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## Checkers opens restaurant in Walmart as part of resurgence in growth

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Destiny Jessie, 7, gets some help from her mom, Yvette, 50, while choosing what to drink in the newly opened Checkers.



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OLDSMAR

"Crazy good food" meets "save money, live better" in a new partnership between Checkers restaurants and Walmart.

The Tampa-based burgers and fries chain this week opened a location inside the Walmart Supercenter at 3801 Tampa Road in Oldsmar. It's the first nationwide and part of Checkers' resurgence after years of sluggish sales. Another is planned for a Walmart store in Haymarket, Va.

"We've had a really strong run in the last 2 ½ years," said Taylor Warner, vice president of real estate, construction and company development. "We were once known as a double drive-through concept. Now we have a full portfolio of designs that have translated into a lot of interest."

Located at Walmart's market entrance, the Checkers has seating for 50 in a mix of shiny red booths, tables and a counter with high-top chairs. It has the traditional red and black checkerboard decor, but with a more modern, sleek style. Hours have not been set but will include breakfast, a first for the lunch, dinner and late-night chain.

The restaurant is one of three new Tampa Bay locations after years of stagnant growth. One at Missouri Avenue and Belleair Road in Clearwater reopened in May and another at East Bay Drive and Fulton Street in Largo is scheduled to reopen early next year. Both were owned by a franchisee who fell upon hard times and closed the stores in 2010.

The privately owned chain, which also includes Rally's restaurants, has about 800 locations nationwide, about 300 of them company-owned. It's known mostly for its burgers, including the Big Buford, and fries, but also serves chicken wings, shakes and sundaes.

The Walmart restaurant reflects Checkers' shift from sites with double drive-throughs and no indoor seating. The 26-year-old chain now has locations in strip centers with single drive-throughs, standalone buildings, kiosks, college student unions and even airports.

The variety has helped the bottom line. Same-store sales are up 7 percent for company-owned locations and 5 percent for franchisees over last year, said Jennifer Durham, vice president of franchise development. That's about double the fast-food industry average of about 3 percent, according to the National Restaurant Association, and well ahead of some of its competitors. Last week, McDonald's reported sales at U.S. restaurants open more than a year dipped 2.2 percent — the first decline in monthly same-store sales in nine years.

The Checkers chain has had 17 months in a row of positive growth, thanks to an emphasis on its value menu and redesign of some of its restaurants, Warner said. Inquiries about franchising are up 300 percent over last year.

Company officials credit some of that buzz to their business model. Opening a franchise costs about \$500,000 — not including the real estate — compared with \$1.1 million for some competitors, Durham said. The average location generates about \$900,000 a year in sales.

Moving into Walmart seemed like a good fit for the chain, which has about 50 locations in the Tampa Bay area. Both attract shoppers seeking value and convenience.

Walmart will monitor the Checkers partnership but, so far, has no plans to add other locations. Other Walmart Supercenters have Subway and McDonald's restaurants, as well as nail salons and banks.

"We lease space to many businesses all aimed at providing customers with the products and services that help them have a one-stop shopping experience," said Bill Wertz, a Walmart spokesman. "We're always testing new options."

Shoppers quickly embraced the Checkers at the Oldsmar Walmart, which opened Monday. Josh Bateman, 23, of Palm Harbor saw it under construction and came back Tuesday to combine lunch with some shopping.

"It's better than McDonald's," he said. "The fries are better and the burgers are better. The condiments are great, especially the chopped onions."

### **About Checkers**

**800** locations nationwide (including Rally's)

**300** locations nationwide that are company owned

**3** new Tampa Bay locations

**\$900,000** average sales per location a year

On the menu: burgers, including the Big Buford, and fries, but also chicken wings, shakes and sundaes