The History of McDonalds



The Beginnings

In 1940, Richard and Maurice (known as Dick and Mac) McDonald, opened a small drive-in restaurant in San Bernardino, California. The menu consisted of 25 barbecue items, and operated as a traditional American 'carhop' service, so waitresses would take food to people in their cars. The uniform was actually recycled from when the brothers ran The Beacon. They were fairly successful (even through the war years), with two groups of people: teenagers, and families. The brothers didn't like the rowdiness of the younger crowd, and planned to open a non-drive-in restaurant, to focus on serving families. They closed their business in 1948 for a brief hiatus, in order to reassess their futures. They believed a restaurant that was super efficient and streamlined for profit was important, and had the idea of differentiating themselves with speed. They were inspired by the Levitt family, who applied Ford's Model T-like assembly-line logic to building homes on New York's Long Island, and had the goal of using the same approach in their restaurant. They described this as wanting to achieve "Levittown on a bun".

In designing their first proper restaurant, Richard and Maurice made several changes. They analysed their sales to identify their current best sellers, and reduced their menu to nine items (burgers, they noticed, accounted for 80% of sales): burgers, cheeseburgers, three soft drink flavours, milk, coffee, potato chips, and pie. They decided to stop serving (labour-intensive) barbecue items, and brainstormed how they could increase efficiency. Richard posed as a freelance writer and went to a factory producing peppermint patties in Los Angeles, as he had noticed how the patties were all the exact same size. Inspired by the dispenser he saw, he enlisted a mechanically-minded friend to create a condiment dispenser to produce precise dollops of ketchup and mustard. Similarly, they decided to use a mechanised press to form their beef into patties, and to keep up with milkshake demand, they purchased eight Multimixers blenders. Their new business model included the policy of 'no substitutions', too.

Moreover, Richard and Maurice designed an assembly line for food preparation and delivery, in order to dispatch an entire meal for a customer in what they estimated could be just 20 seconds. They also planned for customers to be able to see the efficient kitchen, and so they gave their staff white uniforms and conservative paper hots, to give the impression of cleanliness and precision. Controversially (nowadays), they believed that women were a distraction, so they also decided to only employ male staff. Burgers were also pre-cooked and kept warm.

When business began, the restaurant did at first struggle, because carhops were still very popular. People liked not having to get out of their cars. However, the increased efficiency and speed, as well as the money saved from not having to employ waitresses and waiters (there was also no interior dining space), meant the brothers could sell their food at much lower prices than competition. After about four months, sales began to pick up, and increased exponentially (this was also due to a menu change—fries replaced chips, and the milkshakes were made 'triple thick'). Their profits soared and the brothers became very well off. They did not become particularly well known for their quality, although people did take particular interest in their fries, which were considered almost unique. Mac had perfected a recipe, which involved drying Idaho russets in the desert air to break down the sugar content, and blanching them carefully. In 1952, after a piece was run in the trade journal American Restaurant about their operation, the brothers decided to franchise. For a fee, aspiring restaurant-owners would get the name, a manual, some training, and an architectural design for t heir restaurant. At this point, Dick decided the arches were an important addition to the restaurant structure—a symbol to differentiate them from the copycats. Though some

architects thought the idea ridiculous, the brothers found someone (Stanley Meston) who would create the building to such a

design.

This was when Ray Kroc entered the picture.







Ray Kroc, and Expansion

The brothers had already established a small number (the number is unknown, but is usually estimated to be between 6 and 20) of franchises in California and Arizona (the first was opened in Pheonix in 1953) when Ray Kroc, a milkshake mixer salesman, visited them in 1954. Kroc became interested because he was amazed that one McDonalds alone needed eight of his Multimixers, just for one restaurant. He saw the potential in the business, and bought the rights to franchise the restaurants across the country (despite the brothers being hesitant about their success in states so far away), as a franchising agent. In 1955, he opened his first McDonalds in Illinois, in 1955. The relationship between Kroc and the McDonald brothers quickly grew very contentious as the aggressive salesman and the conservative Yankees had different philosophies about how to run their business. Kroc chafed at the requirement that he receive a registered letter from the McDonalds to make any changes to the retail concept—something the brothers were reluctant to grant.

Regardless, franchising was a huge success. By 1960, Kroc had franchised 228 McDonald's that were pulling in \$56 million annually.

Ray Kroc Takes Over

Ray Kroc made McDonalds into a huge success. One of the reasons behind this was his real estate subsidiary from 1956, Franchise Realty Corporation. This was an idea suggested by Harry J Sonneborn, a former VP of Finance for Tastee-Freez, whom he met earlier in the year (Kroc then hired Sonneborn and his plan was executed through forming the FRC - the new company signed leases and took out mortgages for both lands and buildings and then passed these costs on to the franchisee with a 20-40% markup and a reduced initial deposit of \$950. The "Sonneborn model" of real estate ownership within the franchise persists to this day, possibly being the most important financial decision in the company's history). FRC facilitated nearly 600 locations; McDonalds number 594 opened in Manchester, New Hampshire, in 1964! Kroc also made changes to the business model—he sold only single-store franchises instead of selling larger, territorial franchises which was common in the industry at the time (he recognised that the sale of exclusive licenses for large markets was the quickest way for a franchisor to make money, but he also saw in the practice a loss in the franchisor's ability to exert control over the course and direction of a chain's development). Control was key for Kroc, because he believed uniformity in service and quality would be necessary for success and for building an empire, and so he wanted more control over his franchisees. His other policies included establishing locations only in suburban areas, the menus being strictly fixed and standardised with no deviation from specifications, and wellenforced hygiene and grooming regulations for staff. During the 1960s the new wave of fast food chains copying McDonalds made Kroc frustrated with the McDonalds' brothers desire to have a small number of restaurants, which was what prompted him to buy them out.

How did the McDonald brothers get to open their first eatery?

Maurice was born in 1919 in Manchester, New Hampshire, and his brother Richard followed seven years later. They were hard workers, and, influenced by their father, who lost his job after 42 years of employment at a shoe factory, felt determined to earn fortune, and perhaps fame, and have a secure future. Believing the film industry to be lucrative, they originally went to work at Columbia Movie Studios due to their uncle's connections, but were unable to work 'up the ranks' of the profession, and in 1930 they managed to save up enough money to buy a theatre 20 miles east of Los Angeles. They installed a snack bar inside and named it The Beacon. The Depression meant the business struggled, though the brothers noticed that the food stands outside their theatre continued to sell during this period. This was partly behind their decision to, after seven years in business, sell their theatre, and move to the food industry.

In a town nearby, Monrovia, they set up an open air food stand using borrowed lumber and fallen fruit (in a deal with Sunkist). They sold fresh orange drinks and hot dogs to people who visited the area, and were successful enough to open more stands. They believed the future was in appealing to drivers (following the depression, more and more people were purchasing cars), and so they moved to San Bernadino, a long established trading area, and managed to, despite facing many rejections, secure a loan, despite their only collateral being their juice stand. They used their loan to set up "McDonalds Barbecue".







In 1961, Kroc purchased the company from the McDonald brothers for \$2.7 million. While the name of the chain may have been McDonald's, the face of the restaurants quickly became Kroc's. Plaques with his likeness were mounted on the walls of many franchises with a description of how "his vision, persistence and leadership have guided McDonald's from one location in Des Plaines, Illinois to the world's community restaurant". Kroc made several changes to the business and company image. He changed the original mascot, a chef called Speedee, which had been in use since 1948, to the golden arches (from 1962—though they were redesigned into the double 'M' shape we know today), and then eventually had Ronald McDonald designed (in use from 1967). He also standardised operations further, setting stricter rules on food preparation, portion sizes, cooking methods, and packaging, and even customer service standards, with mandates like money being refunded to customers who waited more than five minutes for food. He rejected many cost-cutting measures like using soybean filler in the hamburger patties.

The brothers kept their original restaurant, which they renamed 'Big M', changing the golden arches slightly to form a giant letter 'M'. Kroc would later open a McDonalds nearby, driving the brothers out of business within six years. The original restaurant was torn down in the 1970s, and replaced by a nondescript building that housed the San Bernardino Civic Light Opera. In 1998 it became the headquarters of a regional fast-food chain, Juan Pollo Chicken, which operates a small unofficial museum with McDonald's artifacts inside. Note that there once was a 'McDonalds Store No.1 Museum' in place of the former restaurant in Illinois—this was actually demolished in 1984, but McDonalds realised they had a history to preserve, so built a replica. Due to repeated flooding it was torn down, and now the land is a grassy park area. A new, modern McDonald's was built across the street and to the south, replacing a Howard Johnson's restaurant (then Ground Round). At this McDonald's there are a half dozen glass-enclosed exhibits arrayed around the tables, including red and white tiles from the original restaurant and string ties worn by employees from the 1950s to the early 1970s. The Big Mac Museum Restaurant, another McDonald's museum, opened on August 23, 2007, in Irwin, Pennsylvania, on Route 30 Lincoln Hwy.

What happened to the brothers?

Maurice and Dick were largely overlooked by the company and therefore the public. When the chain had it's annual 'Founder's Day' celebration, only Kroc was honoured. However, after Kroc's passing in 1984, McDonald's corporate decided to give the brothers recognition, and from 1991, began celebrating Maurice and Dick's role in the business, on the Founder's Day celebration. On November 30, 1984, Richard McDonald, the first cook behind the grill of a McDonald's, was served the ceremonial 50 billionth McDonald's hamburger by Ed Rensi, then-president of McDonald's USA, at the Grand Hyatt hotel in New York City.

In terms of their personal lives, Maurice passed away in 1971 from heart failure, and Dick attributes some of what wore Maurice down to the relationship difficulties with Kroc. Dick did however come to accept how things worked out. He spent the remainder of his years in a modest home in New Hampshire, with an estate worth 1.8 million at the time of his death in 1998 (also due to heart failure). Both married, and did become fathers to step children, but had no biological children of their own.

Who was Ray Kroc before McDonalds?

Ray Kroc was born in 1902 in Illinois, and spent his early life here. He worked as an ambulance driver in the first world war, alongside Walt Disney (the war ended shortly after he enlisted, however), before, during the Great Depression, working a variety of jobs, from selling paper cups, to being a real estate agent, and also playing the piano in bands occasionally. He was a very hard worker, and worked to provide for his wife, Ethel Fleming (married in 1922).

After the second World War, Kroc worked as a milkshake mixer salesman for the manufacturer Prince Castle. It was the plummeting of mixer sales, due to lower priced 'Hamilton Beach' products, that led Kroc to become interested in other opportunities.







What about Kroc's personal life outside of McDonalds?

Kroc's marriage to Ethel ended in 1961, when he hoped that by divorcing his current wife his lover Joan Kroc would marry him. They had met in 1957 while Kroc was playing organ at a restaurant in Minnesota (Joan was also a piano player). He was stunned by her 'blonde beauty'. However, Joan did not divorce her own husband, and so later on, in 1963, Kroc married June Dobbins Green.

It was in 1969 that Ray met Joan again, at a McDonalds conference. He invited her to an after party and at the end of the night, they decided to pursue things together. Within six month, they had both divorced their spouses (amicably) and married eachother. They were a very passionate couple, and many rumours surround their marriage and how tumultuous it was.

Joan Kroc also began the Kroc Foundation in 1969, after marrying Ray. The foundation supported research, treatment and education about various medical conditions, such as alcoholism, diabetes, arthritis and multiple sclerosis. It is best known for establishing the Ronald McDonald House, a nonprofit organization that provides free housing for parents close to medical facilities where their children are receiving treatment.

Kroc retired from running McDonalds in 1974. He became interested in baseball, and purchased the team San Diego Padres. He handed over operations of the team to his son in law in 1979, stating 'there's more future in hamburgers than baseball'.

In 1980, following a stroke, Kroc entered an alcohol rehabilitation facility. He died four years later of heart failure. His wife, Joan Kroc, furthered her philanthropic efforts, and donated to many different causes, including the promotion of peace and nuclear non-proliferation. When she died in 2003, her remaining \$2.7 billion estate was distributed among a number of nonprofit organizations, including \$1.5 billion donation to The Salvation Army to build 26 Kroc Centers and a \$200 million donation to National Public Radio.

McDonalds in the UK?

The first McDonalds in the UK was established in Woolrich, a London suburb. The company had previously had limited success in European markets, having lost 1million in 1972. Britain was one of the last major European countries to gain an outlet, because beef and property prices were both very expensive. However, the Wimpy chain, with 625 outlets, had already popularised the hamburger in Britain, so McDonalds believed it would be a success. They decided to test the busy high street of Woolwich, as it was considered to represent 'average Britain' (and was relatively affordable compared to their original West End location of choice, where they had planned to target American tourists). Their start was modest, but a Big Mac cost 45p, equivalent to a Wimpy hamburger, which contained soybean as a filler (unlike McDonald's pure beef product), and slowly they became more popular. Notably while the beef and buns were British, the company struggled to convince British suppliers to meet it's exact product specifications, so onions were imported from California, paperware and cheese from Germany, milkshake mix from the Netherlands, apple pies from Oklahoma, and so on. Many of the fittings and machinery were also from the US. Also interestingly—while McDonalds would not adapt most of their menu, they did sell tea, and by 1974, had reduced the sugar content of the bread buns, to suit British tastes.

The reason the start had been so slow was not just due to competition, but also due to beef burgers having a reputation for low quality. As their customers grew, they opened more outlets, and the first McDonalds cinema advertisement appeared in 1975 (on local television a year later). In 1976 they opened outlets in the West End, and by 1978 they had 17 outlets! The turnaround for the company is believed to have been when they began marketing towards children. In 1984, McDonalds UK finally entered profitability. In 1986 they began franchising restaurants within the UK. There are now around 1300 McDonalds outlets in the UK.











More From The Timeline:

60s: The Filet o Fish is introduced (this was due to the Catholic tradition of not eating meat on Fridays - Kroc also tested out a pineapple ring burger, which was even trialled against the Filet o Fish, but was defeated dramatically) in 1962. The dessert menu (limited to milkshakes and ice cream) is expanded with Apple Pie in 1968. In 1967 they also open their first international franchise (British Columbia, and then also Costa Rica, that same year).

70s: McDonalds expands internationally. The first McDonalds in Europe opens in the Netherlands in 1971, and then later in the year the first McDonalds opens in the Southern Hemisphere, in Australia. In 1973 a breakfast menu is brought out, with the Egg McMuffin. In 1974 the first McDonalds opens in the UK. The first in Asia is in Hong Kong, in 1975. Also in 1975, they establish their first drive through. To appeal to more kids, The Happy Meal is introduced in 1979. The idea came from a franchisee, and caught the attention of executives. The first happy meal had a circus theme, included a burger, fries, cookie, and soft drink, and came with toy options such as a McDoodler stencil, or a McWrist wallet. In 1979 McDonalds also have their first major film partnership, with Star Trek.

80s: Chicken nuggets are added to the menu in 1980, though they do not become available everywhere due to difficulties in supply until 1983. They are part of McDonalds effort to expand their menu to non-red meat items, as the government have begun to promote eating less red meat. To achieve their goal they hired a classically trained French chef, who would go on to create more products for the company (Rene Arend, though the idea was conceived by Herb Lotman, a food industry supplier, who worked with McDonalds). Continuing to try to appeal to kids, the first 'Play Place' is opened. Also in the 80s—they begin selling salads.

And so on: The first McDonalds Express locations open in 1991 (smaller scale shops, without certain menu items, often in prefabricated buildings). They also finally reach a sixth continent by opening in Morocco, just a year later. The Extra Value Meal is introduced from 1993, originally as part of a Jurassic Park themed tie-in. They also open their first McCafe, a coffee style McDonalds restaurant, in Australia. The McFlurry is invented in 1997. The I'm Lovin It campaign is launched in 2003, and in 2006, McDonalds makes public it's nutritional information. McDonalds begin to take more of an interest in appearing as healthy, including adding wraps, more salads, and oatmeal, to many of their menus.

McDonald's makes a deal with the Marine Stewardship Council to certify the fish used for the Filet-O-Fish sold in Europe, in 2011. In 2012, they also begin posting calorie counts on menus. In 2014 they trial but decide again custom made burgers (launched in Sydney, Australia). They also ban plastic drinking straws in UK and Ireland restaurants, five years later. The McHive (a small replica of a McDonalds restaurant functioning as a beehive) is created in McDonalds, Sweden, in 2019. In the same year they acquired the artificial intelligence company Apprente. This acquisition is generally seen as a signal that McDonald's intends to further emphasize a low-employee, high-technology and self-service business model to cut down on costs.

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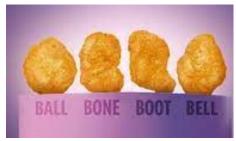
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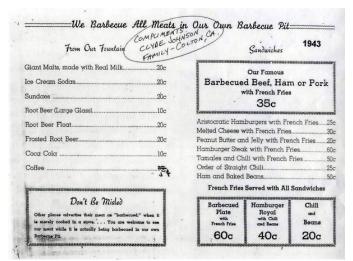








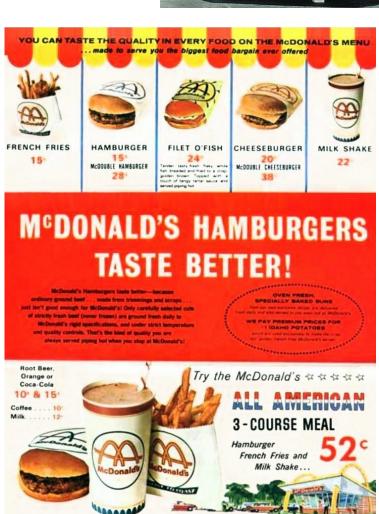
McDonalds Changing Menus and Looks (in photos!):



Above: the original barbecue menu.

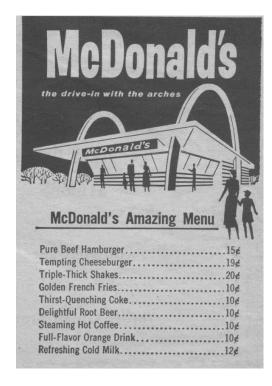
Right: the menu used in their original non-carhop store, and a photograph of this original store.



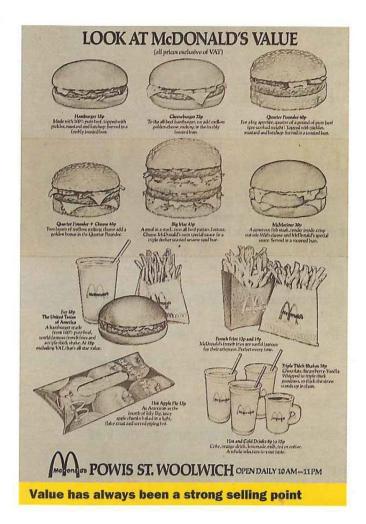


Right: menu and store from the 50s. Above: menu from the 60s.













Left: menu and photograph from the first McDonalds store in the UK (a 70s menu).

Below: a menu from the 80s at a drive-in, and a photo of a McDonalds 80s/90s play area.

Below left: a menu from the 80s.

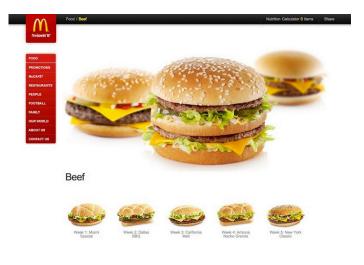






Below: modern McDonalds website.





Some of the Most Interesting International Food Items!



Sausage and Egg Twisty Pasta—Hong Kong



Patongko (a Chinese sponge cake) and Condensed Milk Dip-Thailand



Poutine (fries covered in melted cheese and gravy) - Canada

BALDOZA



Maple BBQ and Bacon Quarter Pounder— Canada



Omelette Wrap—Australia



McFalafel—Egypt



McRib (a barbecue drenched pork patty) -



Ube McDip—Philippines



Chicken McDo with McSpaghetti—Philippines



Pao de Quejo (a starchy cheese bread) - Brazil



Gracoro Burger (a patty of macaroni, shrimp, and white sauce, in a breadcrumb crust) - Japan



Ebi Fillet-O-Shrimp Burger (panko crusted shrimp, tempura sauce) - Japan



Panzerotti (tomato cheese pastries) - Italy



McVegan - Finland and Sweden







McChicken Mozzarella-Korea



Bircher Muesli, Crispy Shrimp, and a Triple Cheeseburger—Germany





Pizza McPuff, Dosa Masala Burger, and the Veg Maharaja Mac (corn and cheese patty) - India