McDonald’s U.S. Sales Frozen by Weather

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NEW YORK (AP) — McDonald's says bad weather hurt its U.S. sales performance in January, representing another setback as the fast-food chain fights to fend off rivals and get its menu right.

The world's biggest hamburger chain [1] says sales fell 3.3 percent at established U.S. locations last month.

Its global sales figure rose 1.2 percent, however, lifted by improvements in Europe and the region encompassing Asia, the Middle East and Africa.

The decline in the U.S. is just the latest disappointment for McDonald's, which has conceded that its kitchen operations got overly complicated by the pace of new menu offerings. CEO Don Thompson also recently noted that the chain has lost some of its "relevance" with customers.

In hopes of attracting more diners, McDonald's [2] has been aggressively promoting its revamped Dollar Menu, which includes new burgers that cost more than a dollar. The rollout of the Dollar Menu & More was designed to help improve the company's profit margins without alienating price-sensitive customers who've grown accustomed to the idea of paying just a buck for various items.

Still, rivals including Burger King and Wendy's have been promoting their value menus and special offers as well. More broadly, McDonald's is trying to adapt to shifting eating habits by introducing items that are positioned as healthy or fresh, such as its chicken wraps and breakfast sandwiches made with egg whites.

The efforts have yet to pay off. According to a regulatory filing, McDonald's saw customer traffic at established locations decline 1.6 percent in the U.S. last year.

In January, its performance elsewhere in the world improved.

In Europe, sales rose 2 percent at locations open at least 13 months, boosted by results in the United Kingdom and France. In the region encompassing Asia, the Middle East and Africa, the figure rose 5.4 percent, helped by a shift in the timing of the Lunar New Year. The company said "solid results" in Japan and Australia also helped lift performance.

McDonald's, which has more than 35,000 locations around the world, also noted the opening of its first restaurant in Vietnam. Like other major food companies, McDonald's has been looking to grow overseas to offset weaker growth at home.

Sales at established locations is a key metric because it strips out the volatility of newly opened and closed locations.

Shares of McDonald's Corp. fell 91 cents to $95.01 in afternoon trading. Its shares are almost flat over the past year.

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