Troy Smith, Charlie Pappe, and the Beginning of Sonic

Troy Smith grew up in rural Oklahoma during the Great Depression and worked many jobs early in life, such as delivering milk, working in an oil field, and working as a mechanic. However, he always was searching for the next opportunity to advance in the world. In 1948 Troy and his wife Dollie moved to Shawnee, Oklahoma, where he opened the Cottage Café, his first restaurant. After managing several other restaurants, Smith realized that the business with the largest profit was the small drive-in root beer stand that came with his restaurant, the Log House. By 1953 he had moved his focus to the drive-in, which was named Top Hat, and the business that would become Sonic was born.

Charlie Pappe was an entrepreneur from Woodward, Oklahoma, who was interested in managing restaurants. When driving through Shawnee in 1956, he came across the Top Hat drive-in and was impressed. He contacted Troy Smith, and the two men agreed to work together on growing the restaurant. After opening three more Top Hats, the men were not able to expand further because the name “Top Hat” was under copyright. As their slogan was “Service at the Speed of Sound,” Smith and Pappe changed the drive-in’s name to Sonic. Through the 1950s and 1960s, the Sonic brand grew, with Troy Smith and Charlie Pappe making deals with local businessmen who worked in the free market. This meant that the different communities where the restaurants were located could have a say on the pricing and food options based on what they liked. By 1967—the year that Charlie Pappe passed away—there were 41 Sonics in operation.
Innovations at the Speed of Sound

Troy Smith was a pioneer in drive-in innovation. When traveling through Longview, Texas, he saw a hamburger stand using an intercom system that allowed customers to order from their cars. When he got back to Shawnee, he contacted the local radio and television and jukebox installers to set up an intercom system for Top Hat. This made the ordering process much more efficient, saving time and money. Smith also hired laborers called carhops who carried food and trash on roller skates to and from people’s cars. Top Hat, and later Sonic, became well known for its carhop service. Smith also added canopies, diagonal parking spaces, and speakers to play music at the drive-in, which helped to make it a popular spot to visit.

This picture shows a modern-day Sonic intercom system. Intercoms now offer a full list of the menu, as well as options for credit card payment (courtesy of Sonic official press center).
Changing Times

After 1967 Troy Smith continued to build and help run new Sonic locations, but he needed some assistance. Two of the first men recruited to run Sonic drive-ins, Matt Kinslow and Marvin Jirous, were asked to help run Sonic Supply. Sonic Supply was responsible for the distribution of resources to every Sonic drive-in, from paper bags to hamburger buns. Together, they helped start an expansion of Sonic drive-ins in Texas, Arkansas, and Kansas. By 1972 there were 165 Sonic drive-ins in seven different states. The efficient-minded Troy Smith decided to create a corporation that would tie management of all of the drive-ins together at a higher level. This allowed Sonic to create a system of standards for each restaurant to follow so that they would all work the same way, even though most Sonic franchises were locally owned.

In 1973 the price of gasoline rose extremely high, and people were having trouble saving money. Drive-ins began to suffer because people did not want to drive their cars to get food due to the high cost. In the 1980s the country was in a recession, and Sonic was losing people who wanted to invest in the company.

However, Troy Smith and Marvin Jirous, now chairman of the board and president of Sonic Industries, kept their cool. In the face of drive-in closings and the company losing money, Marvin resigned as president to control his own Sonic franchises and Smith stepped back into the president’s chair, saying that the company would work on a “back to basics” philosophy. By keeping the menu simple and encouraging drive-in workers and managers to establish relationships with each other and with their local communities, Sonic kept its reputation as an all-American company, and made it out of the recession in one piece and ready to grow.
“America’s Drive-In”

In 1974 Sonic began redesigning its outward image, changing its logo and paper products to a more graphic and modern look. In 1975 a Sonic Advertising Trust was formed to produce television and radio commercials and catchy songs that could be used to promote all of the restaurants. The first Sonic television commercial aired on July 11, 1976. The trust moved towards developing new slogans and marketing strategies. The slogan “Sonic—America’s Favorite Drive-In” was added to commercials in 1977. At the same time, Sonic released many different types of commemorative items, such as glasses, posters, and cards with the company’s logo as well as advertisements for companies like Disney, Dr. Pepper, and Coca-Cola. Sonic found its big chance in establishing a brand with the rise of nostalgia for the 1950s. The images of carhops, burgers and shakes, and drive-ins were directly connected to the 1950s, and with the popularity of films like Grease in the late 1970s, these images drew consumers to Sonic.

The ’50s image continued through the 1980s when Sonic signed Frankie Avalon, a popular movie star, singer, and teen idol from the late 1950s and early 1960s, to star in their commercials. The name of the advertising campaign at the time was “Sonic—Where the ’50s Reach the Future.” Under the leadership of longtime President and Chairman of the Board Cliff Hudson, the brand would honor that promise as it moved into the 1990s, with a major redesign of the Sonic logo in 1996 to the modern yellow, blue, and red logo, a reconstruction of the menu format, and set kits for uniforms and publicity across the nation. In 1997 the Wacky Pack kid’s meal was created, with a rotating selection of collectible toys. From 2000 to 2003, Sonic would sponsor a NASCAR car. In 2004 comedians T.J. Jagodowski and Peter Grosz became nationally famous from their popular series of “Two Guys” television ads for Sonic. They still perform in many Sonic commercials, but Sonic has embraced a twenty-first century style of advertising as well, promoting deals and specials through Twitter, Facebook, and Instagram accounts. No matter the decade, Sonic always finds a way to connect to their audience.

T.J. Jagodowski and Peter Grosz, the two improvisational comedians behind the “Two Guys” advertising campaigns (courtesy of Sonic Franchises).
Fun Facts

- The current president of Sonic is Claudia San Pedro

- There are over 3,600 Sonic restaurants in 44 different states! You can explore them all at https://locations.sonicdrivein.com/.

- Sonic holds an annual competition every year in Oklahoma City where carhops can show off their fanciest skating skills. Carhops compete for the chance to win custom skates, professional training opportunities, and cash prizes.

- Sonic gives away enough mints each year to reach the top of the Empire State Building and back to the ground 5,000 times! Troy Smith started the practice of giving mints to customers back when he started Top Hat, as a tradition to remind customers that they were “worth a mint.”

Then vs. Now

- In 1955 the price of a Top Hat cheeseburger was 45 cents. In 2019 the price of a cheeseburger at Sonic is around $3.89.

- In 1955 Top Hat’s menu had 17 different items. In 2019 Sonic’s menu features over 70 items, not including the thousands of drink combinations.

- In 1958 eight people worked at the Stillwater Top Hat drive-in. In 2019 Sonic employs over 4,650 restaurant employees.

Modern-day Sonic restaurant along Route 66 in Albuquerque, New Mexico (courtesy of the Library of Congress). 6
Activities

Sonic releases many new menu items and offers over 160,000 drink combinations. Design your own Sonic menu item and drink and write a short description underneath the picture. What do you like about these new menu items? How do you think they would work in a drive-in setting? What special features, if any, would need to be added to the item to make it easier to eat in a drive-in?

Sonic’s sign has changed several times throughout the years.

Come up with a name and design a sign for your own drive-in restaurant!
Be a Carhop!

Sonic servers must learn to listen closely to orders coming in over the intercom system to correctly make an order! You can practice these listening skills with a group of friends. Gather in a straight line, and have the person at the beginning silently read one of the orders from the list below. Whisper the order to the person next to you, then have them whisper the order to the person next to them, continuing until the order reaches the “carhop” at the end of the line. The “carhop” will then say the order out loud, and see if the order is correct. Take turns being the “carhop” and see how quickly you can send the order down the line! Here are some examples of orders that you can use ranging in difficulty, or you can come up with your own.

EASY

1. One large strawberry limeade
2. Three corn dogs

MEDIUM

1. One kid’s meal with a grilled cheese and lemonade
2. One grilled chicken sandwich and a small diet soda

HARD

1. One large peach iced tea, medium tater tots, and a medium chocolate shake
2. Two ice cream cones, a bacon cheeseburger, and a medium blue raspberry slush

Skating carhops are an iconic part of the Sonic dining experience (courtesy of The Chicago Business Journal).
Make a Budget!

In this activity, you are going to be pretending to run your own Sonic restaurant! You will need to **budget** the money you have to start with to build your restaurant carefully. The first chart has prices that are necessary to start your restaurant.

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting payment to Sonic</td>
<td>$45,000</td>
</tr>
<tr>
<td>Starting food supplies</td>
<td>$30,000</td>
</tr>
<tr>
<td>Cups, bags, and other accessories</td>
<td>$40,000</td>
</tr>
<tr>
<td>Stove/grill</td>
<td>$5,000</td>
</tr>
<tr>
<td>Soda machine</td>
<td>$4,000</td>
</tr>
<tr>
<td>Other restaurant equipment</td>
<td>$100,000</td>
</tr>
<tr>
<td>Manager salary</td>
<td>$50,000 per year</td>
</tr>
<tr>
<td>Signs and intercoms</td>
<td>$90,000</td>
</tr>
</tbody>
</table>

What is the total of these prices added together? ____________________________

If you are starting your restaurant with $1,000,000, how much is left over after you subtract the starting cost? _________________________________

Now that you’ve added the essential costs together, take a look at the next chart! These are additional costs that can help your business grow. Take your remaining money, and choose which things you would like to spend it on to help your drive-in be successful. Remember, the more carhops you hire, or the more grills you have, the faster you can serve customers. If you run more ads, more people will want to come to your restaurant. What do you think you want to spend your money on?

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspaper ad</td>
<td>$3,000 per week</td>
</tr>
<tr>
<td>Radio ad</td>
<td>$1,500 per week</td>
</tr>
<tr>
<td>Local television ad</td>
<td>$500 per ad</td>
</tr>
<tr>
<td>New carhop hire</td>
<td>$19,000 per person (for 1 year)</td>
</tr>
<tr>
<td>Indoor seating</td>
<td>$100,000</td>
</tr>
<tr>
<td>Kid’s toys</td>
<td>$8,000 per new set of toys</td>
</tr>
<tr>
<td>Extra drink machine</td>
<td>$4,000</td>
</tr>
<tr>
<td>Extra stove/grill</td>
<td>$5,000</td>
</tr>
<tr>
<td>Extra intercom/cash register</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

**Discussion Questions:**

What did you end up spending your money on?

Why were those things important to you?

What other things do you think drive-in owners need to **budget** for?
Glossary

advertisement: something that is created and displayed to help sell a product or make an announcement

brand: a design and/or set of ideas that represent a company

budget: an estimate of how much you will earn and how much you will spend over a period of time

carhop: a server at a drive-in restaurant who sometimes works on roller skates

commercial: a form of advertisement that is shown on TV or played on the radio

consumer: someone who pays money for goods and services

copyright: a law that gives the owner of a work the right to say how other people can use it, and does not let people copy their work without their permission

corporation: a business or organization that legally combines a group of people to act as one voice

drive-in: a restaurant people can drive to, park, and have servers deliver food to their car

efficient: to be able to something without wasting time, resources, or energy

entrepreneur: a person who starts a business

expansion: an increase in either the size or the number of something

free market: a system that is not influenced by outside rules or the government where prices for goods and services are set by consumers and investors

innovation: The action or process of creating or improving a new idea, method, or product

intercom: an electronic device that people speak into to communicate with someone in a different room or location, such as from a person’s car to a kitchen

invest: to put money into businesses or property to help them develop with the hopes of making a profit

jukebox: a machine that automatically plays a song when a coin or some other form of payment is inserted

laborer: a person who performs a specific type of work for wages

menu: a list of food and drinks that can be ordered at a restaurant

president: the highest-ranking person in a company who makes managerial decisions

profit: the money gained from the sale of a good minus the good’s production cost

resources: a supply of money, materials, or staff that are needed to run an operation

recession: a drop in economic growth that lasts at least six months; during a recession, businesses sell fewer goods and services.

standards: ideas or rules that are used as a measurement or model in comparing things
Bibliography


“Fact Sheet.” Sonic Drive-In Corporate. https://corporate.sonicdrivein.com/fact-sheet/


Photographs


