

INSTITUTE OF CURRENT WORLD AFFAIRS

GDN-34
A & W Root Beer Comes to Town;
12,000 miles and I never left home.

28 College Green
Singapore 11
Malaysia
3 March 1964

Mr. Richard H. Nolte
Institute of Current World Affairs
366 Madison Avenue
New York 17, New York

Dear Mr. Nolte,

Toward the end of last year the Kuala Lumpur newspapers announced the opening of a new snack-bar. Being the third snack-bar in our bustling capital, this was not terribly unique. Malaysians are fast becoming accustomed to, and seem to like, the gleaming machines and modern decor that now go with such foreign delicacies as hamburgers and milk shakes. This latest snack-bar was somewhat different, however, in that it was a completely American operation, launched by Al and Geri Lieboff from Las Vegas, Nevada. It was, furthermore, an extension to Malaysia of that far-flung chain of US drive-ins, the A & W Root Beer stands. This was too much for me. The other snack bars I could let pass quietly with no more than an occasional tasting expedition, but this one I had to investigate, especially since the crowds were literally pouring in in an unending procession to sample American cuisine in this bright, sparkling and air conditioned atmosphere.



Geri Lieboff and one of the girls she trained. Through this small window pass over 200 cones a day.

Thus it was to satisfy my sociological curiosity, and to indulge my national pride (watching two energetic Americans doing their bit to stem the gold drain), that I found myself interviewing the very attractive Mrs. Geri Lieboff, between long draughts from a frosted glass of real root beer. (It's not payola, I just happen to like the stuff.) The object of the interview was to find out how two red-blooded real live western Americans from the booming state of Nevada happened to find themselves pushing root beer, frozen custard and foot-long hot dogs in far off Kuala Lumpur, a town unheard of and probably unpronounceable by the vast majority of the residents of the silver state. Their story is more than a little fascinating.

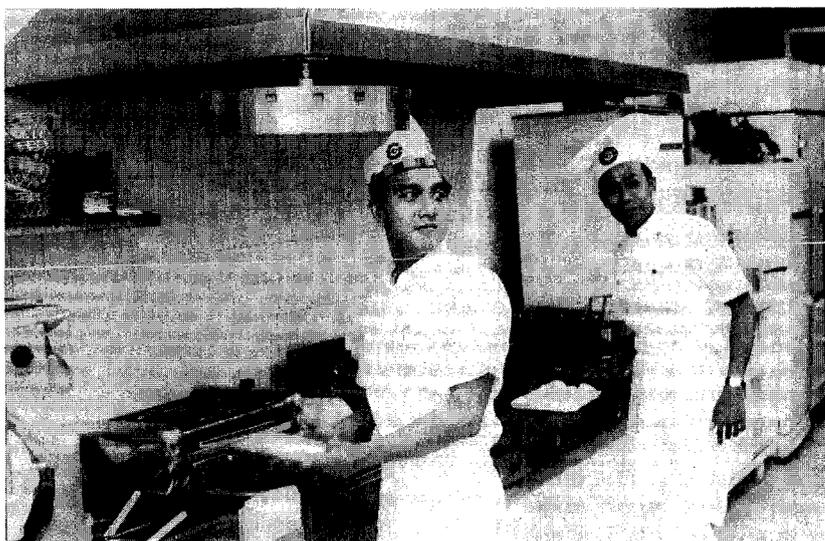
It seems to have begun with Al's passion for good ice cream, which at one point was taking all the fun out of Geri's travels in Asia. You see, Al was in the construction business in Nevada, and Geri was herself until recently the only woman contractor licenced in the state. According to the stereotype of the Protestant Ethic and the achieving society, they both worked hard and prospered. But they broke some of the old Puritan rules and enjoyed themselves as well. Their natural zest for life carried them on a number of travels to Asia, and it was here that Al's critical taste for ice cream began to get on Geri's nerves. In Bangkok a few years ago she exploded at one of Al's frequent, "They call that ice cream!?? Why I could....."

"I just about flipped then and told him, 'Well if you think you can do so darn much better, why don't you just come out here and start up your own ice cream business.' And I guess that was the start of things. We began to think about it jokingly then seriously. Then we decided that we were really ready to retire anyway and the kids were grown, so why not come out and have a fling at it. It would probably be fun."

Planning went by fits and starts, but in the end two things came together. They had been impressed with Kuala Lumpur on an earlier visit, and enquiries directed through their Senator brought warm encouragement from Malaya's ambassador in the U.S., and even from the Prime Minister himself on one occasion. Second, they were struck by the very successful operation of the chain of A & W stands in Las Vegas and began to make enquiries about the franchise for Malaya. After more consideration and some shuffling of maps, the Lieboffs got the franchise for Malaya and Singapore, rated on the basis of the number of teen-agers in the country. When Al mentioned Malaysia and the Borneo states, A & W threw these in free, not knowing who or how many root beer drinkers there might be in those jungles. Then they all began the serious logistical planning and training in A & W techniques. Finally the Lieboffs found themselves with their 19 year old son Ray in Malaya early in 1963. Then the local difficulties began.

First it was a matter of a site. "We just couldn't get our hands on anything suitable. Things are growing rapidly, there are some speculators, and the zoning laws are all mixed up." Finally, just as they were about to pack up they found a fine site in the heart of Kuala Lumpur. Remodelling got under way and the snack-bar began to take shape.

Recruitment of the staff was a near riot. The Lieboff's knew it would not be difficult to get boys, but their advisers told them it would be impossible to get girls. There is the stigma of the "cabaret girl", and no good Malayan girl would consent to wear the western style uniform Al and Geri had in mind. Nonetheless an advertisement went into the local papers for waitresses for an American style snack bar. The



The gleaming kitchen counter and the two day shift cooks

first day's response brought "thousands" of boys but only one girl. During the next three days, however, about 150 young ladies walked in to apply; three were accompanied by their mothers and Geri had to interview - or be interviewed by - them before she could get at the girls. Finally eleven girls and eighteen boys were selected. During the three weeks of training all would receive M\$1 per hour. Then they would all begin, theoretically, as waitresses and dishwashers at M\$110 a month. They would work $7\frac{1}{2}$ hours a day and receive one meal. They also knew that at the end of the training period, four would be selected as cooks at a minimum of M\$130 a month, and some of the more specialized jobs would bring M\$115 a day. The waitresses would stay at M\$110 a month for the time being, but each girl kept whatever she earned in tips - a policy that has made them some of the most pleasant and efficient waitresses in town.

Some of the Lieboff personnel policies are rather new to the country. The granting of one meal came under test early. "At first the kids brought their own rice and curries; now they eat their fill of our own chicken, hamburgers and hot dogs." Degrees, certificates and connections play no role in hiring, pay or advancement; people are paid on the basis of their performance on the job - as measured by the watchful eyes of Al and Geri. Perhaps the most striking innovation is the way Al and Geri back up their employees and work with them, especially when the crowds get thick. It is more than a novelty to see a handsome white woman serving from behind a counter like this in Kuala Lumpur. Though Al and Geri's employees wait on others and do the work of servants, they are not treated as servants and they do not act like servants; they are employees. This may not be very meaningful unless one has seen something of the master-servant relationship in the underdeveloped countries, but I think it is a major innovation.

One of Geri's favorite personal interest stories involves a young Malay prince who applied for a job as something of a lark and is now the number two cook. "He decided he wanted to work, and even when his father came down here boiling mad and cut him off his M\$300 a month allowance, the boy still said he wanted to work."



Finally come the Lieboff plans for the future, and they do follow the pattern of "thinking big". The franchise they hold stipulates that Al and Geri must start 22 new plants in five years (though they can sub-franchise). With the success of the first Kuala Lumpur operation shown so dramatically, offers of new sites have been rather easy to come by. Petaling Jaya, Malaya's first new town, is to have Malaysia's first real drive-in later this year. It will include a 90 car covered lot, a 100 place dining room and a miniature golf course. The Johore government has turned loose 11 acres on the Straits, on which the Lieboffs will plant a cinema, motel, swimming pool, boat jetty, yacht club and a drive-in. There will be walk-ins in Kuala Lumpur and Singapore and 21 drive-ins all over the country. Not only is land easy to acquire now, the offers of capital are more than can be accommodated. Even the Agong (King) has indicated an interest in acquiring stock.

In all the future looks good, but the pace is really gruelling. The Kuala Lumpur operation is open 15 hours a day, and the Lieboffs still feel that one of them must be there all the time. In addition there are the endless demands on time and energy called for by the very rapid pace of expansion. The Lieboffs' son, Ray, will soon be joined by his 21 year old brother and 18 year old sister, who have been given work permits and visas to assist in the training of local staff. Thus the Lieboffs' contribution will also include a corps of qualified soda-jerks, and if these trainees manage to rub off any of the drive and energy of Al and Geri, they are certain to be a bubbling success.

Sincerely,



Gayl D. Ness