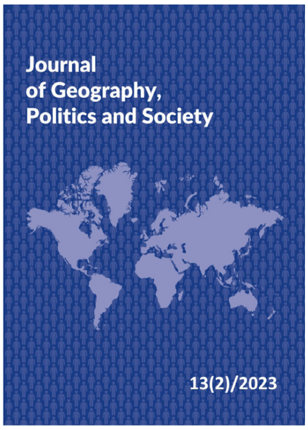

Journal of Geography, Politics and Society
2023, 13(2), 26–37
https://doi.org/10.26881/jpgs.2023.2.03

THE EFFECT OF ECONOMIC DEVELOPMENT LEVEL ON THE SPATIAL DIFFUSION CHARACTERISTICS OF WESTERN FOOD BRANDS

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Citation
Mi H., 2023, The Effect of Economic Development Level on the Spatial Diffusion Characteristics of Western Food Brands, *Journal of Geography, Politics and Society*, 13(2), 26–37.

Abstract
This study uses KFC as a representative brand of Western fast food to reflect the consumption ability of food, and Starbucks as a representative brand of the beverage industry to reflect the consumption ability of beverage, defines an S/K formula, compares the data with the level of regional economic development in order to present a certain correlation, and explores the spatial distribution characteristics of KFC and Starbucks, the influence of cultural institutions and economic influences on spatial selection. The study found that the ratio of the number of Starbucks stores to the number of KFC stores showed a positive relationship with the level of economic development (i.e., GDP and GDP per capita). The study not only empirically complements the current research on the spatial expansion of multinational retail firms but also provides validation for the theory of the spatial expansion of firms. At the same time, the study can provide some reference for site selection for other brands in similar fields entering the market.

Key words
Economic Development Level, Western Food Brands, KFC, Starbucks, China.

Received: 14 April 2023 **Accepted**: 25 May 2023 **Published**: 29 September 2023

1. Introduction

In the late 1990s, the rising wave of globalization became one of the most important features of economic development. As a result of economic globalization, economic activities of countries around the world cross national boundaries, and resources and production factors are rationally allocated globally through trade, division of labor and cooperation, and cross-border investment, which not only promote the global flow of production factors, such as capital, technology, and labor, but also facilitate the development of regional economies (Gammeltoft, 2021). In the globalization of consumption, the expansion of the global retail industry is particularly typical. The rapid expansion of large service companies operating across borders in the emerging regions of East Asia, Eastern Europe, and Central and South America has become a new geographic feature of the economy (Coe, 2005). With the gradual implementation of China's retail opening policy, multinational retail companies rapidly expand their spatial presence across the country and strengthen their local presence in China. In terms of expansion scale and speed, the expansion of multinational food and beverage companies such as KFC, McDonald's, Häagen-Dazs, and Starbucks is particularly typical. The catering industry has never been one of the most competitive markets, and the boom and transnational expansion of the catering industry has made researchers pay increasingly more attention to the geography of catering (Singer, 2012).

Transnational catering is not only an economic phenomenon but also a social and cultural one with spatial and temporal attributes, and a special cultural production process. Unlike the internationalization of manufacturing enterprises, transnational catering enterprises, as carriers of foreign cultures, need to consider not only economic geographic factors, such as production costs, labor quality, and regional tax differences in their internationalization process, i.e., following the general rule of geographic diffusion of economic phenomena in the theory of the spatial expansion of enterprises, but also cultural geographic factors, such as local characteristics of consumers and local responses, i.e., institutional and cultural factors in the role of spatial distribution. Therefore, in the transnational expansion of catering enterprises, the spatial expansion law of enterprises and the diffusion theory of culture are organically integrated and accompanied by one another, which jointly influence the spatial expansion mode of enterprises. The expansion of transnational catering enterprises in mainland China needs to consider both the economic and cultural comparative advantages between cities and the differences in business locations within cities. Thus, different cities' economic, cultural, and commercial factors affect the spatial choices and spatial expansion patterns of multinational restaurant enterprises in mainland China.

2. Brand selection

2.1. KFC

In this paper, KFC is chosen as one of the formula parameters for two reasons.

Reason one is strong core competitiveness and obvious brand first-mover advantage.

Yum! opened the first KFC in Beijing in 1987, and KFC was also the first Western fast-food restaurant chain to enter China. Compared with other Western fast food and casual dining companies, KFC was the first to enter the Chinese market and had a high public awareness. According to the post-95s brand awareness, KFC has the highest level of awareness (Table 1, 2).

Tab. 1. Time of entry of Western fast-food brands into China and number of stores.

Brand	Year of entry into China	Number of stores
KFC	1987	7362
Pizza Hut	1990	2222
McDonald's	1990	4552
Texaco	1994	2516
Burger King	2005	1364
Wallace	2001	14835

Source: companies' official websites.

Tab. 2. Post-95 dining brand awareness ranking.

Ranking	Chinese Name	English Name
1	肯德基	KFC
2	麦当劳	McDonald's
3	必胜客	Pizza Hut
4	海底捞	Haidilao
5	德克士	Dicos
6	星巴克	Starbucks
7	汉堡王	Burger King
8	全聚德	Quan Ju de
9	外婆家	Grandma
10	好利来	Holiland
11	都可	Coco
12	豪客来	Houcaller
13	胡桃里	Hutaoli
14	奈雪の茶	Nayuki
15	小龙坎	Shoo Loong Kan
16	面包新语	BreadTalk
17	喜茶	Hey Tea
18	鲍师傅	Bao's Pastry
19	贡茶	Gong Cha
20	一点点	alittle-tea

Source: VWAPP.

Reason two is highly localized products plus high update frequency.

KFC is the first Western fast-food brand in China to offer Chinese breakfast (e.g., congee and doughnuts), and the Western fast food with the most substantial menu localization as perceived by consumers. In 2019, the company developed over 1,900 new dishes and launched approximately 400 new products. The company has a solid ability to localize Western fast-food menus by relying on its supply chain. First, it sold congee, doughnuts and soy milk for breakfast, and later added Chinese dishes such as Old Beijing chicken rolls and covered rice. A number of innovative dishes fusing Western fast food and Chinese flavors have generated social media buzz, such as Durian Popped Chicken Nuggets, Durian Popped Stuffed Wings and Crawfish Flavored Grilled Chicken Burgers. In 2008, KFC launched the Tender Beef Five Square, which quickly became an Internet sensation and has returned yearly to generate social media buzz. 2019 saw the company go live with a line of marinated chicken products. Compared to McDonald's, KFC is more frequent with new products, has a more localized menu, and can better adapt to the rapidly iterating changes in China's restaurant market. KFC has introduced new products on average monthly in the past three years. McDonald's and Burger King have introduced new products more randomly, with relatively classic menus that cannot be introduced monthly.

2.2 Starbucks

Starbucks has a large share in the coffee and beverage industry internationally and in China. In 1999, David Sun of Taiwan Kuanda Foods obtained the distributorship of Starbucks Coffee in China and established Beijing Mei Da Coffee Co. In January of the following year, the first Starbucks Coffee store was opened in Beijing, and in 2000, the company entered Shanghai, and in 2002, it entered the South China market (according to the CNFI official website). So it is representative with KFC (Table 3, 4).

Tab. 3. Top 10 Chinese coffee chain brands and their market shares.

Ranking	Brand	Market shares
1	Starbucks	51.0%
2	Luckin Coffee	13.6%
3	UBC Coffee	11.2%
4	McCafe	6.7%
5	Costa Coffee	3.9%
6	C Straits Café	2.7%
7	Pacific Coffee	1.5%
8	DIO	0.6%
9	SPR Coffee	0.5%
10	Greenery Cafe	0.4%

Source: Euromonitor.

Tab. 4. Top 10 U.S. coffee chain brands and their market shares

Ranking	Brand	Market shares
1	Starbucks	75.5%
2	Jamba Juice	2.7%
3	Caribou Coffee	1.7%
4	Tropical Smoothie Café	1.6%
5	Smoothie King	1.5%
6	Barnes & Noble	1.4%
7	The Coffee Bean & Tea Leaf	1.2%
8	Peet's Coffee & Tea	1.1%
9	Planet Smoothie	0.3%
10	Surf City Squeeze	0.2%

Source: Euromonitor.

2.3. Other brands

In this paper, ice cream brands such as Häagen-Dazs and Ice Queen are not selected because such companies are seriously affected by climate, especially temperature, and the distribution of stores shows noticeable latitudinal differences.

3. China's Economic Zones

The map below (Fig. 1) is a visualization of the geographical distribution of the four Chinese economic regions and their relative positions.

On the other hand, however, the trade conflict has created new opportunities for TSMC, as the trade sanctions against China have challenged the import/export market between the PRCreas, such as a presence at the World Health Organisation (WHO) (Laskar, 2021).

Fig. 1. China's Economic Zones.
Source: Wikipedia.

3.1. Eastern Coastal Region (Southeast Coastal Region)

The Eastern Coastal Region is a geonomic concept that refers to ten provincial administrative regions located along the eastern coast of China, including seven provinces and three municipalities directly under the central government. Since the late Qing Dynasty, with the development of modern industry in China, this region has become the most economically developed region in mainland China (Bao, 2019). This is still the case today. From north to south, the ten provincial administrations are Hebei Province, Beijing, Tianjin, Shandong Province, Jiangsu Province, Shanghai, Zhejiang Province, Fujian Province, Guangdong Province, and Hainan Province. Hong Kong, Macau, and Taiwan are not part of mainland China and have very different economic environments, so they are generally not counted in the statistics of China's eastern coastal region; the Liaoning Province and the Guangxi Zhuang Autonomous Region are near the sea, but the former is part of northeastern China and the latter is part of western China..

3.2. Central Region

According to the scope outlined in the Central Rising Plan, the regional scope includes Shanxi Province, Henan Province, Anhui Province, Hubei Province, Hunan Province and Jiangxi Province, a total of six provinces located in the inland hinterland. In comparison, the current economic development level of the region is lower than that of the eastern economic zone and higher than that of the western economic zone. The central region is implementing the Central Rising Plan, but the economic development growth rate is still lower than that of the western economic zone.

The central provinces have a long history and, therefore, have had prosperous times. Luoyang and Kaifeng in Henan are well-known ancient capitals. All four major academies of the Song Dynasty were located in the central provinces. Economically, the Jin merchants in Shanxi and the Hui merchants in Anhui are the most famous. However, due to the capital inflow from European and American countries in the late Qing Dynasty, most Jin merchants and Hui merchants declined during the Republican period. Three of the four major towns (Jing de zhen, Zhu xian zhen and Han kou zhen), which were economically prosperous during the Ming Dynasty, are in the central economic zone (Gerritsen, 2009); the four major rice markets of the Qing Dynasty and the Republic of China are all in the central region. Wuhan is the largest industrial and commercial city and the political, cultural and educational center in the Central Economic Zone (Huang, 2014). Since the opening of the port, Wuhan's economic development has been at the leading level in the Central Economic Zone and even in the whole country, and the volume of foreign trade was second only to Shanghai at that time in the Republic of China, with the reputation of «Oriental Chicago». After founding the People's Republic of China, Wuhan's total economic volume was ranked fourth in the country. Still, after the reform and opening up, the eastern coastal cities gradually surpassed its economic development speed and level. Zhengzhou, which became the intersection of the Beijing-Guangzhou Railway and the Longhai Railway in the early 20th century, rapidly developed into a major city in the Central Plains region. The overall economic level of the Central Economic Zone lags behind that of the eastern coastal region and is also lower than the national average.

3.3. Western Region

The western region is relatively economically backwarded, and with the introduction of the Western Development Strategy, the concept of the modern western region has gradually become clear. The Western Development Plan is outlined as well as the scope coordinated by the Western Region Development Leading Group Office of the State Council. The West consists of 12 provinces, municipalities and autonomous regions, including: Chongqing, Sichuan, Yunnan, Guizhou, Shaanxi, Qinghai, Gansu, the Ningxia Hui Autonomous Region, the Xinjiang Uyghur Autonomous Region, the Tibet Autonomous Region, the Guangxi Zhuang Autonomous Region, and the Inner Mongolia Autonomous Region. According to this concept, the 12 provinces and urban areas in the west cover about 6.72 million square kilometers, accounting for 70% of China's land area, and have a population of about 330 million, or about 25% of the country's total population.

The western region generally lags behind the central and eastern regions, but is extremely unevenly developed internally, with a few regions, such as Chongqing and Chengdu, exceeding the economic strength of the central region and closing the gap with the coastal region. However, the Tibet and Qinghai provinces are relatively economically backward. The most economically developed region in the west is the Sichuan Basin, such as Chengdu Shuangliu District and Chongqing Yubei District, which have reached a fully well-off level and are highly economically developed county-level administrative regions.

3.3. Social Factors

For A. Villard et al. (2015), the semiconductor industry will play an increasingly important role for future companies.

As Taiwan's most profitable and high-profile company, TSMC takes social responsibility to strengthen its brand image. For this reason, TSMC has placed a lot of emphasis on employee training and green transition (TSMC, 2020). On human capital, TSMC has invested over 3.4 million dollars in training in 2020 and 3.72 billion dollars (+ 26%) in research and development. On the environmental level, the company has been able to take significant steps ahead of the competition:

- Built the world's first water recovery plant for industrial effluents (Shilov, 2021);
- It was the first semiconductor company in the world to join RE100;
- Achieved 100% renewable energy consumption in TSMC offices in Taiwan and overseas, and net zero emissions for global offices through carbon credits;
- It achieved the 95% waste recycling rate for six consecutive years and only <1% of the waste was sent to landfill for 11 consecutive years.

These policies have ensured that the company has reduced its emissions of air pollutants per unit of product by 46% since 2015, reaching the SDG 2030 earlier than expected and demonstrating how a successful environmental policy can also be conducted by a company with strong social and market responsibility (TSMC, 2020).

3.4. Northeast Region

The Northeast region includes Heilongjiang, Jilin, and Liaoning provinces. Nowadays, the industrial structure of the Northeast region is biased toward the supply of raw materials. The growth rate of Liaoning, Heilongjiang and Jilin provinces are all in the bottom five in China, which are the slowest regions in China's economic development. The Liaoning province has had the lowest growth rate in China for two consecutive years. Among the major cities in the northeast, Shenyang and Dalian fell into negative growth, as did Changchun and Harbin (Naughton, 2002). However, the growth rate is still possible, but there is no significant industrial upturn.

4. Data calculation method

KFC is used as a representative brand of Western fast food to reflect the consumption ability of food. Starbucks is used as a representative brand of the beverage industry to reflect the consumption ability of beverage (Baker et al., 2020). An S/K formula is defined, i.e., the number of Starbucks stores divided by the number of KFC stores, and the data is compared with the regional economic development level to show a specific correlation, which can provide a certain site selection for other brands in similar fields to enter the market.

5. Data processing results

5.1. Data from the four economic regions

Starbucks is relatively more popular or has a stronger presence in the Southeast Coastal Region compared to KFC. While in the Northeast Region and the Central Region, KFC seems to have a relatively stronger presence compared to Starbucks. Similarly to the Central Region, KFC seems to have a relatively higher popularity compared to Starbucks in the Western Region. Overall, based on these average ratios according to Table 5, we can infer that Starbucks shops are relatively more prevalent in the Southeast Coastal Region, while KFC shops seem to have a stronger presence or higher popularity in the Northeast, Central, and Western regions of China.

5.2. Data of provincial capital cities

In Table 6 we can observe regional variations in terms of the number of KFC and Starbucks shops. For example, cities in eastern China, such as Hangzhou, have a higher concentration of Starbucks shops compared to KFC, while cities in central and northern China, such as Xi'an, have a higher concentration of KFC shops. Also we can find the market dominance in some cities, like Chengdu, that have nearly an equal number of Starbucks and KFC shops, indicating strong competition between the two brands. On the other hand, cities like Urumchi and Lhasa only have

Tab. 5. Basic information of each province

Region	Province	KFC	Starbucks	S/K	Average S/K	GDP in H1 2022 (billion yuan)	GDP per capita in H1 2022 (monthly average/yuan)
Southeast Coastal Region	Hebei	974	203	0.208419	0.818472	1982.4	4278
	Shandong	1560	480	0.307692		4171.7	6531
	Hainan	231	94	0.406926		314.5	5207
	Guangdong	3473	2100	0.604665		5951.8	7489
	Fujian	732	471	0.643443		2460.5	8804
	Tianjin*	535	353	0.659813		762.1	8590
	Jiangsu	2700	2163	0.801111		5690.9	10918
	Zhejiang	1863	1992	1.069243		3622.2	9116
	Beijing*	939	1095	1.166134		1935.2	14337
	Shanghai*	996	2308	2.317269		1934.9	13404
Northeast Region	Heilongjiang	381	87	0.228346	0.343703	639.5	3175
	Jilin	284	107	0.376761		569.7	3567
	Liaoning	723	308	0.426003		1317.3	4883
Central Region	Shanxi	400	87	0.2175	0.310336	1156.9	5280
	Hunan	1086	255	0.234807		2293.3	5566
	Jiangxi	410	112	0.273171		1513.3	5402
	Anhui	633	186	0.293839		2176.4	5642
	Henan	627	192	0.30622		3075.7	4799
	Hubei	932	500	0.536481		2450.3	6178
Western Region	Tibet	18	0	0	0.397324	97.3	5490
	Xinjiang	142	1	0.007042		827.9	5118
	Qinghai	75	12	0.16		168.9	4676
	Gansu	219	36	0.164384		523.5	3319
	Inner Mongolia	398	69	0.173367		1046.5	7053
	Ningxia	107	23	0.214953		235.3	5122
	Guangxi	502	185	0.368526		1229.4	3914
	Guizhou	227	98	0.431718		983.0	4167
	Yunnan	325	168	0.516923		1346.4	4596
	Shaanxi	610	336	0.55082		1525.2	6125
	Sichuan	837	635	0.758662		2617.6	5072
	Chongqing*	242	344	1.421488			6639

* Municipalities

Source: own elaboration

KFC shops, suggesting that KFC may have a stronger presence or market dominance in those areas. Another thing is the correlation between economic factors and the number of shops: there seems to be a correlation between the economic strength of a city, as indicated by its GDP, and the number of Starbucks and KFC shops. Generally, cities with higher GDP figures tend to have a larger number of Starbucks and KFC shops, potentially reflecting the brands' preference to expand in economically developed areas.

5.3. Data of planned cities

Table 7 shows two mean points. The first point is the correlation between economic factors and the number of shops. It is worth noting that the number of Starbucks and KFC shops in a city does not necessarily directly correlate with its GDP or GDP per capita. Other factors, such as market demand, consumer preferences, and brand strategies, can influence the presence and popularity of these chains in a particular city. The second point regards regional differences: Shenzhen, Ningbo, Xiamen, Qingdao, and Dalian are coastal cities located in different regions of China. These cities have varying levels of economic development and represent different market dynamics. Their S/K is all above 0.5 which shows that compared with KFC, Starbucks pays more attention to planned cities than provincial capital cities, as follows from Table 6 and Table 7.

Tab. 6. Basic information of each province

City	KFC	Starbucks	S/K	GDP in H1 2022 (billion yuan)	GDP per capita in H1 2022 (monthly average/yuan)
Urumchi	67	0	0	210.4	7592
Lhasa	14	0	0	74.2	7125
Xining	62	12	0.193548	82.8	5533
Shijiazhuang	209	45	0.215311	351.1	5167
Hohhot	104	25	0.240385	166.4	7483
Lanzhou	124	33	0.266129	171.7	6067
Yinchuan	83	23	0.277108	118.9	6567
Taiyuan	174	52	0.298851	252.4	7967
Harbin	227	75	0.330396	231.7	3600
Changsha	482	182	0.377593	671.1	10800
Changchun	182	80	0.439560	307.3	4900
Nanchang	154	71	0.461039	340.9	8608
Jinan	231	108	0.467532	548.1	10208
Hefei	205	105	0.512195	543.0	10100
Nanning	186	97	0.521505	261.2	4733
Shenyang	289	151	0.522491	346.0	6658
Zhengzhou	228	133	0.583333	674.0	8300
Haikou	77	48	0.623377	90.4	5433
Guiyang	121	79	0.652893	224.1	5933
Fuzhou	205	135	0.658537	544.3	11275
Kunming	180	129	0.716667	377.0	7108
Xi'an	383	291	0.759791	536.0	6975
Guangzhou	763	623	0.816514	1343.3	12533
Wuhan	497	419	0.843058	890.4	11275
Nanjing	482	412	0.854772	787.9	14542
Chengdu	503	505	1.003976	996.6	7140
Hangzhou	583	817	1.401372	600.3	12492

Source: government reports and the official website of KFC and Starbucks

Tab. 7. Basic information of each Single-Level Plan Cities

City	KFC	Starbucks	S/K	2022 first-half GDP	2022 first-half GDP per capita (CNY/month)
Chengdu	503	505	1.003976	9966	7140
Suzhou	642	673	1.048287	10962	14792
Beijing	939	1095	1.166134	19352	15333
Ningbo	324	384	1.185185	7260	12825
Hangzhou	583	817	1.401372	9003	12492
Chongqing	242	344	1.421488	13512	10150
Shanghai	996	2308	2.317269	19349	14467

Source: Local government reports and the official websites of KFC and Starbucks

5.4. Cities with S/K>1

As regards cities with S/K>1 in Table 8, one can find the following commonalities between these cities:

Economic strength: cities such as Beijing, Shanghai, and Chengdu have relatively higher GDP and GDP per capita figures, indicating strong economic development and higher levels of prosperity, and also reflecting a higher standard of living and potentially greater disposable income for residents.

Metropolitan centers: several cities in this group, including Beijing, Shanghai, and Chongqing, are major metropolitan centers and important economic hubs in China. These cities attract a large population and offer diverse business opportunities, which could contribute to the higher concentration of Starbucks shops. Tourist attractions and international influence: cities like Hangzhou, Suzhou, and Beijing are known for their cultural heritage, historical sites, and tourism appeal. They also attract international visitors, and the presence of Starbucks shops might be influenced by the demand from both local residents and tourists accustomed to the global brand of Starbucks.

6. Data analysis

6.1. Patterns of data presentation

The relationship between curves GDP, GDP per capita and S/K is roughly directly proportional, suggesting that as the values of one curve increase or decrease, the other values of curves exhibit a similar trend. However, the data for some cities do not exactly match the pattern, and these exceptions and the reasons for their formation will be explained in detail in the next section.

Tab. 8. Basic information on the cities with S/K>1

City	KFC	Starbucks	S/K	2022 first-half GDP	2022 first-half GDP per capita (CNY/month)
Chengdu	503	505	1.003976	9966	7140
Suzhou	642	673	1.048287	10962	14792
Beijing	939	1095	1.166134	19352	15333
Ningbo	324	384	1.185185	7260	12825
Hangzhou	583	817	1.401372	9003	12492
Chongqing	242	344	1.421488	13512	10150
Shanghai	996	2308	2.317269	19349	14467
Taiyuan	174	52	0.298851	252.4	7967

Source: Local government reports and the official website of KFC and Starbucks

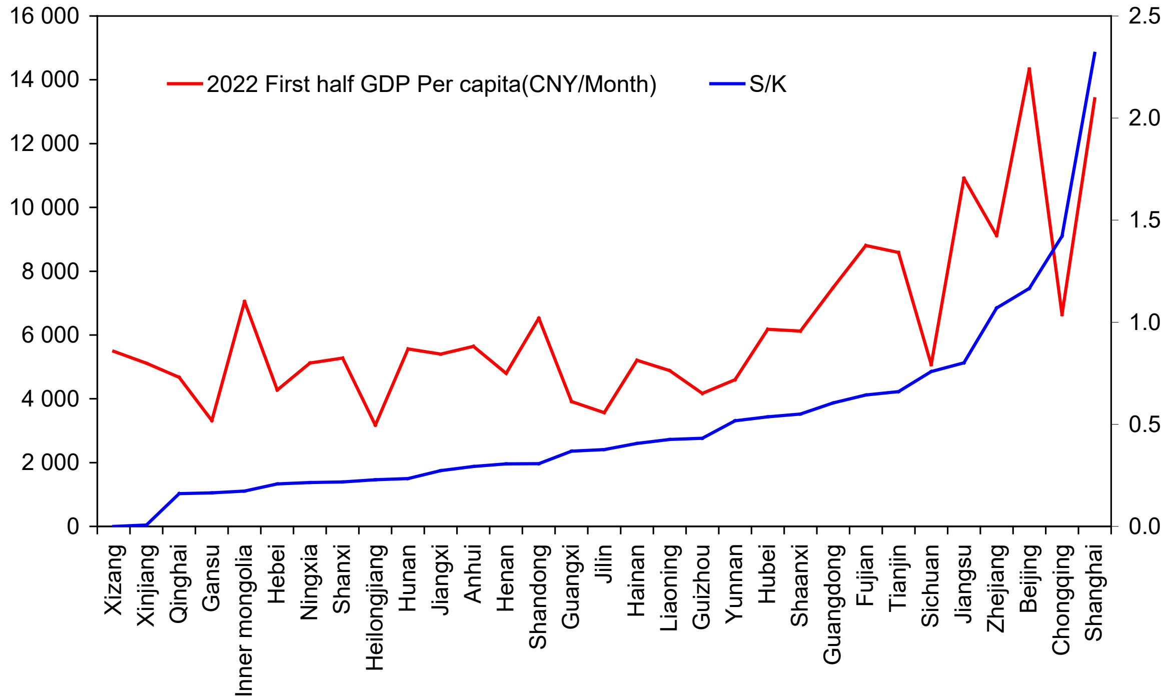

Fig. 2. Relationship between GDP per capita and the S/K ratio in different provinces.
Source: Local government reports.

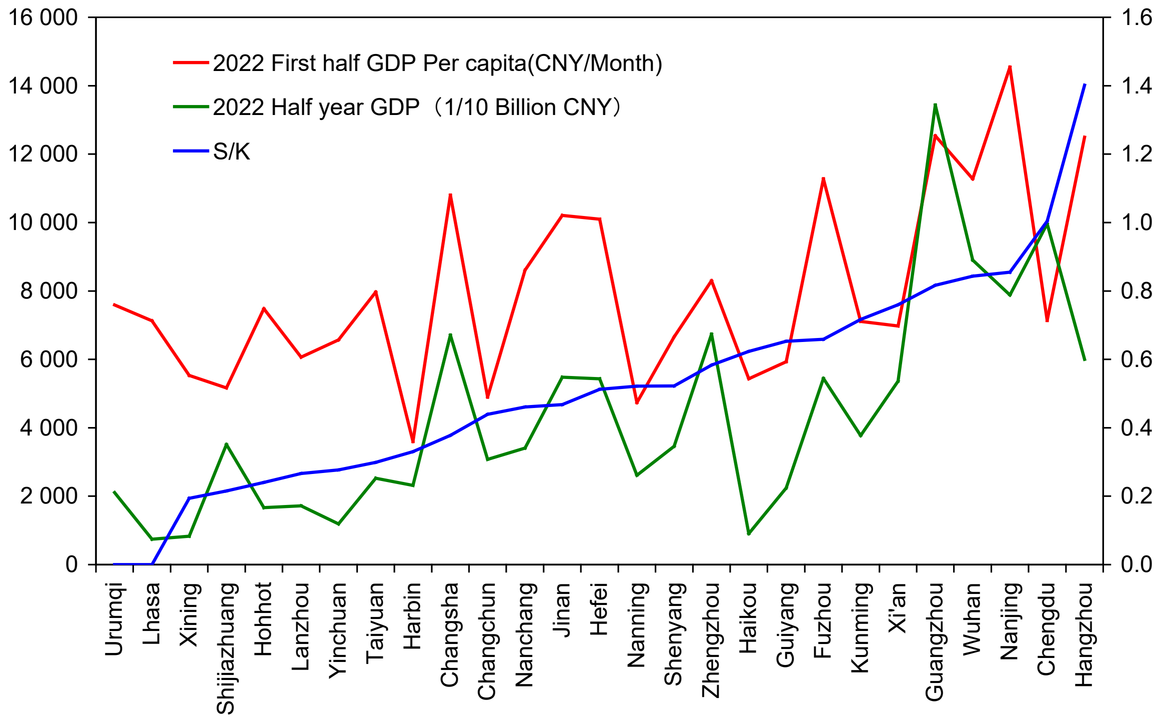

Fig. 3. Relationship between GDP, GDP per capita and the S/K ratio in the provincial capitals.
Source: Local government reports.

6.2. Patterns of data presentation

I. Shanghai

Shanghai is the largest market in China and the most prosperous commercial center in the country. Shanghai accounts for 11% of the country's total industrial output and 17% of the country's foreign exports (Liu et al., 2012). It is one of the municipalities directly under the Central Government, with a long history of relations with the West. Because of its proximity to the sea and the fact that it is an excellent port, Shanghai has easy access to an adequate supply of quality raw materials. Therefore, Shanghai has the highest S/K value among all cities and is the only city with a ratio greater than 2, with a large gap to the city in the second place.

II. Guangzhou

Guangzhou has been granted more autonomy in approving foreign investment projects, reducing taxes and encouraging technology development (Xu, Yeh, 2005). It is frequented by Western businessmen and is also a good place for tourists to take day trips out of Hong Kong.

III. Beijing

Strengths: Beijing is the political and cultural center of China. It has a large foreign population and a potential customer base. Beijing is also the center of education in China and is a gathering place for higher education (Lee, 2011). All these factors cause a large influx of population and intellectual enlightenment of the people, which is extremely important for the RMB sales part of KFC. Beijing is also a tourist mecca and will have a stable foreign exchange income. If a company starts from Beijing, it will undoubtedly attract more people's attention and self-evidently show the approval attitude of the people in power. This would facilitate further development in other cities in the future.

Weaknesses: Choosing Beijing may be riskier than choosing several other cities. A successful, high-profile sale would increase the likelihood of government intervention (Miller, 2010).

IV. Xinjiang Uyghur Autonomous Region (Urumqi being the capital city)

There are two reasons for the S/K value of 0 for this autonomous region and capital city. The first one is the market size. Xinjiang's population is small and continues to be lost, and no prosperous CBD exists. There is still a gap between most people's willingness and ability to consume compared with other regions. In addition, the market is too small to attract Starbucks to move in and open stores (Miao, 2011).

The second reason is cost. If a merchant decides to open a store in Xi'an, the warehouse logistics and management team is likely to be able to cover the surrounding big cities, such as Lanzhou and Yinchuan. If a store is opened in Xinjiang, the warehouse logistics and management team will have to be rebuilt, which is a considerable cost, and this will undoubtedly push up the cost of opening a store.

V. Tibet Autonomous Region (the capital being Lhasa city)

The autonomous region and the capital S/K value is 0 for the same reason. The Tibet Autonomous Region is located on the Qinghai-Tibet Plateau, with an average altitude of 3,650 meters, and a treacherous and high terrain influenced by natural geography. Even though many travelers visit Tibet, the more serious plateau reactions, such as lack of oxygen, make it impossible for tourists to sit down and enjoy a cup of coffee from Starbucks.

VI. Changsha

There are many local coffee brands, including some excellent stores, such as Blackstone. The price/performance ratio is higher than Starbucks, and some stores have baristas who are hand-brewed coffee champions. Therefore, it has a restraining effect on Starbucks, resulting in a lower S/K value than in cities with the same economic development.

VII. Fuzhou

In 2012, Fuzhou's GDP was only 421.829 billion yuan, while in 2021, Fuzhou's GDP reached 1132.48 billion yuan, a staggering 268.5% increase in 10 years, far exceeding the national average growth rate of 212.3%, while Starbucks stores are lagging behind in expansion, resulting in a lower S/K value than cities with the same level of economic development.

VIII. Haikou

As the capital of the Hainan Province, Haikou's economy is mainly supported by tourism in the tertiary sector, which leads to a high S/K ratio, but its GDP figures are lower than those of other cities with the same S/K ratio due to the lack of industry and the fact that agriculture is mainly based on fruit (Bian, 2020).

7. Summary

In this paper, KFC stores and Starbucks stores in China were selected as research objects, and the influence of the level of economic development on the spatial diffusion characteristics of Western food brands was explored using spatial analysis and other methods. The main conclusions are as follows: S/K shows a positive proportional relationship with economic development (GDP and GDP per capita), which is related to the two companies' strategic layout and development patterns. Starbucks exhibits uneven cohesive spatial distribution characteristics in mainland China. Its expansion path mainly gradually extends from the coastal economically developed areas as the critical layout area to the inland provinces, showing a high response to implementing foreign policies in the retail industry. The economic policy of opening up to the outside world significantly affects Starbucks' spatial diffusion (Harrison et al., 2005). Therefore, Starbucks stores in the southeast coastal region are relatively more frequent than in other areas. On the other hand, KFC has spread radially by comparing the possibility of risk reduction with the potential benefits that could be obtained through investment, and after balancing the possible risks and benefits, decided to expand little by little to the surrounding area, starting with the first store in Beijing, with a relatively even distribution of stores (Verbeke, 2013). Today, there are only a few cities in China without KFC stores. In addition, Starbucks has a more uneven distribution of consumers than KFC, which is an essential reason for the difference in S/K values.

The contributions of this paper are as follows: first, there are more studies on the current development status, business strategies, spatial distribution characteristics and location choices of multinational retail enterprises, but there are few empirical analyses on the spatial distribution differences of certain two cases of enterprises. This paper is not only an empirical supplement to the current research on the spatial expansion of multinational retail enterprises but also a practical verification of the theory of enterprise spatial expansion. Food service companies are important carriers of culture, and Starbucks' geographic expansion is a process of cultural diffusion and convergence. Using two case fusions to understand the cultural and geographical distribution and corporate spatial expansion is also significant. However, the spatial expansion of multinational retail firms is an enduring topic, and quantitative research on global food and beverage firms has only just begun, leaving room for further refinement. Future research can collect more data on relevant attributes of the enterprises, such as storage area and revenue, to better analyze the pattern of their spatial distribution. Secondly, the socio-cultural geographic factors discussed in this paper are not comprehensive and need further theoretical exploration and practical verification. Again, the four dimensions of economic, spatial, information and humanities, such as the influence of regional market demand, purchasing power, land price, retail market size, traffic accessibility, the prosperity of trade activities, communication facilities and openness of the region on the distribution of the two companies' stores is not clear. In addition, the study only explored the spatial expansion pattern of a single multinational retail and food brand, Starbucks. It did not consider the impact of the competitive relationship between other international retail and food brands on their spatial pattern and expansion in the study area. Therefore, future studies may also consider the competitive role of other large multinational retail food brands in the same region.

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