

Don't Miss...

WALL DRUG

Wall, South Dakota



_____ Miles

Aug. 20, 2006-----

WALL, S.D. -- You've seen the bumper stickers. Now get behind the wheel.

This year marks the 50th anniversary of President Eisenhower's Federal-Aid Highway Act, which established the Interstate Highway System. Since then, any drive down Interstate 90 demands a stop at Wall Drug, best known for its folksy roadside advertising.

But to call Wall Drug a drug store is like calling Wal-Mart a little house on the prairie.

Wall Drug is a pharmacy, restaurant, cowboy boutique with 6,000 pairs of boots, homemade doughnut factory, art gallery, jewelry shop, and it has one of the best Western book stores in America. You can buy camping supplies and a black powder gun at Wall Drug.

During the peak of the summer travel season, nearly 20,000 people visit Wall Drug in one day. And there's not much else in Wall (pop. 818) but Wall Drug.

"I was a child when Interstate 90 came through," said Teddy Husted, 55-year-old grandson of the drugstore's founders Ted and Dorothy Husted during a conversation in the store's main dining room. "My dad Bill Husted went to Washington and was able to get two exits in a community of 500 people, which was very unusual. My father was a great politician. He was in the South Dakota Legislature and the South Dakota Senate. Before that we had Highway 14/16 going through Wall."

Wall got its name because of a natural cliff wall that runs along the edge of the Badlands. The small town sits at the north end of the wall. In the mid-1950s Teddy Husted's parents installed an 80-foot green concrete dinosaur along the new I-90 as an icon at the tip of the wall -- altitude 2,713 feet.

Not everyone takes I-90. I was in South Dakota when the state commemorated the 50th anniversary of the interstate. Key transportation officials traveled across the state from Sioux Falls to Rapid City to participate in the celebration. That's like driving from Chicago to St. Louis.

They flew.

The late Bill Husted was chairman of the South Dakota Transportation Commission.

STORE

K HILLS GOLD

10% OFF Suggested Retail

WALL DRUG STORE
SINCE 1931

WESTERN
ART GALLERY

CAFE

5311



But the old two laner was still a reliable path in the 1930s for people traveling to Mount Rushmore. Husted's grandparents opened Wall Drug in 1931.

"It was the middle of the Depression and the Dust Bowl," he said. "But people were traveling. Somebody had money and they were going by our drug store in the summer. We struggled for five years. On a hot summer day in 1936 my grandmother said to her husband, 'We should try to get some of these people to stop at our store.' She suggested they put up a sign to advertise free ice water. They had a big soda fountain and lots of ice."

The Husteds installed "FREE ICE WATER WALL DRUG" signs on the east and west sides of Wall.

By 1938, the Works Progress Administration's invaluable *South Dakota: A Guide to the State* reported, "The Wall Drug Store is one of the most advertised concerns in the State and, for many, one of the biggest disappointments. Highway signs are posted for hundreds of miles in all directions and during World War II signposts in N. Africa, France, Guam and Australia pointed the way to this enterprising store."

Today, 185 billboards advertise Wall Drug along I-90 in South Dakota. The plywood signs also promote free coffee and doughnuts for honeymooners and war veterans and 5-cent coffee. "We give thousands of doughnuts away a year to veterans," Husted said. "And I've seen many of them get choked up, especially the Vietnam guys."

"We also give away the bumper stickers, which you find all over the country."

I fetched a free ice water to wash down my buffalo burger (\$4.89). The burger is 95 percent Rapid City buffalo with a dash of hamburger to moisten up the sandwich. Husted gave me a free green bumper sticker.

"Our philosophy is to get people in, give them a good meal and then they will go out and shop," he said. "They don't want to feel like they've been ripped off. We also have a fudge machine, and I know we will sell more fudge this summer than Mount Rushmore."

Breakfast is served from 6:30 until 11 a.m., and dinner includes a Wall Drug steak (10-oz. choice New York strip with french fries and roll, \$13.99). If you decline the free ice water, you can have a glass of pinot noir (\$3.25.)

Husted has an economics degree from the University of North Dakota. He said his grandmother devised a marketing plan before such things existed. "I don't want to oversimplify marketing, but they talk about the 4-Ps product, price, promotion, place," he explained. "The product was water. The price was free. The promotion was roadside advertising. The place was a great big store. They just didn't have

any customers. That marketing plan is as effective today as it was in 1936."

Hustead is good at stuff like that. During my visit, the store's Internet system went down and they lost all their credit card machines for a couple of hours. The staff relied on manual systems, but Hustead warned, "We can't afford to miss a sale. We're a free attraction."

Hustead left the business for 14 years, not knowing if he would come back. He worked the oil rigs in Wyoming and then migrated to drill oil on the North Slope in Alaska. His family asked him back into the drug store in 1988. He dug in with his older brother Rick as third generation owners of Wall Drug. In 1990, he got married and had boys Willie, 13, and Lane, 11.

One common theme in Chicago these days is the shuttering of historic family businesses because the third generation wants to do something else. (Think Berghoff, the beloved Busy Bee in Wicker Park, etc.)

Hustead took a family business class at Harvard. "My professor said that every culture in the world has a thing about third-generation businesses," Hustead explained. "In America, they call it 'Short sleeves to long sleeves to short sleeves.' A Brazilian who was sitting next to me said to me in Portuguese, 'It's the wasted generation.' It's a counter-cultural thing. One professor said the third generation holds onto the steering wheel too tight a great metaphor for this column! and loses the entrepreneurial spirit. But it's important to understand what kind of business you are in. What are you?"

"And we are a roadside attraction."

Hustead continued, "We are not competing with Wal-Mart. We have our own brand. We have to concentrate on our customers, not our competition. One thing that makes Wall Drug special to so many people is that it is still a family-run business. It's not some corporation."

In 2001, Hustead studied strategic financing for small businesses at the Harvard Business School and was accepted into the school's prestigious OPM program in Cambridge, Mass. "That's for the owner, president and manager of a company," said Hustead, who can see the drug store complex from his home. "They're between 10 and 200 million-dollar companies and it's a three-year program. That's really where I learned the retail business."

I wondered what his MBA classmates thought about the student from Wall Drug in rural South Dakota. "My class was a lot of dot-comers," he answered. "A lot of them lost their a--. They went from being on the cover of magazines to being broke. I was the most famous business of anyone there, but they didn't know how to take my business. And they were mostly East Coast. South Dakota was almost like a Third World country to them."

Hustead looked around his dining room. It was midday on a weekday and several busloads of middle-age tourists had stopped for lunch at Wall Drug. The 450-seat dining room features an impressive collection of 150 original oil paintings, including work by Mount Rushmore sculptor Gutzon Borglum, N.C. Wyeth and Harvey Dunn's "Prairie Home."

"Harvey is one of the most famous artists to come out of South Dakota," Hustead said as he glanced at "Prairie Home." "That's at least a \$10,000 painting now. I don't like a lot of signs and 'Don't do this and don't do that', but if we were a museum, just to be stewards of our art collection, there should be no camera flashes in the restaurant. Everything in this store is real. You go to a lot of attractions and there's fake facades and stuff."

The dining room tables at Wall Drug are real marble. The dining room walls are finished with American black walnut paneling. Hustead and I sat near four statues of Indian chiefs who were in the Battle of Little Big Horn. The statues are made out of 100-year-old cedar trees.

During peak summer months, Wall Drug employs 235 people, including 40 international students. About 55 local people work at Wall Drug during the winter. "If you travel around America, I doubt you are going to find many communities of this size that are healthier than Wall," Hustead said. "Look at our streets and gutters, our main street. There's no abandoned buildings, where the rest of rural America is dying. And it's dying for some very legitimate reasons. There's fewer people out in the country. The families are getting smaller. People are fleeing to metropolitan areas because there's nothing to support rural towns anymore."

Everyone in small Wall is talking about South Dakota House Bill 1215 -- they're just not talking about it in public. The bill, signed into law in March, calls for a ban on abortion, except in cases where the life of the mother is in peril. Opponents of the law mounted a petition drive to place it on the ballot on Nov. 7. The state of South Dakota (only 700,000 residents) will then vote to accept or reject the legislation.

Hustead was quoted in the June 26 New Yorker magazine as saying, "I'm Catholic, so I'm pro-life. I'm a Republican, too. But I think my personal beliefs would not necessarily make good law." I did not know this when I dropped into Wall Drug.

"Well, I don't want to be quoted again," Hustead said after I brought up House Bill 1215. "I got a lot of nasty e-mails, stuff about coat hangers. This is something I'm really struggling with. But this isn't talky-talk with people around here, because it's personal."

There's pictures on the Wall Drug Wall of Fame of Hustead greeting President Bush when he visited Rapid City. "I am supposed to be anti-abortion," Hustead said. "But this didn't do anything good for our image. It makes South Dakota look like we want

to put our women in chains. My mother is a big Catholic and very pro-life and she was very taken back by what I said. But she added, 'I wouldn't have the nerve to say it.' "

Hustead stands behind what he said, instead of dealing copouts like he was misquoted or his comments were "taken out of context." He is a South Dakota straight talker. And one thing you cannot find in the 76,000 square feet of Wall Drugs is a copy of New Yorker magazine.

The store has over 10,000 items.

"We are very family oriented," he said. "My father wouldn't carry condoms until the 1970s. We're pretty conservative when it comes to our merchandise. The pharmacy business is consistent, but in the summer we get a lot of travelers who leave home without their medication. They stop here, we get a hold of their doctor and they call in a prescription. We have snow globes, pennants, T-shirts." Hustead even designed an I-90 shot glass in the wandering roadside spirit of Route 66. And some get their kicks on Route 66.

Here, you get your kitsch off the Wall.