



Canada Goose Holdings Inc.: You Just Can't Buy This Kind of Brand Loyalty

Description

In a little over 10 weeks, entrepreneurs and like-minded marketers will be congregating at "The Gathering," which will be held somewhere in the foothills of the Rocky Mountains near Banff, Alberta. The Gathering is a one-of-a-kind festival celebrating "the world's bravest brands" that have developed cult-like followings.

This year's honorees include Jack Daniels Tennessee Whiskey, owned by **Brown-Forman Corporation Class B**, Beats by Dre, which is partially owned by **Apple Inc.**, **Sony Corp's (ADR)** Playstation, and emerging brand, **Freshii Inc.**, a Toronto-based fast casual dining chain specializing in a healthy assortment of wraps, salads, and bowls.

Last year was a notable year at The Gathering for some of Canada's hottest brands. Medical marijuana producer **Canopy Growth Corp.** was recognized as an emerging brand, as was **Canada Goose Holdings Inc. (TSX:GOOS)(NYSE:GOOS)**, a designer of premium winter jackets and apparel accessories.

The strength of the Canada Goose brand won't come as much of a shock to anyone who has spent time walking the winter streets in any of Canada's metropolitan centres.

Spend five minutes on the streets on a cold winter's day, and you'll be sure to see at least a handful, if not a dozen or more, of Canadians and tourists bundled up in the company's designer fashions.

It's no secret that winter in Canada can get chilly, and Canada Goose's line of outerwear is widely regarded among those in the know as the some of the warmest jackets on the market.

And if you ever take a walk through a downtown shopping centre as winter season approaches, don't be surprised if you see a crowded Canada Goose retail outlet full of eager shoppers and on the weekend. You may even see a line of customers extending out the door and around the corner.

A brand with that type of loyalty and engagement is very tough to come by.

And it's showing in the company's financial results as well. In the company's last reported quarter,

sales were up 34.7% and operating income was up even more by 74.3%.

Canada Goose appears to have found lightning in a bottle — perhaps not dissimilar to the type of emotion induced by the likes of **Lululemon Athletica inc.** ([NASDAQ:LULU](#)) a few years ago, when the company introduced its premium line of yoga apparel and accessories.

But investors who decide to hop on the bandwagon with Canada Goose also need to heed caution.

There have been countless cases — **Abercrombie & Fitch Co.** and **Under Armour Inc Class A** are just two recent examples — of apparel companies that at one point were red hot, but couldn't manage to sustain the pace of growth.

Bottom line

At the end of the day, the nature of the fashion industry is that one day you're hot, and the next day you're just not.

Right now, Canada Goose shares are white hot, up 30% since the start of November, meaning now might be the time to catch on to the trend.

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