

GLOBAL OR LOCAL STRATEGIES? McDONALD'S TURKEY EXAMPLE

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Abstract

This study aims to explore how a global franchisor implements global and local strategies together in its Turkish franchisees. McDonald's is a global franchisor which has a distribution license agreement with Anadolu Group in Turkey. The effect of the agreement is discussed in terms of global and local strategies in the fields of Supply Chain Management, Operations Management, Marketing Management, Finance Management, and Human Resources Management. In-depth interviews were conducted with five functional managers of McDonald's Turkey to find out the approach of the company. According to the findings of the in-depth interviews, it is found out that the company implements both global and local strategies in Turkey to decrease its costs, increase its efficiency, and align its strategies with its headquarter. However, it focuses on local strategies more than global strategies due to the effect of its local distribution licensee Anadolu Group. This study has a unique approach and findings. Its questions were developed by authors based on their knowledge and experiences and the feedback gathered from five functional managers and top managers of the company. These comprehensive questions were not asked before to another global company to gather information in Turkey.

Keywords: *Global strategies, Local strategies, McDonald's, Transnational Company*

1. Introduction

Global companies prefer to implement global strategies and standardize their business functions to decrease costs and increase efficiencies. However, external environmental factors and their strategic alliances with other companies lead global companies to implement local strategies and differentiate their business functions to be accepted by the market, to increase their sales, profits, and market shares. Government regulations, laws, customer expectations, actions of competitors, cultural differences, availability of suppliers and supplies, and logistic opportunities are some of the reasons to implement local strategies and differentiate their business functions. When companies implement local strategies, their costs increase, and operations become more complicated. But they are accepted by the market, increase their sales, profitability and market share. Therefore, companies should balance implementing global and local strategies to control their costs and operational efficiency.

Bartlett and Ghoshal (1989) coined a transnational company for the companies which balance global and local strategies. These companies think global but act locally when it is necessary. McDonald's can be considered a transnational company or a company which tries to balance global and local strategies.

Franchising involves two parties; franchisor and franchisee. Franchisor gives the franchising and the franchisee takes the franchising. Franchisors let the franchisees use their brand name and management know-how to operate restaurants to serve the food. The franchisor decides pretty much everything such as where to open the restaurant, where to get equipment, machinery, and supplies, how to decorate the restaurant, which food to serve, at which price to sell, and what kind of advertising and promotion will be made.

Companies which implement global strategies standardize their products and prefer to buy supplies from suppliers where they can find the highest quality and the sustainable lowest

price. They explore suppliers in the world and make agreements for huge amounts for their annual consumption to decrease their costs. When companies implement local strategies they differentiate their products and supplies. They purchase several supplies from local suppliers in smaller quantities for consumption in that country to higher prices. Companies which implement global strategies standardize their marketing activities, advertising, and promotions.

Therefore, they can work with global advertising agencies to conduct global advertising campaigns and offer global promotions to decrease their costs. However, when companies implement local marketing strategies, they can be accepted by the customers more, defeat their local competitors, increase their sales but increase their costs as well. Companies which implement global strategies standardize their HR activities. When they have a local partner in the country where they have operations, they prefer to implement local HR strategies. They hire employees from that country according to legislation and labor law. They provide career advancement opportunities and compensation packages according to the requirements and expectations in that country.

2. McDonald's Turkey

McDonald's was founded in 1940 California, US. McDonald's is one of the world's largest global foodservice company with over 39,000 locations in more than 110 countries. Approximately more than ninety percent of McDonald's restaurants worldwide are owned and operated by independent local owners and franchisees. The total revenues of the company reached almost 5.200 Billion USD in the first quarter of 2021 (McDonald's, 2021).

McDonald's's Turkey opened its first restaurant in Taksim/İstanbul in 1986, McDonald's Turkey has been operating under the umbrella of Anadolu Group since 2005. McDonald's Corporation opened its first office in 1991 in Turkey. The company served more than 100 million customers

annually with its more than 6,000 employees in 2020. McDonald's Turkey has 247 restaurants in 41 cities in Turkey (Anadolugrubu, 2020). The value of McDonald's Turkey was determined as approximately 280 million TL according to Public Disclosure Platform (KAP) statement in 2019 (KAP, 2020).

Anadolu Group has the country distribution licensee (DL) for McDonald's Turkey. It focuses on the Turkish market with its main marketing strategy; value for money means "The customer finds the products and services they buy, worth the price they pay " (Vardar, 2011). As its business model, country DL makes investment and operates restaurants where as it gives sub-franchisees as well. The granted license gives the operator the right to engage in commercial activities under the McDonald's brand. The conditions for granting the license are as follows (Orel and Nakıboğlu, 2016):

- McDonald's management license is given only to the individual person, not to partnerships or companies.
- Since McDonald's operator must devote all his time and power to the restaurant business, he/she cannot focus on other main businesses.
- Operators should always focus on restaurants, they cannot manage their business remotely.
- McDonald's license is only for one restaurant, it is not a regional license.

According to its market expansion strategy, McDonald's lists where to open a restaurant in Turkey and when it finds a suitable place, it either rents or buys it. This also makes McDonald's a property management company. After McDonald's prepares the restaurant, the system continues by renting it to the sub-licensee (Orel and Nakıboğlu, 2016).

3. Global and Local Strategies

Companies which expand to the World, can implement global strategies for exploring business opportunities and getting advantage of them with a geographic deployment of their non-location-bound (Friedman, 2006; Levitt, 1983; Van Agtmael, 2007; Yip, 2001). They can use local resources including knowledge and blend them with their current resources. They can search strategic assets (Doz et al, 2001). They can get rid of locational boundaries by forming strategic alliances with other companies by making licensing or production agreements. When they can integrate their activities, they can reach economies of scale (by concentrating some activities in one location), economies of scope (by sharing resources across borders) and economies of exploiting national differences (by distributing the value chain across the headquarter and subsidiaries and coordinating them later on) (Bartlett and Ghoshal, 1989). Rugman and Verbeke (2005) believe that inter-regional investments are made in more upstream activities because economic actors (employees, suppliers, logistics companies, research labs, etc.) can establish R&D, production, or logistics operations in subsidiaries. Global companies face pressures for national responsiveness and country differences in culture, customer preferences, government regulations, etc. When they tailor their activities for each country, they can have more demand and ask for higher prices for their products. Bartlett and Ghohal (Chang, van Witteloostuijn, and Eden, 2010) suggested that companies which expand in different countries can implement the following three strategies: global, multinational and transnational (Verbeke and Asmussen, 2016).

Global companies compete with the dilemma of implementing global integration and local responsiveness (Taylor et al., 1996, 962). Companies can decrease their costs through economies of scope and scale by implementing global strategies whereas they can customize their products and services to adapt to local customer tastes, customs and laws by implementing local strategies (Hill, 2005, 26) (Ross and Büchner, 2010, p. 47).

Distance between the headquarter and the subsidiaries can increase the cost of doing business and business opportunities (Estrin et al, 2009; Slangen and Hennart, 2008; Zaheer and Hernandez, 2011) (Meyer and Estrin, 2014).

Using local resources, local competition, and the distance between the headquarter and the subsidiary affect the responsiveness and exporting strategies more than integration strategies. Subsidiaries of glocal companies can combine global and local resources to provide products and services for local markets within the global supply chain. Subsidiaries contribute to global strategy by creating and exploiting local opportunities (Birkinshaw and Morrison, 1995; Cantwell and Mudambi, 2005; Ambos, Andersson, and Birkinshaw, 2010). Strategies conceptualized with the integration-responsiveness framework (Prahalad and Doz, 1987; Bartlett and Ghoshal, 1989; Devinney, Midgley, and Venaik, 2000) which proposes that global strategies are adopted consistently and uniformly across subsidiaries (Meyer and Estrin, 2014).

Subsidiaries can play different roles for implementing strategies and accessing local resources (Anand and Delios, 2002; Hennart, 2009); by interacting firm-specific and country-specific advantages (Rugman and Verbeke, 2001). Global companies can integrate their strategies across all their subsidiaries whereas they can be locally responsive to the local conditions such as competition, local resources, etc. and exploit locational advantages (Birkinshaw and Morrison, 1995; Cantwell and Mudambi, 2005; Ambos, Andersson, and Birkinshaw, 2010; Zaheer and Nachum, 2011). Resources of the headquarter and subsidiaries such as knowledge can be exploited by different strategies (Kostova and Roth, 2002). Subsidiaries can join in integrated but geographically dispersed global networks and value chains (de la Torre, 1971; Doh, et al., 2009; Kogut, 1985). They can make different contributions to the value chain of the organization (Meyer and Estrin, 2014).

When global companies adopt their strategies to local conditions they facilitate local responsiveness. However, when they implement global strategies in their subsidiaries, they facilitate global integration among their headquarters and subsidiaries. If companies implement local strategies, make local investments and production, they can decrease costs of some inputs, production, transportation, and imports. They can also access local networks and resources. However, they increase costs of investments and take more financial risks. On the other hand, when they implement global strategies, they can reach scale economies, achieve synergy, efficiency and coordination, decrease their costs, and determine global standards around the World (Hansen, 2020).

Companies can have a global approach with standardized products and processes, geographically concentrated value chain activities, and centralized decision-making to reach economies of scale (Banalieva, and Eddleston, 2011). On the other hand they can have a multinational approach with locally adapted products and processes, geographically dispersed activities, and local autonomy of subsidiaries. They can also have a transnational approach when they face with pressures of both responsiveness and high integration at the same time. When companies produce standardized products for the World, they can reach economies of scale to decrease their costs (Verbeke and Asmussen, 2016).

On the other hand, industry forces can lead to make local strategic decisions to be nationally responsive (Roth and Morrison, 1990). Companies can balance coordinating global brands and being sensitive to cultural differences in terms of marketing (Takeuchi and Porter, 1986). They can manage a global supplier network or let each subsidiary choose its local suppliers (Verbeke and Asmussen, 2016). When they work with global suppliers they can decrease their costs due to having a bargaining power but when they work with local suppliers they can decrease transportation and coordination costs.

Global companies can have local practices in their subsidiaries in the following areas: determining local procurement objectives and standards, determining local standards for suppliers, conducting supplier screening programs, developing short lists for capable suppliers and local infrastructures, organizing supplier development and training programs, developing local suppliers by enhancing skills and absorptive capacity, monitoring and auditing suppliers, reporting and communicating local activities and achievements, lobbying governments to affect local standards and regulations (Hansen, 2020).

If companies want to be responsive to the local conditions, they need to adapt their products and services and their subsidiaries need to make sales decisions. This approach increases their costs and requires changes into processes and products (Solberg, 2000; Dow, 2006; Grewal, Chandrashekar, and Dwyer, 2008) and decreases the standardization and increases complexity of the interface between the headquarter and the subsidiaries (Meyer and Estrin, 2014).

Companies can offer different products with different prices and qualities (Ricardo, 1817). Responsiveness strategies are sensitive to local conditions and require interaction between the headquarter and the subsidiaries to exploit core competencies while adapting products and processes to local conditions (Meyer and Estrin, 2014).

Locally responsive strategies require the integration of the technologies of global companies with local knowledge (Solbocerg, 2000; Dawar and Chattopadhyay, 2002; Dow, 2006). If global companies adopt their products and processes to local conditions, they need skilled and qualified employees. They need to focus on developing human resources and innovation (Liu, 2007). If local competitors are strong and have competitive advantages with local knowledge and resources, subsidiaries of global companies should adopt their products to local demands and react to the actions of their local competitors (Meyer and Estrin, 2014).

Companies can localize their strategies and activities based on local culture. When customers have more information about product attributes, they focus on priceless in evaluating the product (Mitra, 1995; Rao and Monroe, 1988) (Westjohn, Roschk, & Magnusson, 2017).

Companies can differentiate global and local advertising strategies when they expand in global markets (Villena and Contreras, 2019).

Global companies can achieve standardization and coordination for Human Resources Management (HRM) by implementing global strategies but adapting to local laws, regulations and customs in different subsidiaries by implementing local strategies can limit coordination of HRM practices across all organization (Harzing, 2004). When there is more “institutional distance” between the head quarter and the subsidiary, it is more difficult to transfer and coordinate HR practices (Ferner et al., 2005, p. 306). HRM practices reveal coordination of HRM policies, transfer of management practices, cross-cultural issues, expatriate management, and national diversity (Wolfram Cox, Di Cieri, and Fenwick, 1998) (Ross and Büchner, 2010, pp. 47-48).

4. The Methodology

This study aims to explore how a global franchisor implements global and local strategies in its Turkish franchisees. McDonald's is a global franchisor which has a distribution licence agreement with Anadolu Group in Turkey. The main motivation of this research is observing the importance of balancing global and local strategies for global companies to succeed in global markets. Since McDonald's is known as a company which balances global and local strategies, McDonald's Turkey was chosen as a company to gather information. Qualitative research is preferred for this study to gather more specific and comprehensive information about the subject. The questions are developed by reviewing the literature, gaining knowledge and experience in the field and discussing with the managers of the company by authors. One of the author wrote a PhD thesis about structural changes of global companies when they

expanded in the World. She has books and articles about global companies. She has taught courses in the field of global business for many years. The other author has been working for global companies for many years. Thus, questions are developed by accumulating knowledge and experience in the field as well. Also, when questions are prepared, before they are asked, they are discussed with the related functional managers and the top management of the company to understand whether they are appropriate questions to accumulate the information.

The questions are also based on the feedback taken from the managers of the company as well. Then, they are asked back to functional managers to be answered. The questions are presented in each section before the answers. In-depth interviews were conducted with five functional managers (Supply Chain Manager, Operations Manager, Marketing Manager, Finance Manager and Human Resources Manager) of McDonald's Turkey to find out whether the company implements both global or local strategies. The limitation of this study is the data was gathered from only one licensee of one global company. The data was gathered from five functional managers about five functions which are considered as important functions for implementing global and local strategies. This study is assumed to be original with its sample and questions. According to the findings of the literature review, this type of study has not been conducted in the same field in Turkey.

4.1. Supply Chain

Which of the Global Supply Chain policies do you implement locally?

As McDonald's Turkey, we implement almost all of McDonald's sustainability programs implemented by countries worldwide. We provide a certified supply of agricultural products such as palm oil, coffee, and paper, especially from sustainable sources. In addition, we constantly reduce the nutritional values of products, especially children's menus, and offer healthier menus.

Do you cooperate with your global suppliers locally?

Yes, we have suppliers who have come to Turkey and invested (such as Bimbo, HAVI, McCormick, Fersan) and we can establish local relations with our global partners such as Coca Cola and run various campaigns together.

How many of your suppliers have made direct investments up to now? What is the estimated number?

Until today, we have three global suppliers as direct investments (Bimbo, HAVI, McCormick). They have established facilities which directly invested in the country. We assume that the investment made for us -with all our other suppliers- has been more than 100 million TL so far.

How many percentages of your products do you supply locally?

We supply approximately 98% of the total products from local sources. We only supply products such as toys produced in a special program and/or products such as coffee which cannot be grown in our country from our global sources.

How do you manage your quality processes globally and locally?

One of our crucial values is the concept of sustainability, which is one of the main criteria in our supplier management system which describes a socially responsible and sustainable supply chain with ethical, environmental, and economic elements. Ethics; includes occupational health and safety, employee and animal welfare issues. Environment; it includes reducing the negative environmental impacts in the entire value chain, including the design, production, and distribution processes. On the other hand, the economy includes positive effects on fair trade, reduction of agricultural diseases, and increasing social welfare. Supplier code of conduct valid all over the world is applied. In addition, the social workplace accountability

program (SWA) is implemented in Turkey. We cooperate with our food and non-food product supplier based on the same standards, regardless of whether they provide direct or indirect services. In addition to supplier quality audits for each product category, we check our suppliers' fair working environment and employee welfare practices.

Have you ensured that your suppliers expand to global markets? How?

Under our global supplier management system, all of our suppliers supply their products to the Turkish market. They are also approved of our global system for other countries. Our suppliers have unique code numbers and all other McDonald's countries can also supply products from these suppliers. Nowadays, as well as European countries, our suppliers sell their product especially in the middle east market.

As country supply chain management, Do you have any innovative and different practices than your global Supply Chain management system?

In terms of supply chain management, Turkey is actually one of the countries which manage one of the most suppliers internally. For example; while McDonald's outsources the purchasing of packaging materials to a 3rd party company in the world, we supply products from suppliers which we have developed locally. These suppliers even sell their products to other McDonald's countries.

If we talk about your packaging materials, what are the global and local supply rates? Are you getting promotional materials made in Turkey? or Do you work with the suppliers which were determined by the global?

We supply all of our packaging materials 100% from our country. We have been working together with almost all of our packaging suppliers are in our system for a long time. As I

mention earliest, some of our packaging suppliers sell their products to other McDonald's countries.

4.2. Operations Management

Which global operations management policies do you implement locally?

Some of the global projects are implemented as recommendations and some as compulsory projects. The recommended projects are implemented if they meet our local needs. The projects which we have to implement are generally projects to support the global brand strategy. They are implemented within a time plan which we have determined with the global under our franchise agreement. All projects of McDonald's are based on two target points. One of them is to improve the guest experience. The second is to improve the employee experience.

Do you have global standards in operations management?

It would not be wrong to say that all of our operational processes are shaped according to our global standards. There may be minor differences only if there are differences determined by local legal processes. Especially during the pandemic process, while determining the expectations of local laws as our minimums, it would not be wrong to say that we are a brand which is the first and differentiated in the sector in this understanding by trying to implement the measures implemented abroad.

On the other hand, approval is expected in all processes from the design of our McDonald's restaurants to where they will open and location analysis. On the other hand, approval is expected in all processes from the design of our McDonald's restaurants to where they will open and location analysis.

How do you collaborate and adapt with global operations management?

We are in constant communication with our operation partners. Apart from periodic meetings, we are visited at least three times a year by our global operation partners. Apart from these,

we can follow all the operational procedures of the global, best practices, and results in different countries from our global intranet system.

Do you have local implementations which are successful in operations management?

One of the best practices which we are successful and pioneers in is our package service (McDelivery). This practice, which has been actively used in foreign markets for the last 4-5 years, has been actively implemented in Turkey since 2003.

At the point we have reached, 30% of our sales (before the pandemic) come from the McDelivery service. This ratio has a much higher rate in the sales of restaurants which offer McDelivery services (140 restaurants). We have supported many countries implementing this service in the past.

4.3. Marketing Management (4P)

Which of the global marketing management policies do you implement locally?

According to the BrandZ report, McDonald's is the 9th largest brand in the world. It has also been in the top 10 for years. It is included in this list along with technology and social media companies. The main reason for keeping it on the list is its customer-centered approach which attaches importance to digital transformation and customer experience. Since McDonald's Brand is one of the biggest brands in the world, there are some brand usage rules such as logo, color, etc. determined by the global marketing management. We create our own assets locally within the framework of these rules.

In addition, McDonald's also frees countries in product development. As long as it offers the same quality and taste all over the world, we cannot make any changes or localize the main products. However, we can develop any product we want by obtaining permission within our

own country. As McDonald's Turkey, we produced very popular local products. These are the Mangal Burger, Düpdürüm, Daba Daba and Superkıyak burgers. For example, McTurco is a product which customers can not forget, even if it was on sale with temporary importance in the past. Finally, both digital technology is transferred from global to countries and freedom of development is provided to countries. In this way, it provides unity in some issues, and freedom is provided to the countries of the world.

How many of the products in your menu consist of the products in the global menu? (Such as BigMac)? What is the percentage of your total sales?

Our best selling products consist of global products due to their high awareness. However, when we release local products, these products become our best selling products by providing communication.

How do you measure your local customer expectations?

First of all, we are constantly social listening. We listen to our customers on a daily basis. In addition, we also have face-to-face market research where we can listen to the opinions of our customers. We follow all trends in both the world and the country. In addition, with our Rate Your Visit application, our customers can both evaluate us and convey their opinions to us.

Are you able to make changes to the products on the global menus for your local customers?

Unfortunately, we cannot make changes to global products. McDonald's does not allow this in order to maintain the same standard all over the world.

Are there any products created entirely for Turkish taste in your menus?

Yes, there are. These are Mangal Burger, Düpdürüm, Daba Daba, and Superkıyak burgers. For example, McTurco is a product which customers still want and cannot forget, even if it was on sale with temporary importance in the past.

What are the global and local rates in ads? Do you adapt the ads to Turkey? Are you working with the advertising agency of the global center?

We create everything ourselves by paying attention to our brand guidelines in advertisements. We have the right to work with one of three global agencies. We create our own advertising campaigns ourselves by working with one of these three agencies. Our 360-degree communication campaign, in which we announced our national teams sponsorship last year, was shown as an example to all countries globally.

What are the global and local rates on promotions? Are you getting promotions done in Turkey? Do you work with the suppliers determined by the global center?

Each country determines its strategies according to its own priority and market structure. We create all promotions. We even have projects which set an example for the globe. Our "Friday Free" concept, which we created through our discount application, was once again shown as an example.

How do you determine your pricing policy? What is the impact level of the spherical center?

As Turkey, we determine ourselves according to market dynamics. We determine the situation in Turkey by conducting market researches according to many criteria such as economic factors, our competitors, the expectations of our customers etc.

How do you do the positioning of the products? How do you determine your target customers? Is it determined locally or globally?

We set them locally. As I mentioned earliest, We determine them according to some market researches. We have done and published digitally and according to our customers who prefer

us. Here, we determine the target audience and always put them at the center and communicate according to their needs.

4.4 Finance Management

Which of the global finance and accounting standards do you use?

We use UFRS and the Turkish accounting system together. As McDonald's, we operate under the umbrella of the Anadolu Group in Turkey (this system is called DL - Distribution Licensee), so we follow the Anadolu Group financial reporting system as the reporting standard. These systems are audited and reported every year by independent audit companies. McDonald's Corporation only expects our sales data to be consolidated and reported. Apart from that, we do not have any obligations as a financial reporting standard. Our priorities for the Anadolu Group are more important in terms of reporting.

Do you get any support in terms of finance management by McDonald's global?

No, we do not receive global support in this regard. In this regard, when we need it, we mostly get support from the Anadolu Group finance unit since we are a holding company.

Do you pay for brand usage fee to McDonald's global? Is this price calculated based on your sales?

Yes, we do pay royalty fee to McDonald's corporation which is calculated with a certain percentage of our annual sales.

Do you use McDonald's Global's resources or connections when you need financing? (Low-interest loan etc.)

Since we are a holding company, we act in coordination with the corporate finance unit of the holding and meet our financial needs

4.5 Human Resources

Which of the global HR policies do you implement locally?

Our global HR policies determine the main framework in the countries. Our mission and strategic annual plans proceed in line with the elements determined by the brand. We realize what our priorities are in the global sense, and at the same time, we can make our own action plan or adapt it to the determined strategy in line with our local needs. Focus areas such as mission, company values, annual strategy plan, employee approaches benefit from global HR policies.

How do you take advantage of global human resources management practices?

We mainly take advantage of restaurant staff applications. We move forward with our own local practices and decisions in office-side processes.

How do you benefit from global implementations such as personnel selection, orientation, training, and development processes in your implementations?

In our restaurant employees, we benefit 100% from global practices in training-development processes and promotion steps (career management process). The training of our restaurant employees in all positions is very critical to ensure the correct operation of the restaurant operation and to ensure its continuity following brand standards. Training processes are carried out with full global implementations and process tracking.

Apart from that, we also have promotions depending on the training development steps. This is, As I mentioned earliest, the process was created on a global basis. Career steps are also supported by the global implementations, except for the follow-up of the process steps.

Processes such as recruitment and performance management are followed by our own internal local practices.

What is the ratio of foreign nationals to total staff in Turkey, if any?

We do not have foreign employees.

Do your employees in Turkey go to the McDonald's headquarters or other McDonald's countries for work? Are there any employees from McDonald's headquarters or from other countries who come to work in Turkey?

We work with DL (Distribution Licensee) structure in Turkey. Therefore, they have a high chance of being evaluated in roles not in the headquarters but in the regional offices to which we are affiliated. Apart from that, as DL, we have the opportunity to rotate to different companies of Anadolu Group. Because, we are under the umbrella of Anadolu Group. Therefore, in this sense, we can provide our employees with different opportunities if there are suitable roles and we support their rotation. Especially many of our employees went to work in roles abroad. Currently, there are still employees working abroad. Currently, we do not have any employees who come to work from abroad.

5. Conclusion

McDonald's Turkey is an example of a company which balances global and local strategies. This paper presents how McDonald's Turkey implements global and local strategies and handles its business functions. According to the findings of the in-depth interviews, it is found out that the company implements both global and local strategies in Turkey for decreasing its costs, increasing its efficiency and aligning its strategies with its headquarter. But it has a more decentralized approach and has a tendency to implement more local strategies. It is because of the effect of its Turkish distribution licensee Anadolu Group. The company can decrease its

costs when it implements global strategies whereas it can increase its market share when it implements local strategies. McDonald's can be considered as a company which thinks globally but acts locally. It balances to implement both global and local strategies whichever is more appropriate to have competitive advantages. On the other hand, global companies, while operating in local markets, have to compete with local competitors as well as other global competitors.

Based on this research, it can be said that it is important and necessary to combine the global strategies which a global company is stronger with the local strategies to compete with local competitors in local markets. This study is expected to make contributions to the field with its findings. According to the literature review, these comprehensive questions were not asked to another global company especially in the fast-food sector before to gather information in Turkey. Thus, this study has a unique approach and findings. The findings of the study highlight the approach of a global company to lead its distribution licensee to make decentralized decisions and implement local strategies when it is required to gain more competitive advantages and market share. Thus, it can be an example to other global companies and their subsidiaries to decide to balance both global and local strategies to succeed in global markets.

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