This Tech-Embracing Canadian Growth King Is Making Fast Food Fast Again!

Description

These days, technology plays a major role in many low-tech industries that were once thought of as insulated from advancements in technological innovation. In the past, many firms operating within low-tech industries would have been fine by not thinking about or investing in new tech; however, times have changed, and those low-tech firms that have been shying away from technological innovations may get left behind, as peers leverage new tech to get a head-start.

Consider **McDonald's Corporation** (NYSE:MCD): a giant that's benefited profoundly from including tech in its stores. Digital order kiosks and a robust mobile app have not only driven traffic into stores, but the longer-term cost savings go directly towards the bottom line, as fewer human errors are involved with customer orders.

Making fast food fast again

Many millennials would rather order through a mobile app or digital order kiosks versus waiting in line to speak to a person behind the counter. The tech profoundly improves the customer experience, and in the end, that's what it's all about. Fast food is supposed to be fast, but during peak times, I'm sure you've discovered that it seldom is, as you wait over 10 minutes for a basic order of burger and fries.

It's not just McDonald's that's poised to benefit from the move towards a technologically advanced quick-serve restaurant. Many fast-food giants are quickly following suit, including chains owned by **Restaurant Brands International Inc.** (TSX:QSR)(NYSE:QSR), the parent company behind Burger King, Tim Hortons, and Popeyes Louisiana Kitchen.

If you're a Tim's regular, you may already have the Tim Hortons app on your phone, with its double-double button that's locked and loaded to get you your caffeine fix in the quickest time possible. Burger King and Popeyes currently lack such a sophisticated mobile ordering system, but this is going to change soon as Restaurant Brands makes up for lost time with regards to tech.

A new "tech-savvy" role and a commitment to cater to changing consumer demands

Restaurant Brands recently appointed former CFO Josh Kobza to the newly created C-suite role of

chief technology and development officer — a move that'll accelerate the advancement of ordering tech at Burger King, Popeyes, and likely Tim Hortons. Expect digital-order kiosks and sophisticated mobile-ordering systems to show up at your local Burger King, Tim's or Popeyes chains over the next year or so.

Restaurant Brands CEO Daniel Schwartz stated that there's a lot of catch-up to do for all of its chains — Burger King in particular, which has fallen behind the likes of McDonald's when it comes to tech. I believe the focus on tech will give existing locations a major earnings jolt over the next few years.

It's a huge positive development that nobody is talking about!

Just have a look at the firms that have already embraced such tech at their chains. The cost-savings opportunity is huge, and the proof is already in the pudding. Such tech investments will inevitably drive store traffic and lead to profound cost savings over the long term.

Robots are starting to take over many human jobs — a trend I believe will accelerate over the next decade in the fast-food industry in particular.

I think management's commitment to tech is something to become bullish about, but still, a majority of investors are unable to think past the minimum wage noise that's going on at select Tim Hortons locations. Think long term and buy Restaurant Brands today while it's cheap, because in the end, it'll be earnings that'll dictate the trajectory of the stock.

Stay hungry. Stay Foolish.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:MCD (McDonald's Corporation)
2. NYSE:QSR (Restaurant Brands International Inc.)
3. TSX:QSR (Restaurant Brands International Inc.)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Date
2025/08/24
Date Created
2018/01/30
Author

joefrenette

joefrenette

Footer Tagline

Footer Tagline