



Franchisees Get Big Financial Incentives From Dairy Queen

The company hopes the new incentive programs will motivate current and prospective operators to open more locations.

By Rachel Taylor | February 21, 2019



Even with 7,000 locations, Dairy Queen has no plans to slow growth or expansion any time in the near future. The frozen treat company will be focusing on developing 10 specific markets in 2019.

On Wednesday, the American Dairy Queen Corporation launched four new incentive programs to motivate current and

prospective operators to open more stores—specifically the Grill & Chill restaurant model—over the next year. In 2018 Dairy Queen opened 82 locations in the U.S. The company is planning to open at least 70 more stores by the end of 2019.

Dairy Queen brought on Julie Davis as franchise development director last November to refine the brand's growth strategy. Davis told QSR last November in order to compete in the quick-serve industry, Dairy Queen would be shifting to the Grill & Chill model with the ability to expand its everyday offerings.

“Funny enough, the Grill & Chill... has actually been around for almost 20 years, but it is our main growth project [now],” Davis said.

The markets Dairy Queen will focus on over the next year include: Sacramento, California; Baltimore; Orlando, Florida; Milwaukee; Tulsa, Oklahoma; Memphis, Tennessee; Albany, New York; Fresno, California; Charlotte, North Carolina; and New Orleans.

“These great areas that offer a lot of growth opportunity and multi-unit opportunity as well,” Davis told QSR. “We’re going to be very focused and targeted in our recruitment and in a lot of those markets we’ll be driving for those markets, but still be building in all of the others.”

These emerging markets will allow Dairy Queen the opportunity to fully saturate an area.

“For decades, the Dairy Queen brand’s staying power has resonated with talented franchise ownership groups. It’s an iconic brand that evokes tradition and comfort for people worldwide,” Davis said in a statement. “By highlighting our brand’s sustainability and tremendous room for growth, there are increasing opportunities for strong multi-unit operators who want to diversify their portfolios and be a part of this development phase.”

The four franchise incentive programs include:

- **Timeline Incentives:** ADQ will give franchisees a fixed incentive payment of \$30,000 if they open a new DQ Grill & Chill restaurant within 32 weeks of signing their franchise agreement; ADQ will give franchisees who open within 40 weeks a fixed incentive payment of \$15,000.
- **Multi-Unit Opening Incentives:** Franchisees opening multiple DQ Grill & Chill restaurants within the same calendar year are eligible for an additional \$10,000 per opening.
- **Year on Year Incentives:** Franchisees opening new DQ Grill & Chill restaurants in consecutive years are eligible for an additional \$10,000 incentive on their first opening in the second calendar year.
- **Re-Purpose Incentives:** Franchisees that develop and open a DQ Grill & Chill restaurant by expediting the conversion of a closed, former DQ or other quick-service restaurant facility will be eligible for a fixed incentive payment of \$10,000.

“These incentives are designed to attract elite franchisees with a fast-track mindset,” Davis said. “We’re a determined, innovative team and we have the processes and systems in place to support this development vision for years to come.”