

May 4, 2010, 6:28 PM GMT.

## Fast Food Craze Hits France

By WSJ Staff

Yum Brands Inc.'s KFC brand is plotting a deeper move into France, hoping that the Colonel's recipe will strike the taste of a broader swath of French consumers. This week, KFC launched its first round of national television advertisements in France as it gets set to open its 100th store there, giving it the scale needed for a broad marketing push. KFC plans to have 300 stores in France by 2015, and sees a possible tenfold increase over time.

French consumers have a reputation for being hard to impress, but over recent years they have embraced some foreign fast-food brands. With an eye toward KFC's odds of success, Javier Espinoza tracks down how other U.S. chains have fared when trying to get into France.

**McDonald's:** the U.S. fast-food chain's entry to the French market in 1979 was seen as an invasion of American culture, and the French have been locked in a love/hate relationship with the company—known simply as McDo (pronounced mac-dough)—ever since. In an effort to woo French diners, it has tailored its menu to local tastes. For example, the company sells beer as well as soft drinks, and it recently introduced a version of the macaroon, a national culinary institution. Last year, it opened a restaurant in the food court of the Carrousel du Louvre, the shopping center under the famous Parisian museum, raising some eyebrows. However, statistics suggest the French have come to love McDonald's—its 1,140 restaurants make it joint market leader with Belgium-based Quick.

**Starbucks:** the Seattle-based coffee chain seems to be going down well with French consumers, as well. The company posted strong quarterly revenue last month, after buying out its previous joint venture operations in the country from Spain's Sigla S.A. Like McDonald's, it has had to adapt to local tastes. For example, it has created outdoor sitting areas where customers can enjoy their cigarettes—an essential element of French coffee culture. Along with Starbucks's standby brownies and muffins, the chain also provides more traditional options like Belgian waffles. As its sixth year in France approaches, Starbucks has said it plans to continue expanding. Martin Coles, the head of international operations, said last year that initial worries that the French wouldn't embrace the American chain proved unfounded. But Starbucks's presence is tiny compared with its standing in other European markets. Since arriving in 2004, the chain has opened about 50 outlets. This compares with about 650 in the U.K. since it entered that market 12 years ago.

**Burger King:** unable to win the burger war against McDonald's in France, the fast-food restaurant withdrew from the country in 1997. It said at the time that its 39 restaurants didn't give it a strong enough presence and that it wasn't sufficiently profitable. Following Burger King's decision to pull out of the market, an internet group has campaigned hard but unsuccessfully to bring the chain back to France.

Jeffrey Young, managing director of London-based retail analysis firm Allegra Strategies, says foreign restaurant and coffee shop chains are likely to expand slowly but surely in France, but that branded concepts are much slower to take off on the continent than in the U.K. and are unlikely to be as profitable.