

Restaurant Sales in Conway

By Roger Lewis

There are 198 establishments that sell prepared food in Conway as determined by collection of the two percent Advertising and Promotion tax. The criterion for collection of the tax (often referred to as the hamburger tax) is for food that is prepared and ready to eat at the point of sale.

Accordingly, restaurants include delis in grocery stores, gas stations and specialty shops such as those selling ice cream, donuts and bakery items. The 198 places also include seasonal businesses such as shaved ice vendors and concession stands. If you pare down the 198 places that sell prepared food - whether it's ice cream, pizza, donuts, or a full meal - as their main, full-time business, the number is closer to 150 establishments.

The amount of restaurant sales in Conway is formidable - over 11 million dollars in June 2010. For all of 2009, the sales were slightly over 130 million dollars. Sales year-to-date for 2010 are up 4.8% over the same period for 2009 with projected sales of 136 million dollars for 2010.

The top four restaurants in sales for June were TGI Fridays, Chick-Fil-A, Chili's Bar & Grill and Cracker Barrel, in that order, each doing between 300 and 350 thousand dollars for the month.

The next six in sales to round out the top ten restaurants, not in any particular order, were four of the McDonalds restaurants, Marketplace Grill and Colton's Steak House & Grill. Each had sales in the range of \$225 to \$260 thousand for the month. The month-to-month rank in sales varies among about a dozen restaurants in the top ten. Mike's Place and Outback Steak House often break through into the top ten.

Thirty-five restaurants average over 100 thousand dollars per month in sales, another forty restaurants average over 50 thousand and another forty average over 25 thousand a month. How much sales revenue is required for a viable restaurant varies according to the type and size. There are a number of restaurants with sales below 25 thousand a month that have been in business for a number of years whereas Does', San Francisco Bread Company and Mickie Blue Fish Grill with sales in the 25 to 60 thousand a month range could not survive.

The moderate growth of overall sales of less than 5% for 2010 year-to-date and the addition of some high sales volume restaurants such as TGI Fridays and Logan's Road House has caused sales in many restaurants to decline. Restaurants that have been in business since January of 2009 have

had an overall 3.7 percent decline in revenue for the first six months of 2010 compared to the same period in 2009. On an individual basis many of these restaurants had double digit declines with a few over 30 percent. Of course there are successes with some restaurant's sales increasing over 30 percent. The ratio of the number restaurants with declining sales was 3 to 1 to the number with increasing sales.

The restaurant business is very competitive with new restaurants opening regularly and others closing. During the 18 months from January 1, 2009, through June 30 of this year, 22 new restaurants opened and 12 closed. The notable openings were TGI Fridays, Logan's Road House, Slim Chickens, Dave Ward Drive McDonalds and US Pizza. The notable closings were Doe's, Mickie's Blue Fish Grill, San Francisco Bread Company and Western Sizzilin.

More information on restaurant sales including individual restaurants can be found at Pulse of Conway website. pulseofconway.com.