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Transnational practices in urban China: Spatiality and localization of western fast food chains

Min Zhang, Weiping Wu*, Lei Yao, Ye Bai, Guo Xiong

Department of Urban and Environmental Policy and Planning, Tufts University, 97 Talbot Avenue, Medford, MA 02155, USA

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A B S T R A C T

Foreign consumer goods and brands have proliferated in recent decades in Chinese cities, helping transform the urban landscape. The transformation is multifaceted. Aside from the economic bottom line, for instance, foreign fast food chains bring with them influences on people's diet, consumption preferences, and lifestyle choices. Focusing on two of the most popular chains in China, McDonald's and KFC (Kentucky Fried Chicken), and their operation in the city of Nanjing, this paper addresses two research questions. First, how have foreign fast food chains configured into China's changing urban landscape? Second, how do these restaurants interact with local consumers and become their space of everyday life? Our analysis is based on data from multiple sources, including business establishment data from the municipal industrial and commercial registrar, location data from Baidu (a Chinese website) maps confirmed by field reconnaissance, and interviews with consumers at select locations. Clearly, there is plasticity of transnational practices, as our analysis shows. In shaping the local consumer culture and space, they themselves are refashioned, by forsaking some degree of standardization to be more versatile and agile, and through locational (re)configuration to capture consumers. Local consumers, on the other hand, have altered their perception and use of the chains from more visceral and elective to more rational and routine, eventually making their own space out of the restaurants.

> Transnational culture-ideology practices are the nuts and bolts and the glue that hold the system together.
>
> Leslie Sklair (1991, p. 75)

Economic transnational practices now permeate our everyday life. Trailing the globalization of manufacturing is foreign participation in the service sector. Western fast food chains, in many ways, epitomize transnational practices. Economic incentives and profitability aside, the chains bring with them influences on people's diet, consumption preferences, and lifestyle choices. The aggregate of these may add up to cultural changes over time. In fact, some argue that there is a McDonaldization or homogenization of food consumption across the world as a result of transnational practices (Ritzer, 1993; Wasko, Phillips & Meehan, 2001).

China's vast population and rising prosperity present huge market potentials for transnational firms, products, and services. Foreign consumer goods and brands have landed in many if not all its cities. For instance, as the first major American fast food chain to open in China (in 1987 and about 5-min walk from the Tian'anmen Square in Beijing), Kentucky Fried Chicken (KFC) is now ubiquitous to urban consumers. So are McDonald's, Pizza Hut, and many others. Foreign department stores and big-box retailers also have made their presence.

Market reform in China also has brought about a "consumer revolution" (Davis, 2005, p. 692). Nearly all cities, large and small, have gone on a building spree to add commercial centers throughout old and newly developed urban districts. These centers are primarily retail in character, with shops and offices displacing residential and industrial uses. Today, the commercial landscape in urban China is increasing polycentric and highly differentiated (Wu & Gaubatz, 2012). Consumers from all walks of life can easily find what suits them in different sub-centers, ranging from mass-market brands (both Chinese and foreign) to mid-market staples to brand-conscious luxury goods. Consumption is a big business.

Western fast food chains, much like multinational manufacturers, have engaged in a process of localization in China, willingly or otherwise. Such a process, on the one hand, involves locational (re)configuration to capture consumers, as the urban commercial development morphs towards polycentric and highly differentiated

* Corresponding author. Tel.: +1 617 627 3394; fax: +1 617 627 3377.
E-mail address: weiping.wu@tufts.edu (W. Wu).

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forms. On the other hand, it entails frequent interactions, responding to consumers' varying levels of acceptance and resistance. The purpose of this paper is to understand how the localization of Western fast food chains plays out spatially. We intend to address two research questions. First, how have Western fast food chains configured into China's changing urban landscape? Second, how do these restaurants interact with local consumers and become their space of everyday life?

Our analysis focuses on two of the most popular chains in China, McDonald's and KFC, and their operation in the city of Nanjing. Capital of Jiangsu Province, Nanjing is located in China's east coast and along the lower Yangtze River Delta, just 190 miles northwest of Shanghai. With a population of 8 million, it is typical of China's large cities. According to China Statistical Yearbook for Cities (2009 and 2010), Nanjing ranked number 20 and 16 respectively in 2008 and 2009 among all cities (about 650) in attracting foreign direct investment. Our analysis is primarily based on business establishment data from the Nanjing municipal industrial and commercial registrar, geographic location data from Baidu (a Chinese search engine) maps confirmed by field reconnaissance, and consumer observations and interviews. Details of the sources are outlined in sections where we discuss location patterns and analyze consumer perceptions and activities.

In the remainder of the paper, we first sketch out key, important ways in which transnational practices localize in different cultural contexts. Here, we focus on firms in the service sector and particularly related to food services. We then trace the location patterns of McDonald's and KFC restaurants and juxtapose them with the city's land use changes. Three time periods are used in this analysis: 1994–2000, 2001–2005, and 2006–2012. Finally, we demonstrate how consumer perceptions and utilization of the restaurants have evolved during the different periods. We intend to show that the locational configuration of the chain restaurants is an evolution from anchor points to balanced networks, across three phases of expansion. Each of these phases also coincides with changes in consumer perception of the restaurants. Throughout, the unfamiliar has become familiar, and the symbolism associated with being foreign has diminished and been transformed into a common routine for a wide range of consumers. Eventually, the locals have made these restaurants space of their own for everyday life. This localization process also reflects, and helps produce, the rising consumer culture in urban China, particularly among the younger generations.

Localization of transnational practices

Globalization, in a narrow sense, is the process by which markets and production in different countries are becoming increasingly interdependent through dynamics of trade in goods and services and flows of capital and technology. Intensified since the 1970s, it entails a global network of production systems and supply chains. Certain retailing forms of business have rapidly proliferated around the world; one noticeable example is the tremendous expansion of fast food franchises. Transnational practices embody both economic and cultural interactions. While multinational firms (such as fast food chains) are an economic phenomenon, reflected in their investment patterns, sourcing patterns, and employment structures, they have immediate and direct impact on culture. The latter can be seen in terms of consumption patterns, tastes, and new forms of material culture (Featherstone, 1995; Greider, 1998). As such, the fast food chains not only entail standardization of food products and services, but also represent a cultural message (in the case of McDonald's – a particular, American way of life).

Some argue that globalization has brought on homogenization of consumer culture as a result of the ubiquity of global products and brands and the associated promotion of consumerism (Ritzer, 1993; Wasko et al., 2001). Some even point to cultural imperialism in that corporations are capable of manipulating personal tastes and in turn export popular culture from their home bases (Watson, 2006a). McDonald's as a multinational chain, for instance, is keenly aware of how it promotes a certain life style or experience as it expands globally. There is a constant narrative of family, as well as friendliness to children, in its advertising and store designs (Watson, 2000, 2006a). Its standardized menus and automated service process have helped spread industrialized food. In cities of lesser wealth, its restaurants also are regarded as a sophisticated and clean eating environment for special occasions, as a meeting place, and so on. To the burgeoning middle class there, consuming products from the more developed world is alluring.

A number of scholars, on the other hand, suggest that localization is a two-way street. The process involves modifications of a firm's standard mode of operation in addition to imposing changes in the local culture (Knox, 1997; Watson, 2000). The "*reality is that globalization is variously embraced*, *resisted*, *subverted, and exploited* as it makes contact with specific settings" (Knox, 1997, p. 21). Some have coined the term 'glocalization' to reflect the heterogeneous reception, appropriation and response to even the most standardized global products. But glocalization is by no means a simple process of subsuming foreign culture. Consumers often appropriate the meanings of these products to their own ends, and add new associations while dropping incompatible ones (Caldwell, 2004; Miller, 1998; Watson, 2006a). As such, understanding the economic and social realities, as related to transnational fast food services, demands us to take local consumers' perspectives into consideration.

Physical location is an important consideration in the localization process: a central, prominent site often is critical to break into a new national or local market. McDonald's, opening in Japan in 1971, placed its first franchise on the ground floor of a Ginza department store in the nation's capital city Tokyo. Despite astronomical rents, the strategy paid off in sales and, more importantly, establishing brand recognition. Premiering in Ginza, known as one of the most upscale shopping districts in the world, also appealed to young consumers: it is not just about food, but about a new lifestyle considered Western and modern (Obnuki-Tierney, 2006; Wang, 2004). In a similar fashion, KFC premiered Western-style fast food in China in 1987, at a location just minutes on foot from the Tian'anmen Square – the symbolic political center of the country.

The urban form of host cities can influence the location strategies of multinational chains. This is particularly relevant for American brands, which at home are accustomed to a more auto-centric, sprawling urban landscape and proliferate more readily in suburban locations with drive-thru store designs. But in most other parts of the world, cities are more compact, transit-oriented, and with vibrant downtowns. Central business districts retain a focal position in retail and social life, and are active both day and night as a result of mixed patterns of land use. Failure to grasp this different urban geography can backfire, as shown in the case of McDonald's failed first European franchise in an Amsterdam suburb (Wang, 2004).

On the part of consumers, the localization process involves familiarization and domestication. Initially, a Western product or food is framed as a novelty – often, it is the "foreignness that has promoted long lines of curious customers" (Caldwell, 2004, p. 15). As consumers begin taking the Western food (in this case McDonald's, in Moscow) home, they also bring their home lives to McDonald's. Gradually, McDonald's has become an ordinary part of consumers' daily lives and even reference points when giving directions (because of its recognizable golden arches). In due course, McDonald's turns into a locally meaningful and domesticated entity. Consumers have incorporated McDonald's as significant elements in their social worlds. Similar processes have played out even in places where Western food was not widely available upon