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Big Boys and Little Joys: Regional Business Survival in Today's Economic Climate

Little more than a cursory drive through any area, be it a Spartan road, cosmopolitan city or Anytown USA will likely give one the impression there are only two types of restaurants to be found. The first are massive chains spanning states and often countries. Certain of these franchises have become so ubiquitous they are now something of a municipal measure. Burger King, KFC, Wendy's, and of course when was the last time you noticed any town of one thousand or more that didn't sport a local McDonald's?

At the other end of the spectrum are what we often colloquially and sometimes lovingly refer to as Mom and Pops. Tiny street corner or roadside establishments with local favor and flavor in spades. Through good taste, loyalty, word of mouth and sometimes even novelty these one off havens can manage to carve out their own niche. A lucky few might even evolve into something of a local institution standing tall against their deep pocketed corporate brethren. But where then is the in between? How is it possible that a singular establishment may thrive for perhaps dozens of years yet never grow beyond its humble origins, while unabashedly generic McDonald's replicates itself roughly every eight hours (1)? Is there no room to grow unless you're already the nine hundred pound gorilla? And if this is true, how is it that a tiny establishment is able to not merely stay afloat, but cultivate a lasting adoration in the local psyche and sometimes beyond?

Perhaps all of the above speculation is merely the product of observational blindness. It is certainly possible there is in fact a middle ground being utilized and fought for even as we speak of bookends being the only occupied areas. To find out, let us distill a singular question: Can a regional restaurant franchise survive in today's economic climate?

Personal observation alone would offer a succinct and definitive "NO". However, one person's outside observation of a microeconomic conundrum is akin to a politician's poll sample – tiny, biased and suffering from a profound metaphorical Coriolis Effect. Let us instead rely on the case study of a once successful franchise that has seen all stages of development and decline.

Our subject of choice shall be Druther's Systems; once a thriving entity and force to be reckoned with in the states of Kentucky, Indiana and Tennessee (3), now reduced to its last singularity. If the question were one of remnants or solo establishments surviving, the current Druther's would leave no doubt – it is here to stay until the current owner, one Mr. Stephen McCarty chooses to move on.

Merely stepping inside there is at once the impression of a family oriented but youthful atmosphere – the perfect blend for attracting local college students and established families alike. In the quaint college town of Campbellsville, this is a sound strategy. Floors are swept clean, tables worn and showing age but still polished to a mirror shine. Nothing that could not be found in any well run business. It is at that point things begin to diverge. Not content with comforting pastels of a psychologically strategic franchise or the darkened tones of local dives, the walls of Druther's are emblazed with contiguous murals of Campbellsville itself, transposed to the 70's. It is a standout touch that says without speaking: You're home.

The counter has a few surprises in store as well. It isn't often one finds an integrated heated and fully stocked salad bar in a fast food restaurant, yet Druther's makes this an integral feature. The building itself was initially constructed to accommodate wall space for just such a thing. No pull cart afterthoughts to be found here. Yet not a few feet away, the menus hang loosely with hasty and poorly aligned lettering, almost as a reminder you are still in the company of frolaytor fare.

Perhaps the most quaint and fitting touch though is the music. Emanating from drop ceiling mounted speakers is the product of a local radio station. Nothing really outstanding. It's the typical satellite fed adult contemporary with an extra dose of Nashville. Typical of the region. Until the station identifies itself (WVLC-FM). It is at this point you might find yourself looking about to discern why that seems so familiar, and you will find that directly across the street sits the station in question. Studio, transmission tower, all there. Including an outdoor speaker that is clearly audible from anywhere on the Druther's property. There's a certain verisimilitude from having your music piped out of a studio visible from the front windows that somehow adds yet another touch to the easy going yet "with it" hometown appeal Mr. McCarty strives for.

If all this atmosphere sounds intriguing, the food might be less so, but still stands on its own. There's no specialty at Druther's, which is fact why they initially switched names from "Burger Queen" (2). Chicken, burgers, fish, salads and various sides are all on the menu that is physically cramped but hardly scant. The production is perhaps not superlative, but certainly quality, and has proven capable of bringing patrons back for the better part of forty years.

Yet, for all of this, the things described here are as above – are all contained within a single establishment that was once one of dozens. Are there other forces at work beyond simple quality and demand? To find out, we are going to have to look into the recent history of Druther's Systems.

Druther's Systems began as Burger Queen, constructed 1973 in Middletown, KY (4). Relying on a large variety of fast food items, the chain quickly expanded into nearby local markets. In 1977 (2) the franchise was renamed to Druther's as a word play on "I'd rather". The renaming was primarily to avoid consumer typecasting of Druther's as a "burger joint" when in fact many different types of food were offered.

Despite storefront success, Druther's Systems began to exhibit financial difficulty in 1988 and in a bid to increase revenue a conversion to Dairy Queen was initiated. Druther's Systems retained ownership, but was itself eventually sold to Dairy Queen corporate in 1996. During the conversion, Druther's stores already nearby or adjacent to an existing Dairy Queen were simply left to their own devices. Mr. Stephen McCarty (Owner, Campbellsville Druthers):

"No money changed hands. We didn't have to buy the name. They just told us good luck and that was that."

Mr. McCarty goes on further to explain that individual owners eventually retired, and as Dairy Queen International now owns the name Druther's, he cannot expand, nor is it possible for other Druther's franchises to reopen.

If this sounds vaguely familiar, it probably should. It is a common theme that as any type of business reaches regional saturation, the tendency to implode or be absorbed by superior entities increases dramatically. In fact, many small business owners work exclusively for this apex – their goal is literally nothing more than to attract the notice of a large corporation or investor, sell out and move on.

So looking back at our question, what of the small but growing operator who wishes to grow on their own merits? It may be technically possible, but is it really feasible?

1. 2013 McDonald's Corporate Report:
http://www.aboutmcdonalds.com/content/dam/AboutMcDonalds/Investors/McDs2013Annual_Report.pdf
2. McCarty, Stephen (Owner of Druther's). Personal interview. 2014-11-02.
3. "Druthers" *In The 70's* <http://www.inthe70s.com/food/druthersrestaurant0.shtml>.
4. "Queene Bee" *Trade Mark* <http://www.trademarkia.com/queenie-bee-72460854.html>.