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OPINION

Dickson Street risks losing its local appeal

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The ongoing renovation of a historic Fayetteville business is a reminder of small business owners' struggle on Dickson Street.

Hog Haus, a restaurant frequented by locals for 14 years, is gaining public attention as a new owner plans for the building's next chapter. But it is still a mystery as to why such a well-established business ended up on the market in the first place.

Local businesses up and down Dickson Street are struggling to keep their doors open because of the rise in rent costs. As an area known for its local appeal, Dickson Street faces threats of becoming a strand of national business chains.

A restriction on formula businesses – one that has a standardized method of operation and is virtually identical to other businesses of its kind – would help keep Dickson Street's local and historic appeal as well as enriching the local economy. These formula businesses tend to be national chains.

With access to far more money and a national consumer base, these businesses have a much easier time entering particular markets than their smaller local counterparts.

That being said, a formula business restriction does not necessarily prevent a chain such as Starbucks, for example, from entering a specific market place. It would only require that the Starbucks that is opened be distinct in name, operation and appearance. Most chains are not willing to go to such lengths given the cookie-cutter uniformity that characterizes chain businesses.

Straying from the uniform design of chains often leads to failure. This was seen when Dickson Street's most prominent non-formula chain business, Taco Bell Cantina, closed last December after just over a year of operation. Only 19 of Taco Bell's 7,500 locations follow the "cantina" format – 0.025% of total locations. Because of the examples as this, business chains are often deterred from operating within the bounds of formula business restrictions.

Ordinances that explicitly ban formula businesses have been successfully implemented in cities all over the nation such as San Francisco, Bristol, Rhode Island, and Port Townsend, Washington, to preserve local markets and unique downtown allure.

In San Francisco, for example, a major metropolitan area dominated by huge corporations, neighborhood business districts were strengthened greatly under their 2006 formula business ban. The city is now home to one-third of the national average of chain businesses, giving life and credibility to small business districts all over the metro area. The same outcome would result on Dickson Street under a similar ordinance.

The vicious cycle is this: improvements in the area increase consumer presence and overall profitability. This increases the value of real estate, making rent significantly more cost-preventative. The spike in costs forces many smaller businesses that once existed in the area to close up shop.

Newfound vacancies in the area are left to be occupied by larger companies with access to more money. These established franchises attract consumer attention from the remaining local business, which will eventually drive them out of business as well.

Why does it matter? The importance of supporting local businesses is evident through their effect on the local economy. Local businesses are often conductive of one another, meaning they utilize other local businesses such as banks and farms. For every $100 spent at a local business, $68 will stay in the local community.

Mark King, a Fayetteville resident and founder of Three House Ventures, LLC, purchased the building formerly occupied by Hog Haus for $3.17 million after the restaurant and brewing company announced its closing last October. Unfortunately, the buck doesn't stop here.

With the increasing popularity and profitability of Dickson over the years, the struggle for smaller businesses to remain in the area has been exacerbated. As the area becomes more and more developed, the price of rent and real estate skyrocket. Not only this, but as larger franchises move in, the smaller local shops are often overlooked.

Given the city's restriction on releasing revenue intake in specific areas, gauging the exact success of Dickson Street is difficult. However, there are a few key factors that can be used to see just how profitable the area is. For instance, in the last three years, major renovations have taken place in Dickson Street hot spots such as the Walton Arts Center, which underwent a $23 million renovation that began in 2016.

Another factor to consider is the annual Bikes, Blues and BBQ event, the world's largest charity motorcycle rally. During this event, the population of Fayetteville quadruples in size. It is without question that Dickson Street serves as one of the most profitable areas in Washington county.

Improvements in the area increase consumer presence and overall profitability of the area. With the already high turnover that comes with the restaurant and retail industries, the increasing value of Dickson Street real estate makes getting into the market and staying in it more expensive.

For example, Insomnia Cookies, a New York-based franchise, set up shop in place of Waffle House for a startling $3.2 million. With prices this high, incoming local business, unless they have significant amounts of money, stand no chance of beating out larger companies looking to take advantage of the area.

The quarrel between large national businesses and small local businesses is not only over high costs. Steve Clark, President of the Fayetteville Chamber of Commerce, summed this up with an analogy that describes the situation perfectly.

"If a kid has been to a Whataburger in Texas, then they aren't going to go to a Hugos," Clark said in an interview with KNWA.

This idea describes the advantage large franchises have over local business because of a broader customer base.

Rodney Slane, owner of the barbeque restaurant Sauced – also located on the Dickson Strip – said he struggles to get anyone in the door. This, paired with the already high rent, causes significant stress on the lasting presence of the business on Dickson Street.

Doomsday Coffee is a new coffee shop in the Dickson area, and the struggle for owner Jason Collins is the same, he said.

High rent costs and low consumer activity have created the need to take business elsewhere before it's too late, Collins said.

The solution is to create formula business restriction policies for Washington County. These restrictions would inhibit the ability of large national chains from encroaching on Dickson Street, a developing market known for its local appeal.

Without these restrictions in place, local businesses stand no chance of surviving in a business district where drastic changes in rent costs can happen almost overnight.

Nolen Bonds is a senior economics major and a columnist for the Arkansas Traveler.

Streaming service competition turns to consumer headache

"I realized more and more women were coming in and were uncomfortable working in an environment with men. We had women coming in with bloody knuckles, that's how recent their situations were,"

-Cole Saugey, Instructor and owner of Fayetteville Krav Maga Self Defense.

Women process trauma from attacks at Krav Maga class, page 2.

Hannah Denne
Columnist

With the number of streaming services available growing every year, the increasing options and competitive nature between streaming services make streaming no more financially accessible than cable.

When Netflix first transitioned to an online streaming service at only $7.99 per month in 2007, it seemed like a miracle for families that couldn't afford cable bills. They now had access to hundreds of shows and movies on demand. Other services such as Hulu and Amazon Prime Video, in 2011, sprang up to provide even more options for additional nominal fees – Hulu starts at $5.99, and Amazon Prime Video is another $12.99.

In 2017, the number of Americans subscribed to Netflix alone surpassed those using cable — the first time a streaming service proved more prominent than cable. Since then, the number of cable users has gone down as the number of Netflix, Hulu and Amazon subscribers rises. Netflix users spiked from 10 million in 2009 to 200 million this year.

Although it was more expensive to tack on additional services versus subscribing to just one, splitting up an entertainment budget between three services that each cost less than $20 per month was dramatically more economical than paying for cable – it averaged about $45 per month at the time.

Netflix, Hulu and Amazon are no longer the only major players. YouTube, previously an entirely free platform where creators could upload original content, started its subscription-based services YouTube Red and YouTube TV. Even AMC Theaters, the world's largest movie theater chain, has caught on to the trend – they recently announced a new service called AMC Theaters On Demand, which allows subscribers to rent movies just after they leave theaters.

Although it is still cheaper to pay one small subscription fee, the growing number of different services from prominent companies makes it virtually impossible to subscribe to just one service. As the number of streaming services goes from one to three and beyond, content is simply spread too thin.

Disney's new $7 monthly streaming service, Disney+, will be the only place to stream any content created by Disney starting Nov. 12 — including all of its original movies, television shows and Disney's subsidiaries, such as Star Wars and the Marvel Cinematic Universe.

NBC Studios' new streaming service will soon be the only place to watch The Office, which cemented itself as a cult classic during its time on Netflix – their service will tack on another $12 per month.

According to information from the FCC, nationwide cable bills average $64.41 per month.

Just subscriptions to Netflix and Hulu's Live TV services total up to $60.99. And that's without subscriptions to Amazon Prime, HBO, Disney+ and several other streaming services that offer popular content unavailable on Netflix and Hulu.

Netflix provided a great financial alternative to paying for cable, but other companies taking advantage of its success may be its downfall. Fearing the decreasing relevance of cable and live TV, television and movie companies have jumped on the streaming trend, taking away the thing that made streaming so desirable – its inexpensiveness and its accessibility. If the trend continues, the financial burden will phase streaming out just as cable TV was a decade ago.

What was once a cheap alternative is now an expensive norm. Subscribing to the most-used services now totals $123 per month – far more than cable.

Seeing such a phenomenon take place, cable companies could take advantage of this flaw in the system and, rather than expanding to provide streaming services themselves, find ways to lower their own prices to become more attractive to the potential consumer. As it stands, the future of entertainment access is unclear.

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