

Report: Industry's January same-store sales best in 10 years

Casual dining leads strong results for restaurant industry

Feb 12, 2015 Jonathan Maze



January was the best month for the restaurant industry in 10 years, according to the latest MillerPulse survey.

Restaurant same-store sales rose 6.5 percent in January, due largely to a 3.3-percent increase in traffic, the industry's best traffic performance in five years, according to MillerPulse.

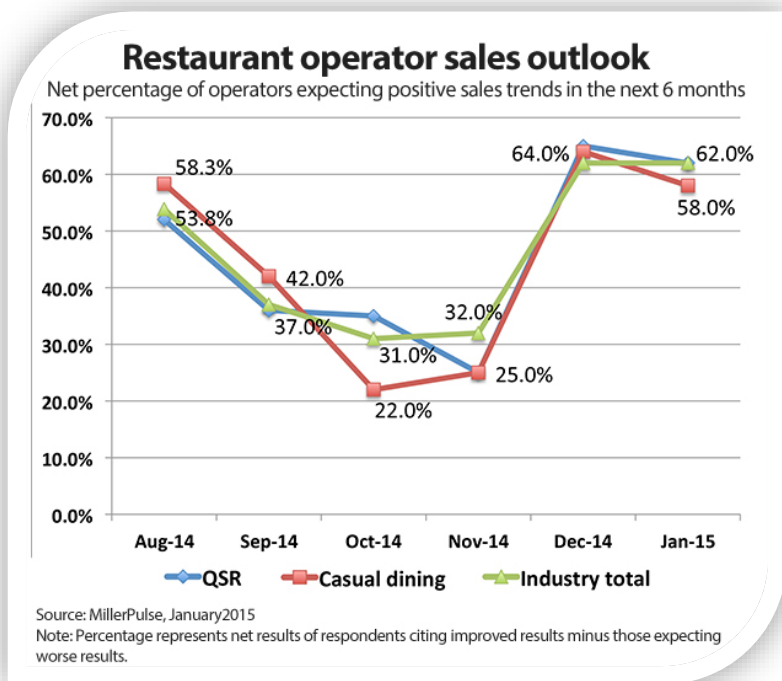
Casual-dining restaurants led the way, outperforming quick-service restaurants for the first time in four years, said Larry Miller, co-

founder of the MillerPulse survey. Casual-dining same-store sales rose 6.7 percent in January, according to the survey, compared with 6.1 percent for quick-service restaurants.

"Business is picking up," Miller said. "Traffic is picking up. That tends to be a little bit longer lasting."

At least part of the reason for the strong sales in January was weather a year earlier. Despite some snowstorms in the Northeast, this year's weather has been much gentler on the industry than last year's, which can make for easier comparisons.

In January 2014, restaurant sales rose only 0.4 percent. Operators told MillerPulse that they don't think sales results can continue because of the impact of better weather on current sales numbers.



Yet Miller noted that same-store sales rose 6.9 percent on a two-year basis, a 250-basis-point acceleration from December, when two-year same-store sales increased 4.4 percent.

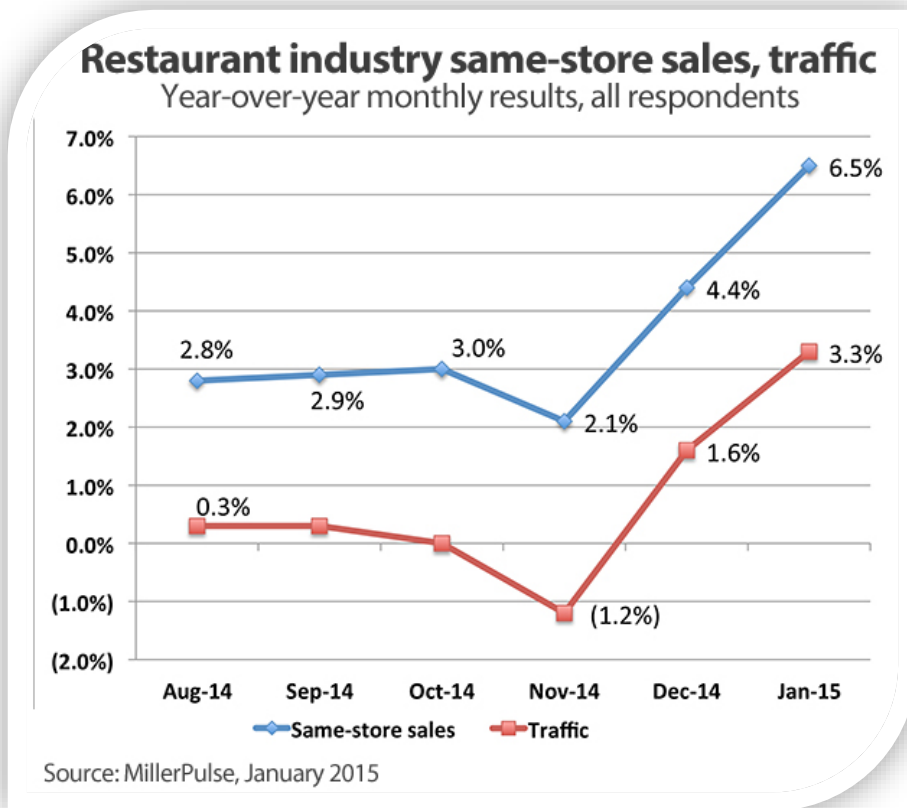
If weather were the only factor in the January numbers, Miller said, the two-year acceleration wouldn't have been that strong.

"People are willing to spend more," Miller said. "The jobs numbers were better in January. Income was better in January. Consumer confidence is at a 10-year high. There are a lot of reasons to look at this as the glass half full, rather than the glass half empty."

Gas prices remain more than \$1 a gallon below prices a year ago, according to AAA. In January, the economy added 257,000

jobs, and average wages rose 2.2 percent. And the Consumer Confidence Index from The Conference board reached its highest level since 2007.

Early indications from some restaurant companies have suggested sales strength in January. [Buffalo Wild Wings](#) said last week that same-store sales the first five weeks of 2015 increased 11.9 percent. [McDonald's](#), which has been struggling, said its January same-store sales rose 0.4 percent, only its second positive month in more than a year.



Perhaps more remarkable has been the turnaround in casual dining. Dine-in restaurants reported 3.7-percent traffic growth in January, the second straight month of traffic growth for the beleaguered sector.

Traffic has declined for at least two years in casual dining. Even during those months when casual-dining chains reported sales growth, they still struggled to get more people in the door.

“It smells a little bit like an inflection point,” Miller said, suggesting that casual dining might finally be turning around its long slump.

“It’s still early,” he added. “It’s such a new trend. It could quickly fade. But right now you’ve got to imagine that

restaurant companies are finally feeling good. This was a pretty solid month.”

MillerPulse results are based on a monthly survey of operators averaging more than \$40 billion in industry sales, representing all regions of the country and across the quick-service, casual-dining and fine-dining segments. Restaurant chains and operators interested in participating in the MillerPulse survey for additional results and insight can register at the [MillerPulse website](#).

This story has been revised to reflect the following correction:

Correction: Feb. 13, 2015 Due to an editing error, the charts in an earlier version of this story misstated some source information. They are from January 2015.

