



## Go Online or Go Home: Are Your Retail Stocks Web Savvy?

### Description

I can't remember if I even purchased a single book in an actual brick-and-mortar store last year. I just go online and order, and it's at my door promptly. With the retail price of gas increasing and expected to hover around \$1.40 per litre this summer, it's cheaper to stay home and shop online.

If you hold retail stocks, are those companies online-shopping-savvy to drive sales and profits? The following are four Canadian retailers with good online strategies.

#### 1. Canadian Tire

In 2011, **Canadian Tire** ([TSX: CTC.A](#)) acquired the Forzani Group. With this acquisition, it picked up the Sport Chek sporting goods chain. Currently, Canadian Tire is using Sport Chek's digital base to grow its online business. Canadian Tire is offering approximately 90% of its products online now.

Its customers can connect with its leading retail banners via an array of digital channels. These include banner websites [canadiantire.ca](#), [sportchek.ca](#), and [marks.com](#). Canadian Tire's digital presence continues to grow. Smartphone and iPad applications offered across all of its banners totaled more than 2 million downloads by the end of 2013.

#### 2. Danier Leather

**Danier Leather** (TSX: DL) is one of the largest publicly traded specialty apparel leather retailers in the world. The company's digital focus is its e-commerce "click-to-purchase" capability for its products in Canada and in the United States. Danier is laying the foundation for increasing its sales outside of Canada.

In Q3 fiscal 2014 (ended March 29, 2014), it launched the Danier.com e-commerce click-to-buy store for orders within Canada. The company believes that its transactional website will now enable it to reach a wider range of customers across Canada. This includes younger customers who are more familiar with and used to web shopping.

### 3. Hudson's Bay

**Hudson's Bay** (TSX: HBC) has plans for building online sales. The company is using Saks' digital proficiency to create its world-class HBC Digital team. The accountabilities of this team are to build digital commerce and interaction across all of the company's banners and geographies.

The company created HBC Digital to manage digital commerce and marketing strategy and execution for its digital brands. These brands include thebay.com, lordandtaylor.com, saks.com, and saksoff5th.com. In November 2013, Hudson's Bay completed its acquisition of all of the outstanding shares of Saks for U.S. \$16.00 per share.

### 4. Indigo Books and Music

**Indigo Books and Music** (TSX: IDG) is undergoing significant changes. It's beginning to transition from being Canada's foremost bookseller towards its goal of being the world's first creative department store. In essence, it is trying to turn into an omni-channel, multi-category retailer. In 2013, it concentrated on building its design and merchant capabilities, its digital capability, and its supply chain.

The company redesigned its website to include an emphasis on new growth categories, including paper, toys, and gift products. Its website now features a streamlined checkout process, an improved mobile experience, and a wide-ranging gift finder. It also features a unique "drag and drop" capability to make online shopping easier.

#### It's all because of Amazon.com

**Amazon.com** (NASDAQ: AMZN) is the e-commerce behemoth that's sparked other companies' new digital strategies. As *The Globe and Mail* recently reported, "the online giant is boosting its sales 20 percent or more a year and every time it enters a product category, it overwhelms competitors with state-of-the-art logistics and customer service, as well as its willingness to operate with little or no profit."

Consider the e-commerce initiatives of retailers you're interested in investing in. This shopping paradigm will only continue to grow. Amazon has changed the game regarding online shopping, and retailers must continue to embrace this trend effectively to survive.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NASDAQ:AMZN (Amazon.com Inc.)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)
3. TSX:IDG (Indigo Books & Music)

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