in order to create groups containing people with different opinion on the topic. The survey has been launched after conducting the focus groups, eventually with the purpose of including additional questions based on interesting insights coming from the focus groups.

However, the methodology implemented has different limitations. The 22 participants that took part to the focus groups have been selected from the personal network of the author of this thesis, therefore, the sample chosen may lack of representativeness. Indeed, the focus group participants were people whose age ranged between 18 and 32 years old. Thus, there was no occasion to collect insights from over 32 years old people, which would have been interesting, especially for the Russian market. In fact, due to the historical, political and economic events that have marked the second half of the 20th century, the gap between Millennials and Generation X in this country may be quite marked, and it is possible that these facts have repercussions on the way different generations perceive the American fast food restaurants. Nevertheless, the generation analysed represents the major target segment of these companies and consequentially it represents the opinion of a significant slide of the market which may be more affected by the global-local dilemma and that can provide interesting insight for the companies. Concerning the survey, a total of 198 people has expressed its opinion. Considering the specific issues investigated in this research, this number can be considered appropriate to draw conclusion, but a bigger number of respondents could have been collected to give more authenticity to the findings. Moreover, the English language of the survey given to the Russian consumers has worked as an entry barer that has excluded non-English speakers from the sample, and this may represent a limitation since the knowledge of a foreign language may be a filter in this case. Anyway, considering the precious insights collected and the coherent, unanimous and unambiguous answers given in the majority of the cases, the lack of representativeness can be considered not a big limit for this thesis, the findings still represent a contribution to the research and different precious suggestions can be given to the companies that do business in this industry.

One of the difficulties of the creation of the survey that can be ultimately considered a limitation of the study, is the way to interpret the global-local dilemma for some of the marketing mix elements and the way they have been translated into question and answer options. Indeed, while the adaptation-standardization of product, promotion, physical evidences and process may be an intuitive idea, the same cannot be said for price, place and people. Indeed, prices are already adapted to the local economic condition, then it would be trivial to ask if consumers perceive it as a good or bad strategy; the place has been considered as the expansion strategy adopted by the company, since fast foods' presence is high in the whole country, especially where there is a big flow of people, then it is difficult to conceptualize the adaptation or the standardization of this kind of strategy, even if the knowledge of the city or the region is essential to individuate the best places; although employees behaviour can be theoretically standardized through corporate trainings and courses to improve their professionality and to transmit them the corporate culture, the outcome of these measures can be perceived in different way from different consumers and it is difficult to prove the existence of a correlation between the way a company trains employees and the consumers perception of this, due also to the fact that different companies have different corporate cultures.

Considering the findings and the limitations of this study, further researches may confirm the significance of this study and may give more reliable results. Indeed, from the findings it is possible to notice a recurring path that would identify more or less accurately which elements of the fast food marketing mix should be adapted and which should be standardized. Then, running the experiment in other countries may give the final solution to address the global-local dilemma in the marketing mix of fast food companies. Another insight that may be an interesting starting point for future researches is the connection between the perception of the food and the overall perception of the marketing mix in general. Indeed, it is clear from the graphs and from the numbers that the overall consumers perception of fast food converges toward the value of the food perception. Maybe the weight given from consumers to this element is so high that it can influence the whole perception of the restaurant, or even the perception of restaurant itself is identified to the meals served. It would be interesting to further deepen this aspect not only for the fast food industry but for the whole food service industry. Finally, as mentioned in chapter 3.1, the general food perception of Italian consumers can be considered as biased from the high-quality standard of food consumed in the country. The idea is that people that belong to a country whose products enjoy a CoO effect, as Italian food does, will be inversely influenced in the perception of foreign products of the same category. Indeed, since Italian food has a positive CoO, Italian consumers have high standard and high expectation of the quality of food products, and their expectations and evaluation criteria will be higher and stricter than other consumers belonging to a country where the CoO effect is less positive. Therefore, there is an effect that influences the people that belong to a country where a specific category of products enjoys a CoO effect. This effect can be defined as Country of Belonging effect (CoB), and it affects in a positive or negative way, the inverse of the CoO, consumers' perception of foreign products of the same category. The main difference between the CoO and the CoB is that the former is an effect that is originated from the country where the product is manufactured and that has an effect on the product; the latter is an effect that is originated from the home-country of the consumer and that works on the consumer's mind.

The existence of this effect is just a hypothesis which is based on the interpretation of the data of this research. Then, it cannot be proved just with such a reduced sample, number of countries and industries but it has to be investigated through an *ad hoc* research.

Conclusions

This final dissertation aims at addressing the global-local dilemma in the marketing mix of fast food companies. The markets analysed have been the Russian and the Italian one, which represent two different contexts in political, economic, historical and cultural terms. The point of view adopted is the consumers' one, because nowadays consumers are the main focus of companies, and because the principal goal of adaptation is to meet consumers' needs.

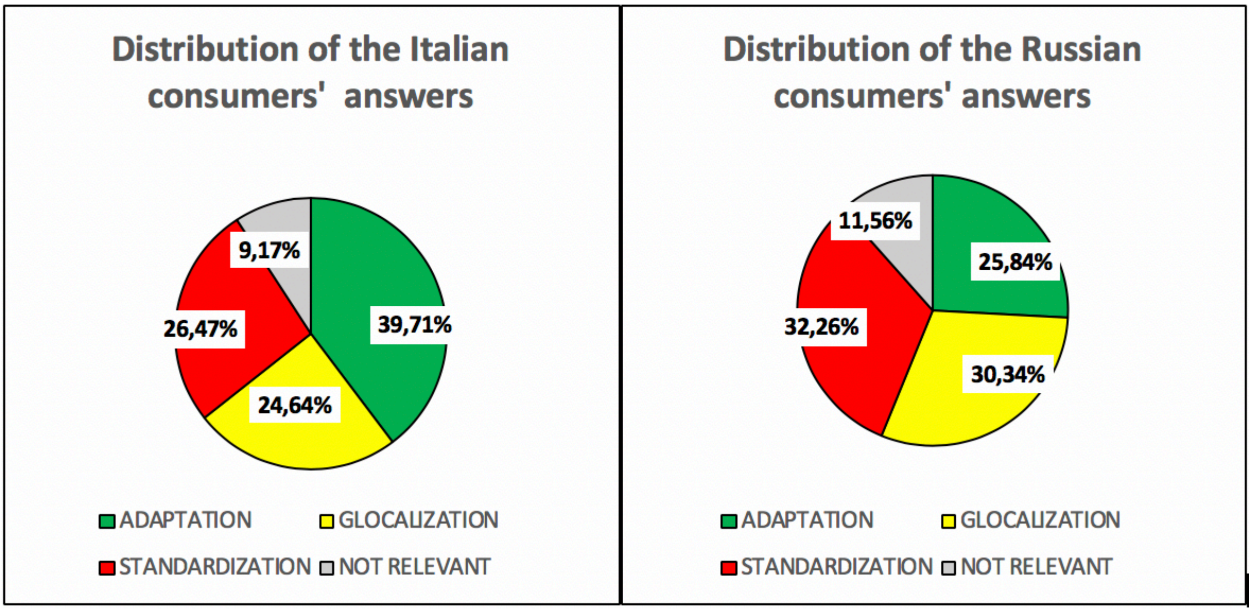
The results of the experiment show that Russian consumer have a better perception of American fast food than Italians have, and this result does not come only from the data of the survey, but also from the focus groups, during which the enthusiasm of the Russian participants and their conception of America fast food was evidently more positive than Italian consumers. Then, the research question of this dissertation that wants to investigate *"which are the elements of the marketing mix of American fast food restaurants that should be adapted to the local market and which are the ones that should be standardized according to Italian and Russian consumers' perceptions"* can be addressed analysing the data in the table 2.

	Global-local dilemma marketing mix	
	Italy	Russia
Product	**Adapted**	**Adapted**
Price	**Adapted***	**Adapted***
Promotion	**Adapted**	**Glocal***
People	**Glocal**	**Glocal**
Place	**Standard***	**Standard***
Physical evidences	**Standard***	**Standard**
Process	**Standard**	**Standard**

Table 2: Consumers' preferred approaches to address the global-local dilemma in the marketing mix of American fast food companies. (*) These strategies have to be integrated with the observations emerged during the focus group.

The table shows that for both the Italian and Russian markets, elements such as product, promotion and price have to be in part adapted or at least glocalized, due to the fact that these elements are the ones that consumers give attention to when they experience fast foods. Indeed, Italians are very attentive to the ingredients and products' quality while Russians are driven mostly by the low prices, and promotion is the channel that communicates to consumers the value delivered in a fast food. The glocalization approach works more for Russian than Italians; on the one hand, Russian consumers are more willing to try the American experience, and a more glocal approach may be used in this case; on the other hand, Italians are bounded to the Italian style and cuisine, then a deeper adaptation is required in some cases. As for the element people, although a glocal approach is the most appealing option, what consumers want from the employees of a fast food are just good standard of professionality, efficiency and courtesy, without any specific preference for a global or adapted behaviour, because according to their perceptions the role of employees in a fast food restaurant is marginal, and they just want them to do their job. Regarding physical evidences, Italians do not give so much weight to them and there is not a suggested approach since the preferences of this element do not suggest any straightforward guideline, even if a small majority of respondents support the standardization; Russian consumers' perceptions on this element are more unanimous since they clearly prefer a standardized approach because they want to perceive the American atmosphere in the restaurant even through the restaurant ambience. Process is an element that have received the consensus for the standardization from both the countries, since process are quick, efficient and well structured, and they represent one of the main advantages of the American fast food chains that do not need to be adapted. Finally, place as well does not require any adaptation, since the expansion strategy of fast food in new geographical areas is rapid and aggressive, and it is possible to find an American fast food in the most populated areas and where the flow of people is high. The standardization of this element refers to the standard way to increase the presence in the market and to expand the business, but clearly the knowledge of the local area is necessary to recognize the best places that can fit the expansion strategy standards.

Regarding the two hypotheses of this research, the results are the following. To verify the hypothesis H1 that states that *"Italian consumers are more favourable to the adaptation of the American fast food restaurants marketing mix elements to the local market than Russian consumers"* different elements have to be taken into account. First, during the focus group, Italian participants have manifested an evident preference for the adaptation of most of the elements of the marketing mix, conversely to what Russian participants have done; second, since the table 2 shows which elements of the marketing mix have to be adapted or standardized, it is possible to notice that Italians prefer to adapt more elements of the marketing mix than Russians; finally, the most relevant evidence that supports the validity of this hypothesis is displayed in the graph 8, where Italian and Russian consumers' answers distributions are compared. The percentage of the total answers in favour to the adaptation of the marketing mix elements (the green sectors in the graphs) is higher among Italians than Russians. Indeed, the distribution of the answers shows that adaptation was preferred by Italians the 39,71% of the times, while Russian expressed only the 25,84% of preference for adaptation (Graph 8). These evidences can be considered as a prove that Italian consumers are more favourable to the adaptation of the marketing mix elements than Russian consumers, confirming the H1.



Graph 8: Comparison of Italian and Russian consumers' answers distributions in terms of adaptation, glocalization and standardization of the marketing mix elements.

The hypothesis H2 states that *"Russian consumers have better perceptions of the American fast food restaurants marketing mix than Italian consumers"*. There are several elements to prove the H2. First, during the focus groups, Russian consumers have showed a more positive attitude toward American fast food chains than Italians have done; second, consumers have been asked in the survey "What is your perception of American fast foods?" before assessing the single elements of the marketing mix. The average of the answers collected shows that Italians have a perception that scores 2,84 / 5,00 while Russians give an average score of 3,49 / 5,00; finally, even calculating the average of the marks given to the elements of the marketing mix, Russian consumers have a slightly higher perception of the marketing mix, scoring a perception of 3,61 versus 3,58 of the

Italian market. These evidences can be considered as a prove that Russian consumers have a better perception of American fast food restaurant than Italians, confirming the H2.

The outcome of this study is a model that serves primarily as guideline for those companies that are in the fast food industry and that want to enter the Russian or Italian market. The contribution of this study to the existent studies is to link two different research field and to fill the gap in the literature between social sciences and managerial school: on the one hand the researches made to explore consumers' perceptions aim at discovering which are the consumers' needs and which are the salient elements of the fast food market; on the other hand, there are studies that focus only on the managerial solutions to increase the company efficiency through the standardization or the adaptation of its marketing mix. This research is a bridge between the two fields since its purpose is to investigate consumers' perceptions in order to give advices for companies, which can implement the guidelines provided in order to cut costs from the standardization of the marketing mix, but at the same time to understand which elements have to be adapted in to meet the market needs and to achieve a competitive advantage. The repetition of the experiment carried out in this research in other countries would potentially lead to the development of an accurate guideline to support business strategies to enter the fast food business of all markets, and it will be possible to have an overview of what really consumers want and where companies should focus their marketing efforts in terms of adaptation and standardization. Nevertheless, although the results achieved may show similarities among markets, they cannot be considered valid everywhere without taking into account the specificities of each country, and that is why the model may be used as general guideline and not as a golden rule, since the global local dilemma seems to be an issue that so far do not have a universal solution.

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Appendix 1: Russian survey

The following is the survey submitted to the Russian consumers. The Italian version of the survey is the same, despite for the fact that it is written in Italian language and there are references to the Italian marketing mix of American fast food companies.

Not all the asked questions and the collected data through the survey have the purpose of addressing the research question or one of the hypotheses, but they have been collected with the aim of deepen further eventual insights or evidences.

Russian consumers' perception of American fast food

Personal data and information will be collected anonymously and in full respect of the privacy of respondents. Their processing and use exclude any commercial purpose.

IMPORTANT
"American fast food" means fast food chain made in America, such as McDonald's, Burger King or KFC
"Russian fast food" means fast food chains made in Russia, such as Teremok, Kroshka Kartoshka and Black Star Burger

General perceptions of American fast food

Sex

- Male
- Female
- Prefer not to say

Age

- Under 18
- 18 - 24
- 25 - 35
- 36 - 50
- Over 50

Nationality

- Russian
- Italian
- Nationalities of ex USSR (Kazakstani, Ukranian, ...)
- Other

Maximum level of education achieved

- Middle school diploma
- High school diploma
- Bachelor's degree

- Master degree
- PhD
- I prefer not to say

Geographical area of origin
- Moscow region
- Saint Petersburg
- Other

Monthly income (if no income is received indicate the one of the family unit you belong)
- Less than 25.000 R
- 25.000 R - 50.000 R
- 50.000 R - 80.000 R
- 80.000 R - 120.000 R
- Over 120.000 R

What is your perception of American fast foods (McDonald's, Burger King etc.) on a scale from 1 to 5? (1 very negative, 2 quite negative, 3 neutral, 4 quite positive, 5 very positive)
Very negative
- 1
- 2
- 3
- 4
- 5

Very positive

How often do you eat fast food in a month?
- Never
- About once a month
- 2 - 4 times a month
- More than 4 times a month

If American and Russian fast food have the same prices, serve the same kind of products and have the waiting time, in which one would you eat?
- The Russian restaurant
- The American restaurant
- It depends on other factors, nationality doesn't matter

How much do you agree / disagree with the following statements?
- I do not agree, for me it is the opposite
- I am indifferent
- I agree with this statement

I would eat in a Russian fast food restaurant just to contribute to the growth of Russian companies

- ○ I do not agree, for me it is the opposite
- ○ I am indifferent
- ○ I agree with this statement

I would not eat in an American fast food because I have a feeling of antagonism towards America

- ○ I do not agree, for me it is the opposite
- ○ I am indifferent
- ○ I agree with this statement

I perceive Russian fast food better than American fast foods

- ○ I do not agree, for me it is the opposite
- ○ I am indifferent
- ○ I agree with this statement

I would eat in a Russian fast food restaurant just to contribute to the growth of Russian companies

- ○ I do not agree, for me it is the opposite
- ○ I am indifferent
- ○ I agree with this statement

I would not eat in an American fast food because I have a feeling of antagonism towards America

- ○ I do not agree, for me it is the opposite
- ○ I am indifferent
- ○ I agree with this statement

I perceive Russian fast food better than American fast foods

- ○ I do not agree, for me it is the opposite
- ○ I am indifferent
- ○ I agree with this statement

Perceptions of the single elements of the American fast food marketing mix

On a scale from 1 to 5, indicate how you perceive the following elements of American fast food (e.g. McDonald's, Burger King, KFC etc.).

	Very negative	Quite negative	Neutral	Quite positive	Very positive
Food	◯	◯	◯	◯	◯
Promotional activities (advertising,discounts)	◯	◯	◯	◯	◯
Price	◯	◯	◯	◯	◯
Restaurant position (shopping centre, airports, city centre)	◯	◯	◯	◯	◯
Restaurant physical elements (design, and facilities)	◯	◯	◯	◯	◯
Quality of employees (courtesy, availability and efficiency)	◯	◯	◯	◯	◯
Process efficiency (order, preparation and service of food)	◯	◯	◯	◯	◯

Global-local dilemma in the marketing mix

What do you think of introducing products that are made exclusively with Russian ingredients and that meet local preferences, to the menus of American fast food chains located in Russia?

- I would agree
- I would disagree
- I am indifferent

Where should the ingredients of American fast food chains that are located in Russia come from? (just the ingredients, not the recipes)

- Mostly Russian ingredients (made in Russia)
- Mostly American ingredients (made in U.S.A)

- Both American and Russian ingredients
- This issue is irrelevant to me

Do you think that the advertising campaigns promoting American fast food located in Russia should use the same ideas, concepts, actors, settings and verbal expressions (translated in Russian) used in America or that the content should be adapted to the Russian culture?

- They should be adapted to the Russian context
- They should be the same used in America
- There should be a mix of Russian and American elements
- This issue is irrelevant to me

Do you think that prices of American fast food located Russia are:

- Higher than Russian fast food prices
- Equal to the Russian fast food prices
- Lower than Russian fast food prices
- I do not know

Usually American fast foods restaurants locate their restaurants in big cities or crowded places. What do you think about this strategy?

- I agree with it. Big cities, airports, shopping center are where there is the biggest flow of people
- I do not agree. There are potential consumers even in smaller cities and not crowded locations and they should be served
- I partially agree and disagree. There could be other unconventional potential places where to be located even if less crowded
- This issue is irrelevant to me

If in the previous question you have selected "I partially agree and disagree", can you please indicate which other potential place you think could be a good location to open a fast food restaurant in Russia?

____

To which cultural values and efficiency, courtesy and availability standard should the employees working in American fast food restaurants located in Russia be compliant with?

- To the Russian values and standards
- To the American values and standard
- They should be a midway between Russian and American values and standard
- This issue is irrelevant to me

What do you think about design, furnishings and facilities that compose the environment of American fast food restaurants located in Russia?

- They should be adapted to the Russian style, culture and consumers' needs

- They should be based on the original American style everywhere, I expect to find the same environment in all the fast food of the same chain
- They should be a mix of the Russian and American style
- This issue is irrelevant to me

Usually American fast foods restaurants standardize the timing and methods of ordering, preparing and serving food. What do you think about it?

- I don't like the American system, every single restaurant should use its own processes and have its own timing
- The American system is fast and efficient, I expect that process and timing to be the same in all the fast foods of the same chain
- Process and timing should be partly standardized and partly modified by individual restaurants
- This issue is irrelevant to me

Appendix 2: Italian survey

The following is the survey submitted to the Italian consumers. The Russian version of the survey is the same, despite for the fact that it is written in English language and there are references to the Russian marketing mix of American fast food companies.

Not all the asked questions and the collected data through the survey have the purpose of addressing the research question or one of the hypotheses, but they have been collected with the aim of deepen further eventual insights or evidences.

Italian consumers' perceptions of fast food

I dati e le informazioni personali verranno raccolti in forma anonima e nel pieno rispetto della privacy dei rispondenti. Il loro trattamento ed utilizzo esclude qualsiasi fine commerciale.

IMPORTANTE
Per "Fast food americano" si intende il fast food di origini americane, come McDonald's, Burger King o KFC
Per "Fast food Italiano" si intende il fast food di origini italiane, come Alice Pizza, Trapizzino o Capatoast

Sesso
- Maschio
- Femmina
- Altro

Età
- Meno di18
- 18 - 24
- 25 - 35
- 36 - 50
- Più di 50

Nazionalità
- Italiana
- Russa
- Altro

Massimo livello di istruzione raggiunto
- Diploma di scuola media
- Diploma di scuola superiore
- Laurea triennale
- Laurea Magistrale
- Master

- Dottorato
- Preferisco non rispondere

Area geografica di provenienza
- Nord Italia
- Centro Italia
- Sud Italia e isole
- Preferisco non rispondere

Reddito annuale percepito (se non si percepisce alcun reddito indicare quello del nucleo familiare di appartenenza)
- inferiore a 10.000€
- 10.000€ - 20.000€
- 20.000€ - 30.000€
- 30.000€ - 50.000€
- superiore a 50.000€
- Preferisco non rispondere

Come percepisci i fast food americani (McDonald's, Burger King ecc.) in una scala da 1 a 5? (1 molto negativo, 2 abbastanza negativo, 3 neutrale, 4 abbastanza positivo, 5 molto positivo)
Molto negativo
- 1
- 2
- 3
- 4
- 5

Molto positivo

Quanto spesso in un mese vai a mangiare al fast food?
- Mai
- Circa 1 volta al mese
- 2 - 4 volte al mese
- Più di 4 volte al mese

Se dovessi scegliere tra mangiare in un fast food americano e uno italiano, a parità di prezzo, tipologia di prodotto e tempo di attesa, quale sceglieresti?
- Quello italiano
- Quello americano
- Dipende da altri fattori, la nazionalità di origine non mi importa

Quanto pensi di condividere le seguenti affermazioni?

Mangerei in un fast food italiano solo per contribuire alla crescita delle imprese italiane
- Non condivido, per me è l'opposto
- Sono indifferente
- Condivido, per me è così

Non mangerei in un fast food americano perché nutro antagonismo verso l'America
- Non condivido, per me è l'opposto
- Sono indifferente
- Condivido, per me è così

La mia percezione dei fast food italiani è migliore rispetto a quella dei fast food americani
- Non condivido, per me è l'opposto
- Sono indifferente
- Condivido, per me è così

Mangerei in un fast food italiano solo per contribuire alla crescita delle imprese italiane
- Non condivido, per me è l'opposto
- Sono indifferente
- Condivido, per me è così

Non mangerei in un fast food americano perché nutro antagonismo verso l'America
- Non condivido, per me è l'opposto
- Sono indifferente
- Condivido, per me è così

La mia percezione dei fast food italiani è migliore rispetto a quella dei fast food americani
- Non condivido, per me è l'opposto
- Sono indifferente
- Condivido, per me è così

Percezione dei singoli elementi del marketing mix dei fast food americani

In una scala da 1 a 5 indica come percepisci i seguenti elementi relativi al fast food americano (Es. McDonald's, Burger King, KFC ecc.).

	Very negative	Quite negative	Neutral	Quite positive	Very positive
Food	○	○	○	○	○
Promotional activities (advertising,discounts)	○	○	○	○	○
Price	○	○	○	○	○
Restaurant position (shopping centre, airports, city centre)	○	○	○	○	○
Restaurant physical elements (design, and facilities)	○	○	○	○	○
Quality of employees (courtesy, availability and efficiency)	○	○	○	○	○
Process efficiency (order, preparation and service of food)	○	○	○	○	○

Global-local dilemma nel marketing mix dei fast food americani

Come reputi l'idea di inserire nel menù dei fast food americani in Italia nuovi prodotti che soddisfino le esigenze locali e preparati con ingredienti esclusivamente Italiani?

- Positiva
- Negativa
- Indifferente

Riguardo la provenienza degli ingredienti, preferiresti che i fast food americani presenti in Italia utilizzassero per la preparazione dei cibi (senza alterare la ricetta del piatto servito):

- Principalmente ingredienti locali (prodotti in Italia)
- Principalmente ingredienti importati (prodotti in U.S.A.)
- Alcuni italiani altri americani
- Questo aspetto per me è irrilevante

Pensi che le campagne pubblicitarie che promuovono i fast food americani in Italia dovrebbero utilizzare le stesse idee, concetti, attori, ambientazioni ed espressioni verbali (tradotte in italiano) utilizzate in America o che si dovrebbe adattare il contenuto alla cultura italiana?

- Adattati al contesto italiano
- Gli stessi usati in America
- Un misto dei due

- Questo aspetto per me è irrilevante

Pensi che i prezzi dei fast food americani in Italia siano
- Alti relativamente ai fast food italiani
- Al pari dei fast food italiani
- Bassi relativamente ai fast food italiani
- Non saprei

Di solito i fast food americani aprono i loro ristoranti in grandi città o in luoghi affollati. Cosa pensi di questa strategia?
- Sono d'accordo. Grandi città, aeroporti, centri commerciali sono luoghi in cui c'è il maggior flusso di persone
- Non sono d'accordo. Ci sono potenziali clienti anche in città più piccole e luoghi non affollati e queste persone dovrebbero essere servite
- Sono parzialmente d'accordo e in disaccordo. Potrebbero esserci altri potenziali e insoliti luoghi dove poter aprire un fast food anche se meno affollati
- Questo aspetto per me è irrilevante

Se alla domanda precedente hai risposto "Sono parzialmente d'accordo e in disaccordo", potresti indicare quale altro potenziale luogo ritieni possa essere una buona posizione per aprire un fast food in Italia?

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A quali valori culturali e standard di efficienza, cortesia e disponibilità dovrebbe essere conforme il personale che lavora nei fast food americani in Italia?
- A standard e valori italiani
- A standard e valori americani
- Un misto tra standard italiani e americani
- Questo aspetto per me è irrilevante

Cosa pensi circa il design, l'arredamento e le strutture di servizio che compongono l'ambiente del ristorante?
- Dovrebbero essere adattate all'idea di arredamento italiano, alla cultura e alle esigenze degli italiani
- Dovrebbero richiamare il modello originale americano, ovunque vada mi aspetto di trovare lo stesso ambiente
- Dovrebbero essere un misto tra i due stili
- Questo aspetto per me è irrilevante

Generalmente i fast food americani standardizzano le tempistiche e le modalità di ordine, preparazione e servizio del cibo. Cosa pensi a riguardo?
- Il sistema americano non mi piace, ogni singolo ristorante dovrebbe utilizzare i propri processi e avere le proprie tempistiche

- Il sistema americano è veloce ed efficiente, mi aspetto che i processi e le tempistiche siano uguali in tutti i fast food della stessa catena
- I processi e le tempistiche dovrebbero essere in parte standard e in parte modificati dai singoli ristoranti
- Questo aspetto per me è irrilevante

LIBERA UNIVERSITÀ INTERNAZIONALE DEGLI STUDI SOCIALI

Department of Business and Management

Chair of Advanced Marketing Management

The global-local dilemma in the marketing mix: a comparison of Italian and Russian consumers' perceptions of American fast food restaurants

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Summary

Theoretical chapter

During the last decades of the 20th century, the global economy has undergone a significant change. The removal of barriers to trade among countries has made the internationalization process an attractive choice, as it results in a higher profitability and greater growth (Hill, 2013). In this thriving global environment, when firms decide to expand their business to new countries, they face an important trade-off between two different choices: the standardization or the adaptation of their marketing mix.

The marketing mix framework was firstly introduced by McCarthy, who invented the so called 4Ps framework made by product, price, place and promotion, and later-on implemented by Booms and Bitner, who added three more elements, people, physical evidences and process, achieving a total of seven elements called the 7Ps (McCarthy, 2013).

When entering a new market, standardizing the elements of the marketing mix is a cost-efficient choice, since it allows the achievement of scale economies worldwide and the consequent cost reduction. On the other hand, consumers in foreign countries may have different needs, values and culture than the ones that companies are used to serve in the domestic market, consequently the economic situation and the business conditions may differ (Hill, 2013). This trade-off between these two approaches is the so called global-local dilemma. Moreover, in recent times the idea of a third option consisting in a compromise between the two mentioned approaches has started to be discussed: it is called glocalization, a strategy that benefits from the advantages of both standardization and adaptation, and that can be summarized in the sentence "Think global, act local" (Hill, 2013).

In addition, another important factor that leads a company toward one or the other approaches is the relation between the head quarter and the subsidiary. Indeed, according to the level of knowledge of the market and to the level of control that the head quarter has on the subsidiary, different scenarios can raise, and different strategies can be implemented (Solberg, 2000). The possible scenarios are: Local Baronies that is the result of low market understanding and low control on the subsidiary from the head quarter, and in this situation the subsidiary has a big independence from the mother company due to the lack of knowledge of the latter; Confederation is when the company has an appropriate knowledge of the foreign market, but it exerts a scarce control on the subsidiaries which, although they have a discrete operative independency, act under the aware supervision of the head quarter; Civil War is the situation when the company has a scarce knowledge of the market, but it wants to influence the marketing decision of the subsidiaries; Federation is the case when the company has strong influence on marketing decisions and a deep market knowledge (Solberg, 2000).

The industry selected for this study is the fast food industry, an industry where players compete internationally, where daily customers are million and where the global-local dilemma has a relevant significance. Specifically, this study focuses on the American fast food companies; the choice of this specific country is made considering the great number of fast food restaurants originating here, their worldwide presence and their impact on the popular culture. When studying the global-local dilemma in the fast food industry, the first step is to give a definition to the fast food restaurant itself. Several formulations have been given: Bender and Bender (1995) define fast food a "general term used for a limited menu of foods that lend themselves to production-line techniques; suppliers tend to specialize in products such as hamburgers, pizzas, chicken, or sandwiches". As per Merriam-Webster online dictionary fast food is a kind of restaurant "designed for ready availability, use, or consumption and with little consideration given to quality or significance" (Goyal & Singh, 2007). From these definitions, the common elements that can be extrapolated to describe the fast food industry are the quickness of the service and of the consumption, the low price, the scarce perceived quality of the food, the possibility to eat it without cutlery since the disposable packaging helps on this purpose and the product durability limited to minutes or hours (Price, 1991).

When expanding internationally, fast food companies have always tried to adapt, standardize or glocalize each element of the marketing mix in order to achieve a successful position in the market, and several examples of how companies deal with this dilemma can be provided for each element of the marketing mix. McDonald's marketing mix can be analysed in order to provide a valuable example of this issue:

- **Product**: Products in McDonald's restaurants are one of the most iconic examples of glocalization. The menu is structured in a way that flagship products such as the most famous burgers and the fries are always available everywhere and they have the same unique taste. On the other hand, there are countries where the local taste, religion or culture require the adaptation of some products in order to appeal consumers. For example, German McDonald's serve beer among the other drinks, while grilled salmon sandwiches are sold in Norway (Vignali, 2001).

- **Promotion**: events such as the Olympics Games or the World Cup are used by the company to advertise its restaurants worldwide. However, the local approach is still maintained when it comes to adapt the strategy to a specific country. For instance, during the World Football Cup 1998, in England the public figure used in the commercials was the English footballer Alan Shearer, while in the same role was covered by the French goalkeeper Fabien Barthez (Vignali, 2001).
- **Place**: Although all the McDonald's restaurants around the world are often located in strategic, neuralgic and overcrowded locations such as airport, shopping centre and in proximity of metro stations, restaurant are built according to the architectural style of the country where they are, making the glocalization strategy a good compromise for this element (Vignali, 2001).
- **Price**: adaptation of the price is mandatory in this industry, that is why the price of the same product may vary considerably among countries, otherwise it would be impossible to penetrate a market using the same price everywhere (Vignali, 2001).
- **People**: McDonald's is very committed to respect the specific labour conditions in each country, and its policy promotes the selection of local human resources and the professional growth of these. In this way, McDonald's managers are people from the place that can better understand the local consumers' needs. On the other hand, in order to standardize the McDonald's experience worldwide, managers and employees can follow a specialization course at the Hamburger University in Illinois, which provide several classes that range from cooking techniques to restaurant management (Vignali, 2001).
- **Process**: McDonald's can be considered a master in process standardization. There are specific directives regarding the preparation of the meals, the cooking time required and specific standards in term of size and quality of the ingredients used, and when it cannot meet the quality requirements due to the specific conditions of the country, it vertically integrates (Vignali, 2001).
- **Physical evidences**: McDonald's promotes the same values everywhere, and this is why it is possible to find the same ambiance and atmosphere in each McDonald's; the only difference is the way these values are expressed in different countries. For example, in China it is possible to perceive the family value from

some phrases and pictures printed on the restaurants' walls, that recall, indeed, the values of the family (Vignali, 2001).

Moreover, in the fast food franchising system even the characteristics of franchisor and franchisee may be a force that influence the degree of freedom of the local managers in the decision making, and elements such as market competition, success in the franchise system, degree of experience of the franchisee and the growth stage have an indirect effect on the level of independence that the franchisee asks to the franchisor (Paik & Choi, 2007).

However, so far there is not a specific formula that can address this dilemma worldwide. The main aim of this dissertation is to find an answer to this dilemma, and to achieve this goal the standpoint adopted is the consumers' one. Consumers' perceptions are influenced by several factors, which act as external stimuli that are transformed into perceptions as a result of a perceptual process (Hanna & Wozniak, 2013). The perceptual process begins with the exposure to a stimulus and this happens when a person gets in contact with it; then there is the sensation, that is the reaction of the sensory system to the external stimulus. The sensory system is simply made by the five senses, such as sight, sound, smell, taste and touch, and it is through these transmission channels that stimuli are captured (Hanna & Wozniak, 2013). Then, the information pass through two filters: selective exposure and the selective attention. The former is in function when consumers ignore information that we consider unimportant, while the latter is active when consumers pay attention only to the information that are interesting for them, ignoring or not giving weight to all those information that they do not care about because they deem they are irrelevant (Hanna & Wozniak, 2013). Finally, once a stimulus overcomes these filters, the following step is the selective interpretation, which is the process that combines knowledge with expectations and that generate the perception (Hanna & Wozniak, 2013).

There are several elements that may influence this process, and they can be divided in endogenous and exogenous factors. Among the endogenous there are demographics, animosity and ethnocentrism (Srivastava, 2015); among the exogenous there is the country of origin effect (Pharr, 2005). This last element, defined by Samiee (1987) as "any influence, positive or negative, that the country of manufacture might have on the consumer's choice process or subsequent behaviour" cannot be considered a standing alone effect, but its action is influenced by other moderators, among which the product category, the culture of the consumer or the price, that may alter the its impact on perceptions (Elliott & Cameron, 1994).

This thesis focuses on the consumers belonging to two specific markets, the Russian and the Italian one, two countries that present several differences in political, economic, cultural and social terms. Italians are more quality seeking when it comes to food, and this is confirmed by their passion for cooking; Russians are mostly driven by the appearance of food, and price is one of the most important drivers in food choice.

Experiment description and Hypotheses formulation

The global-local dilemma can be addressed by the perception of two different points of view: Italian and Russian consumers. Therefore, the research question of this study is formulated as follows:

RQ: which are the elements of the marketing mix of American fast food restaurants that should be adapted to the local market and which are the ones that should be standardized according to Italian and Russian consumers' perceptions?

In addition, after analysing previous data and studies on Italian and Russian consumers perception of food, two hypotheses can be made:

H1: Italian consumers are more favourable to the adaptation of the American fast food restaurants marketing mix elements to the local market than Russian consumers
H2: Russian consumers have better perceptions of the American fast food restaurants marketing mix than Italian consumers

Consumers perceptions are collected through a survey and a focus group. The survey distributed in Italy collected 109 respondents, while the one spread in Russia collected 89 respondents. The survey requires respondents to give their perception of American fast food restaurant marketing mix according to a scale that goes from 1 to 5; then consumers are asked to express their opinion regarding the adaptation, standardization and glocalization of the marketing mix. In order to understand the reasons behind the survey results, four focus groups have been done, 2 for Italy and 2 for Russia, involving a total of 22 people. The comparison of the results from the surveys and from the focus group can be summarized in the following findings.

Findings

In a scale from 1 to 5, Russian consumers have a better perception of American fast food than Italians consumers (RU = 3.49 Vs. ITA = 2.84), and this result does not only come from the data of the survey, but it has been also confirmed during the focus groups, where the enthusiasm of the Russian participants and their conception of America fast food is evidently more emphasized than Italian consumers, who are more critical in assessing the American fast food restaurants and the junk food served. In addition, the principal reasons why Russians eat in fast food restaurant are the cheapness of the meals and the willingness to try the American dining experience; on the other hand, Italians declared that the most important factor is the quickness of the service and of the consumption of the meal. Regarding the feeling of animosity toward America, neither Italians nor Russian have such kind of antagonism, showing a positive attitude toward the country in general. Concerning the ethnocentrism, from the focus group emerged that both the consumers groups have a sort of attachment to their own country, especially Italians, but the extent of this affection is not strong enough to push them to choose local fast food brands over American just to sustain the development and the growth of their country. Therefore, the results show that ethnocentrism is not a relevant feeling in both the markets. Although the feelings of animosity and ethnocentrism are not the principal drivers of Italian and Russian consumers' choices, the country of origin effect seems to play a role. Indeed, while Russians declared that they do not prefer a restaurant just according to the cuisine or to the provenience of meals and ingredients, Italians are significantly influenced by these features, and they would be likely to choose an Italian restaurant over a foreigner just because of the made in Italy factor.

Concerning the global local dilemma in the marketing mix, consumers have been asked through empirical examples and evidences to give their opinion of what is the best choice for each of the element of the 7P marketing mix framework, whether to adapt, standardize or glocalize. The following are the outcomes:

According to the survey, the product in Italy needs to be adapted to the local market, in terms of ingredients and type of meal served. The adaptation of this elements does not mean the substitution of the standard flagship products with the adapted ones, but the implementation of some product which have the traditional Italian factor. In Russia adaptation is preferred as well, but a significant percentage of consumers want to perceive the American element, therefore, glocalization seems to be the way in this market, and the usage of Russian ingredients and the implementation of some Russian elements in the menu may be the way.

Promotion seems to follow the same path, since in Italy adaptation is preferred and Italians want to recognise themselves in the commercials; on the other hand, the majority of Russian respondents prefer the glocalization, since they still want to see their American idols, or they want to perceive the American lifestyle in the communication.

According to consumers' perceptions, employees should be glocalized in both Italy and Russia. This means that they should embed the domestic values, culture and attitude but at the same time the American standard of efficiency should be standardized worldwide. However, for consumers from both the countries the issue of adaptation or standardization in not the real matter in this case, but what really matters for them is the efficiency, kindness and availability of the employees.

The element physical evidences have showed an ambiguous result on the Italian side. Indeed, Italians do not take a strong position regarding the adaptation or standardization of this element, which is also the one that have received the highest number of "I do not care about it". However, the majority of respondents voted for the standardization. For Russian this element matters, and they want it to be standardized in order to have the opportunity to be full immersion in the American experience all the times.

Processes have to be standardized as well, since consumers of both countries are satisfied with them and they perceive them as efficient. This element is the first reason why Italian consumers want to eat in fast food restaurants, since the matter of the quickness of the service is the most important reason in this case.

Place intended as the geographical location and the expansion strategy have to be standardized as well. Therefore, the geographical presence of American fast food should follow a standardized strategy and restaurants should be present in crowded places mostly. Both the consumers groups are satisfied by this standard approach, but clearly the knowledge of the local area and of the local trends are required to build a fast food restaurant in the right place, although the expansion strategy is standardized.

Prices are already adapted to the economic conditions of the country, but the perception of this element are different. Indeed, the average perception is medium-low, which reflects the strategic approach of American fast food chains. Russian are very concerned by the price, and the cheapness of the product sold in fast foods is the main driver that pushes them to eat there.

Finally, from the survey it is possible to notice that the answer distribution of the Italian consumers is more favourable to the adaptation of the marketing mix than Russian consumers.

Conclusions

Concluding, the contribution of this thesis to the existent literature is to link two different research field and to fill the gap in the literature between social sciences and managerial school in the research field of the fast food industry. Considering that the choice between adaptation and standardization is driven by the trade-off between cutting costs and meeting local consumers' need, the solution proposed in this study is to demand directly to the fast foods consumers what is really important for them, investigating their perceptions and finally giving suggestions for companies that want to enter the Russian or the Italian market in this industry. Indeed, the adoption of the directives and of the insights provided in this thesis can lead to the cost cutting through the standardization of those marketing mix elements that consumers want to be standard, but at the same time to a competitive advantage through the adaptation of the some of them, which is essential to meet the market needs and to increase the retention rate. In addition, the further repetition of the experiment in other countries would potentially lead to the development of an accurate guideline to support business strategies to enter the fast food business of all markets worldwide, and it would be interesting to analyse the analogies among markets in order to find an ultimate solution to the global local dilemma.

Therefore, the research question has been addressed and in addition the two hypotheses are confirmed. The H1 is confirmed analytically from the answer distribution of the Italian consumers, since their favourite approach is the adaptation for the majority of the Ps. The insights emerged from the focus group confirm this evidence. The H2 is confirmed as well, since the perception score and the average of the perceptions of the single marketing mix elements given from the Russian consumers is higher than the one given from the Italian consumers. Even in this case, the insights emerged from the focus group confirm this evidence.

Nevertheless, although the results achieved in addressing the global-local dilemma in two markets may show many similarities, the differences are a prove that there is not a golden rule that can be applied in all the countries, and the global local dilemma seems to be an issue that so far does not have a universal solution.

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