



Canadian Tire Corporation Limited: An Iconic Brand at an Unbelievable Price

Description

Canadian Tire Corporation Limited ([TSX:CTC.A](#)) is a Canadian icon with a management team that knows how to adapt to a fast-changing Canadian retail environment. The company has held up incredibly well, while many other brick-and-mortar retailers have been getting crushed at the hands of e-commerce retailers like **Amazon.com, Inc.**

Many investors are scared to death of the retail sector as a whole right now, even if individual businesses within the sector are still thriving, despite the industry-wide headwinds. Take Canadian Tire as an example. The management team is actively investing in initiatives to keep it ahead of the pack. That means investing in innovative technologies to improve customer satisfaction, which will drive store traffic at a time when the average consumer would rather stay at home and order everything online to be shipped to their households.

There's no question that retailers have a difficult task ahead of them. These days, it's a requirement to have a solid e-commerce platform in place with various other innovative technologies to retain and attract customers. Fortunately, the management team at Canadian Tire hasn't shied away from tech; they embraced it, and you'll notice the innovation if you walk into one of their physical stores.

While having tech on your side may give same-store sales a bump, many consumers favouring digital retailers will likely be lost for good. This is a major reason why the company decided to beef up its e-commerce platform. Canadian Tire and its subsidiaries will always be brick-and-mortar retailers at heart; the e-commerce platform is just there as a supplement.

Canadian Tire's three-year plan has really paid off, as its financial performance and outlook are head and shoulders above other retailers that may be on the brink. The retail environment is tough, but Canadian Tire is making moves to stay ahead, and I believe it will be able to drive store traffic as it coexists with e-commerce competitors who are hungry to steal its slice of the pie.

Bottom line

Shares of CTC.A have been pretty volatile over the past few years, but the long-term trajectory is still heading upward. Canadian Tire is one of the best retailers out there, and shares are cheap, despite

delivering solid results on a consistent basis. The general public is worried about the retail sector as a whole. This presents an opportunity for value investors to pick up shares of what I believe is an unfairly beaten-up stock.

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