

6 Great business rivalries: McDonald's vs. Burger King

McDonald's is the largest hamburger fast food chain in the world. Its turnover in 2015 was a huge 25 billion US dollars. It currently has its headquarters in Oak Brook, Illinois. Founded in 1940 by brothers Richard and Maurice McDonald, the restaurant started life as a BBQ drive-in in San Bernardino, California. In 1948, it was reopened as a self-service drive-in. At this time, a hamburger cost 15 cents. In 1954, a salesman named Ray Kroc visited McDonald's. He was fascinated by the company, and in 1955 he bought the chain from the brothers. This was the beginning of the McDonald's Corporation. Its menu is based around hamburgers, chicken products and french fries, but it was expanded to include salads, fish and smoothies, reflecting changing customer tastes. In 2015, over 420,000 staff served over 60 million customers a day. McDonald's now has restaurants in 119 countries and in September 2016 had 36,615 outlets worldwide.

Burger King, the world's second largest hamburger fast food chain, has its headquarters in Miami, Florida. Its turnover in 2015 was 4.05 billion US dollars. The first restaurant opened in 1953 in Jacksonville, Florida, and was named Insta-Burger King. In 1954, two franchisees named David Edgerton and James McLamore bought the company which was in financial trouble, and renamed it Burger King. In 2012, when the company was in trouble again, a Brazilian investment firm named 3G Capital bought a large share of it for 3.26 billion US dollars. Burger King's menu has expanded from just burgers and fries. The Whopper is its signature product, but many of its other products have not done so well in the US market. Overseas these have been more successful, and Burger King also now creates menus for regional tastes. In 2015 it had 34,248 employees, serving food to over 11 million customers a day. As of September 2016, Burger King had 15,243 outlets in 100 countries.

6 Great business rivalries: McDonald's vs. Burger King

McDonald's vs. Burger King - The 'burger wars': The two dominant players in the hamburger restaurant industry, McDonald's and Burger King, have been rivals for over six decades.

There are only so many things you can do with a burger, so copying your competitors ideas is nothing new. For example, McDonald's created the Big Mac in 1968 to challenge Burger King's Whopper. The Whopper was launched because Burger King knew it couldn't compete with McDonald's 15 cent hamburger, and decided to sell bigger burgers for 37 cents.

The 'burger wars' began in the 1970s, when Burger King criticised the size of McDonald's hamburgers in an advertising campaign. Other chains such as Wendy's in the US, also became involved in the advertising war, and both Burger King's and Wendy's profits were affected as a result. In contrast, McDonald's profits and market share grew.

One campaign in 1982 made a lot of headlines. Burger King declared that customers preferred the Whopper to burgers from McDonald's and Wendy's. Both restaurants sued for false and misleading advertising.

In 1997, another Burger King campaign caused controversy when they said that their fries had "a taste that beats McDonald's." Of course, McDonald's hit back with their own campaign.

When Burger King suffered because of several management changes, McDonald's gained a lot of ground on their competitor.

The 'burger wars' made a comeback because of tough economic times. Consumers were looking for value and the major fast food chains had to compete harder for every dollar. In 2014 McDonald's business declined sharply and Burger King's improved. This was helped by their new burger, the Big King, which looked almost identical to McDonald's Big Mac. In 2015, Burger King challenged McDonald's, via a newspaper ad, to create a burger with them for the International Day of Peace. It was going to be called 'The McWhopper'. The plan was to have a restaurant in Atlanta where employees from both companies would work. But McDonald's rejected the idea, saying that their 'friendly business competition' should not be used in this way. The reaction from the public to McDonald's comments was far from positive.