



This Could Send Restaurant Brands International Inc (TSX:QSR) Soaring!

Description

Restaurant Brands International ([TSX:QSR](#))([NYSE:QSR](#)) has struggled with seeing strong growth numbers from its key chains Burger King and Tim Hortons. While the company has seen sales grow, it's been mainly as a result of opening new stores, as same-store sales have been lacklustre, coming in at less than 2% in the company's [most recent quarter](#). The company has been working on finding ways to help [grow sales](#) at Tim Hortons, but a recent development at Burger King that could make all the difference.

Recently, we learned that Burger King was testing a plant-based burger, using patties from Impossible Foods. The patties are made to taste the same as burgers made of meat, so customers don't even notice a difference but at the same time are eating much healthier. We've already seen a lot of success with A&W using plant-based patties from Beyond Meat, which has been very popular with customers.

Why does this matter?

Although you could argue that customers that buy fast food aren't doing so for the health benefits, the danger is more about the customers that have been lost because of the lack of any real options. Having a plant-based burger that tastes similar to a regular burger could bring in many health-conscious customers, especially those that may have turned away from fast food.

It's likely that we'll see this become an inevitable trend in the industry given that it's a win-win situation for consumers since they no longer have to sacrifice taste in order to eat healthily. And the popularity of plant-based burgers may only get stronger, as A&W recently added a Beyond Meat breakfast sandwich to its menu as well.

Being an early adopter here could generate a lot of sales for Burger King, and that means existing stores would get a boost, which in turn would help the stock price. Adopting plant-based burgers would give the fast-food chain an advantage over rivals that still might be standing pat and otherwise undecided on the decision to go with plant-based burgers or not.

Burger King has initially started testing the plant-based burger in 59 locations in and around St. Louis.

The Impossible Whopper, as it is being called, will be a flame-grilled burger just like the original Whopper. How well it compares to the original and how much of a difference customers notice, will determine how likely it will be that the Impossible burger succeeds.

Bottom line

This could turn out to be a great move for Burger King that could be a great way to attract and market towards a different type of fast-food customer, and perhaps one that may have been turned away. If it becomes successful, I wouldn't be surprised if Restaurant Brands ends up using plant-based burgers at Tim Hortons locations as well.

If taste isn't compromised and if it doesn't cost significantly more, then it becomes very easy to justify making the switch to plant-based burgers. And there are significant first-mover advantages for a company being one of the first to switch to plant-based burgers, as it will help build a connection with customers that it is focused on offering healthier choices, which could be a big competitive advantage over the long term.

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