



Have You Considered Canadian Tire Corporation Limited Recently?

Description

Canadian Tire Corporation Limited ([TSX:CTC.A](#)) is arguably one of Canada's best retail brands. The retailer is traditionally known as the go-to place for sporting equipment, automotive supplies, and, during the holiday season, every Christmas light set imaginable.

That was a view that was ingrained in us, as much as the "give like Santa, save like Scrooge" commercials that we were accustomed to seeing during the holiday season.

But at some point, Canadian Tire became much more. The retailer became one of the most, if not *the* most innovative retailer in the country, setting an example for the entire industry.

The market and the way that we shop for goods first changed with the advent of the Internet, and then again with the widespread adoption of smartphones. We now have a price comparison and shopping tool right in our hands to compare prices and order goods when we visit stores, which caught the entire retail sector off guard.

A few short years ago, Canadian Tire was one of those retailers. The company had minimal presence online, with limited inventory and e-commerce processing. Canadian Tire still saw the weekly flyer as the sole source of reaching out to its target audience, which was evolving.

What changed?

Canadian Tire seized the opportunity to innovate and use technology as a key part of the sales process.

Some examples of this innovation include the use of a driving simulator to try out new tires in various weather conditions before purchasing a set, running on a treadmill to get a recommendation for the perfect shoe, and donning a VR headset to see how the new patio set will look like in your garden.

Those innovations and many others set the retailer apart from the competition and gave customers a reason to return. Canadian Tire's tech focus shifted to revamping the traditional weekly flyer to display additional information on a smartphone as well as improving back-end inventory and sales systems.

In other words, Canadian Tire has become a high-tech, high-energy retailer with loads of potential that appeals to customers.

What about results?

Canadian Tire reported [third-quarter results](#) for the current fiscal last month, which were, in a word, great. Consolidated retail sales came in at \$179.5 million, reflecting a 5.1% increase over the same quarter last year. Consolidated revenue over the same period saw an increase of 5.6% to \$175.5 million.

One area in which Canadian Tire was traditionally weak was that of dividends. However, this changed during the most recent quarter as Canadian Tire boosted the quarterly dividend by 38%, which will now provide a respectable 2.19% yield.

Assuming that Canadian Tire can continue to deliver strong results, there's no stopping that dividend from increasing further, ultimately making Canadian Tire an even [better option](#) for investors looking at the long-term picture.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/08/25

Date Created

2017/12/21

Author

dafxentiou

default watermark