

**BTS NRC
MUC – NRC - TC**

McDonald's Targets Starbucks

The fast-food company expects to add \$1 billion in sales by offering specialty coffee drinks in all its U.S. restaurants.

10 January 2008

This is the VOA Special English Economics Report written by Mario Ritter

McDonald's, the fast-food company, is heating up competition with the Starbucks Coffee Company. McDonald's plans to put coffee bars in its restaurants in the United States.

McDonald's has enjoyed several years of strong growth. The company had almost twenty-two billion dollars in sales in two thousand six.

Still, the move to compete against Starbucks carries some risk. Some experts say it could slow down service at McDonald's restaurants. And some people who are happy with McDonald's the way it is now may not like the changes.

Starbucks, on the other hand, has faced slower growth and increasing competition.

Starbucks has about ten thousand stores in the United States. Its high-priced coffee drinks have names like Iced Peppermint White Chocolate Mocha and Double Chocolate Chip Frappuccino.

But a year ago he warned that its fast growth had led to what he called the watering down of the Starbucks experience. Some neighborhoods have a Starbucks on every block or two. Now, Starbucks will speed up its international growth while slowing its expansion in the United States.

Millions of people have a taste for Starbucks. But testers from Consumer Reports thought McDonald's coffee tasted better than Starbucks, and it cost less.