



1 Wonderful Business I'd Double Down on Right Now

Description

It's pretty ironic that the logo of **Canadian Tire** ([TSX:CTC.A](#)) is a [downward pointed arrow](#), because that's all shareholders have seen over the past few months with some analysts fearing that competition will make quick work of one of Canada's most treasured brick-and-mortar retailers.

Although it's tempting, especially for beginners, to avoid everything related to brick-and-mortar retail, investors ought to realize that Canadian Tire isn't built like an old-school dinosaur that's just waiting to go extinct.

Management has been pulling out all the stops. I'm incredibly bullish on the retail giant's prospects over the next five years, as I think a vast majority of investors are too fearful over the company's industry and have neglected to consider the company's exclusive brands, which I believe will be the driver of growth that could exceed what the retailer would have been capable of even prior to the rise of e-commerce disruptors.

I guess you could say the rise of e-commerce is causing Canadian Tire to up its game. Come the next five years, I think we'll see the best Canadian Tire we've ever seen.

I've pounded the table on Canadian Tire's pro-branding strategy many times in the past. I won't go into that further in this piece. Instead, I'm going to draw your attention to a specific overlooked opportunity within Canadian Tire's vast portfolio of exclusive brands.

Enter the Woods

Consider Woods and Helly Hansen, two of Canadian Tire's outdoor apparel brands that I believe have tremendous potential to catapult Canadian Tire stock into the stratosphere throughout the next decade.

The nearly \$1 billion scoop-up of Helly Hansen was deemed as overpriced and questionable by many analysts, and while the brand may not be a Canadian household name yet, I think it (and Woods) could become a ["main attraction" at Canadian Tire](#) that'll draw in huge crowds.

It's time to get down with "down"

Consider how popular down-filled parkas and other pieces of outerwear have been in recent years. It's a major reason why **Canada Goose Holdings** ([TSX:GOOS](#))([NYSE:GOOS](#)) has been one of the hottest stocks in Canada over the last few years.

Down is a premium insulator that's essentially the gold standard when it comes to quality outerwear, and although Canada Goose made the down-filled parka popular, the company doesn't have a patent on down-based products, so, as you'd imagine, Canadian Tire's private labels have potential to capture a slice of one of the hottest emerging niche markets out there.

Canada Goose's moat is on its luxury brand. So, if Canadian Tire is able to play its cards right and build on its own "premium" brand in the quality outerwear space through creative advertising campaigns, Canadian Tire could end up chasing down the Goose's lunch.

Canadian Tire's most recent televised ads feature "The Original Parka by Woods" and features Arctic Explorers donning Canada Goose-looking parkas with a scenic view of the mountains. I thought I was watching a Canada Goose commercial at first, but no, it was Woods, a brand that's exclusive to Canadian Tire.

The Woods parkas had the fluffy "foxtail" hood, an unmistakable sidearm patch, and a premium look. Moreover, an emphasis on Woods's historic past was noticeable in the televised spots, something Canada Goose has been driving home since its inception a long, long time ago.

So, there's no question that through Woods (and Helly Hansen, which also sells down-filled outerwear), Canadian Tire is hungry for a piece of Canada Goose's success. With a line of Olympic Collect parkas, and pockets deep enough for a celebrity endorser, Woods could give Canada Goose a good run for its money in the luxury outerwear market, while Helly Hansen establishes itself in the lower-cost camp.

As Woods, a relatively unknown brand today, becomes more well known domestically (and one day internationally), I wouldn't be surprised to see more premium Woods offerings north of the \$1,000 mark. That'll put Woods on the Goose's turf; then the real games begin!

Foolish takeaway

Woods and Helly Hansen are terrific outerwear brands with incredible international growth potential. That's just one of the many promising brands within Canadian Tire's exclusive portfolio that ought to get investors feeling optimistic about buying shares on weakness.

As Canadian Tire's brands begin to reap fruit over the long term, Canadian Tire stock will surge, but for now, they remain ripe for plucking.

Stay hungry. Stay Foolish.

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