



## 1 Legendary Canadian Brand That Could Make You Rich

### Description

**Canadian Tire Corporation Ltd.** ([TSX:CTC.A](#)) is one of Canada's strongest homegrown brands. The company is trading near 52-week highs, despite being in the brick-and-mortar retail industry, which has been a very difficult place to thrive in over the past few years thanks to the rise of e-commerce platforms. Many Canadian retailers are on their knees right now, as companies attempt to adapt to a quickly changing retail environment.

The management team at Canadian Tire has been thinking ahead of the competition by investing in some impressive same-store sales growth initiatives which make use of innovative new technologies. Many retailers have shied away from technology in the past, and you really can't blame them. Retail is supposed to be a low-growth business, and a few years ago, technology really didn't have a place at your local brick-and-mortar retail store. Sure, many retailers have been investing in an e-commerce platform, but Canadian Tire took it to another level.

What keeps Canadians coming into stores?

Fortunately for Canadian Tire, they happen to sell a lot of items that wouldn't make sense to distribute through an online platform. Think tires, auto equipment, shoes, sporting equipment and lawnmowers. These are the kinds of items that actually require a customer to come into a store to be able to buy. Not only would it be extremely expensive to ship these bulky items to a customer's home, but it's likely that there would be a lot of returns since these are the kinds of items that you would want to try before buying.

Canadian Tire is making it faster and easier for customers to try items before they buy. If you've been to Sport Chek lately, then you'll feel like you've walked into the retail store of the future. There are holographic display boxes with sports equipment inside them that will lure you into the store. It may seem like a gimmick at first, but these initiatives are driving traffic as well as same-store sales. The management team is jumping at the opportunity to use technology anywhere they can in order to improve the experience for its customers. For example, if you make your way to the shoe department, you'll see a treadmill that will allow you to test any pair of sneakers to see if it'll be a good buy for you.

Canadian Tire's management team is quick to adapt to a fast-moving retail environment, so investors

should be comfortable owning shares for the long haul without worrying about the threat of e-commerce eating into the company's profitability. As the retail industry continues to struggle, I believe Canadian Tire will continue to be a huge outperformer because of their dominant position in the Canadian market, which serves as a very wide moat. Although the stock has been on a tear in recent months, I still think the stock is a great buy if you've got a long-term time horizon.

## CATEGORY

1. Investing

## TICKERS GLOBAL

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

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