



Investors: Canadian Tire Corporation Limited Can Help Grow Your Portfolio

Description

Canadian Tire Corporation Limited ([TSX:CTC.A](#)) is one of Canada's oldest and largest retailers, and the company is now making strides into the digital world, injecting technology into the traditional store model and setting the bar for other retailers to follow.

Here's a look at how much the retailer has changed over the past few years, how the company will continue to change, and what this means to investors.

The old Canadian Tire

Canadian Tire conjures up a stereotype to most of us: a place for automotive parts, sporting equipment, patio and garden supplies, and various odds and ends. As nostalgic as this may be for us, none of this identifies with the younger generations of consumers who are more comfortable using (and expect) technology to be part of the shopping experience. Canadian Tire had a branding and audience issue and was out of touch with the younger generation.

With these evolving needs of consumers, Canadian Tire was being left behind, and that's exactly what CEO Michael Medline noted when he took the helm of the company a few years ago.

The new Canadian Tire

Since then, the company has invested heavily in technology to restore the brand and attract new customers. This goes beyond just upgrading technology in the stores; the company went one step further and actually added the technology to the buying process for consumers; technology is used as a tool in aiding the consumer make a decision about a sale—an industry first.

Some ways in which technology has been used include introducing a digital currency, linking sales of seasonal items to weather forecasts, and promoting online-only deals.

While these may not seem like huge changes, they represent the first link in the transition to what the company refers to as it being a “phygital” retail—both physical and digital.

Inside the stores, the changes are more innovative. Customers can step into a driving simulator to try out how new tires will handle in different weather conditions, or they can go for a run on a treadmill that will recommend the right type of shoe based on how they run. They can even put on an oculus rift virtual reality headset and map out how new patio furniture will look in their back yard.

The company is mailing out 12 million paper catalogues to customers, but the catalogues are more digital than people think. The catalogue, known as the Wow Guide, uses image-recognition technology to identify pages within the printed catalogue, so that when a user hovers over an image in the catalogue with their smartphone, they are shown additional content relating to the product or are able to visualize the product in their home.

One benefit of using technology is that the company can get a more thorough read on how many consumers are using the new catalogue. Just a day after being released, the catalogue was already accessed by hundreds of thousands of consumers.

The leaps and bounds by which Canadian Tire has evolved an old and tired brand into something new and exciting is what excites me most about the company. Canadian Tire is clearly evolving and, as a consumer, I am intrigued about what the company will come up with next. As an investor, the opportunities for revenue growth that this transition represents are immense.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CTC.A (Canadian Tire Corporation, Limited)

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