CULTURAL CONVERGENCE IN EMERGING MARKETS THROUGH FRANCHISING: THE CASE OF MCDONALD’S IN CHINA AND INDIA

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Abstract

This manuscript investigates cultural convergence of Chinese and Indian consumers through organizational socialization of a global franchise system, McDonald’s. The authors examine whether the franchise system’s universal culture and the values of egalitarianism and democratization enshrined in the system influence consumers’ patronage of McDonald’s in the world’s two largest big emerging markets (BEMs). The findings are based on convenience sample surveys of 642 Chinese consumers and 450 Indian consumers in the capital cities of Beijing and Delhi. Using multiple group structural equation modeling, the authors empirically test how Chinese and Indian consumers’ backgrounds (i.e., gender, age and educational level) shape their attitudes toward the culture of McDonald’s and their patronization of this global brand. Both country-specific effects and cross-cultural effects are discussed, and we conclude the study with brand management implications of these effects.

Keywords: Franchising, Globalization, Egalitarianism, Democratization, McDonald’s, China, India, Buying Behavior