

Restaurant Brands International Inc.'s New App Will Boost Long-Term Earnings

Description

Restaurant Brands International Inc. (TSX:QSR)(NYSE:QSR) has a top-notch management team in 3G Capital, and they're all about improving the operational efficiency to boost long-term earnings. The company has been investing in technology to improve its customer satisfaction as well as reduce costs associated with manual labour. There's no question that automation has the potential to be a huge game changer in the fast-food industry, and Restaurant Brands International is ready to make the jump, starting with its new app.

Restaurant Brands International acquired Brewster App in 2015 with the hopes that the development team could create an app that would allow Tim Hortons and Burger King customers to pay in advance through their phones, so a customer could pick up their food without waiting in line at the cashier.

The app is ready to go and will be rolled out across 4,000 Tim Hortons and Burger King locations in Canada this year. Mobile payments allow for a better customer experience by saving the customer time. This new technology is expected to give the company's stores a huge boost in same-store sales by using business intelligence to cater experiences unique to each customer.

The company will also save a huge amount of money in the long run with its mobile payment app. The company will need to hire fewer cashiers, and there will be fewer human errors in the order-placement process. Once the app is completely rolled out across the world, we can expect these savings to give a nice long-term bump to the company's earnings.

There's no question that the fast-food industry going to experience huge changes over the next decade thanks to the inclusion of technology. I believe that eventually, the ordering and food-creation process will be completely automated, and the savings could allow for more opportunities to boost sales organically. We may even see delivery services for Tim Hortons and Burger King in the future.

What about valuation?

Restaurant Brands International is trading near its all-time highs, but I believe the stock is still a terrific buy. The management team at 3G Capital is one of the best in the business. This is why Warren Buffett loves making deals with them. Going forward, you can expect 3G Capital to continue to find

innovative ways to increase same-store sales while it continues its expansion across the world.

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Date

2025/07/26

Date Created

2017/01/23

Author

joefrenette



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