



This Canadian Growth Stock Could Double by Year's End

Description

The **TSX Index** doesn't have a reputation for being home to sexy growth stocks like the exchanges south of the border — apart from **Shopify**, of course! While most investors look to the U.S. exchanges for their growth fix, I think that there are ample opportunities for investors on this side of the border. Not only do they receive less attention from the financial media, but they're also likely to be far cheaper relative to their long-term growth rates.

Consider shares of **Aritzia** ([TSX:ATZ](#)), a retailer that's quickly making a name for itself under the international spotlight. As a Canadian, you're probably well aware of the chain of women's clothing stores. Fast fashion has the potential to be fickle, and while that doesn't make for an excellent long-term holding, I think Aritzia has some competitive advantages up its sleeves.

The “Markle sparkle” and other genius marketing moves

Consider the fact that the company continued to clock in outstanding results amid Canada's economic slowdown. Canadians are indebted, and they're in the process of tightening their belts, especially when it comes to discretionary goods. As a “fast-fashion” retailer, Aritzia is the epitome of discretionary and is a name you'd expect to take a brunt of the damage in a downturn.

Aritzia defied the odds, though, because the brand is just that good. Meghan Markle has dawned articles of Aritzia clothing on numerous occasions, providing the company with the type of publicity that money can't buy. Combine this with Aritzia's influencer-based marketing campaign, and you've got a “nice-to-have” discretionary that's more like a “must-have” staple through the eyes of many. Hats off to Aritzia's marketing team.

It's not just Aritzia's marketing team that caused me to [change my tune](#) on the stock, though. The Vancouver-based clothing retailer has created substantial brand equity in the years since its IPO. And with impeccable timing, as the company looked to expand into the U.S. market, which reeks of double-digit growth potential.

Not *what*, but *who*

“It’s apparent that consumers have a rapidly growing affinity for the brand, thanks to the strengthening of brand equity over the past few years.” I said in a [prior piece](#). “Margins should [continue to] expand as the brand looks to evolve into a luxury brand. I certainly wouldn’t rule it out given that Aritzia clothes have been worn by royalty!”

It may sound far-fetched to refer to Aritzia as a “luxury” brand. The quality of its items is nowhere close to that of real luxury brands. But at the end of the day, the power of brands can have a profound impact. Anything Aritzia that Markle (or any other influential celebrity) touches is likely to turn into gold that immediately flies off shelves.

To prospective purchasers of Aritzia goods, it’s less about “what” (design, quality) you’re wearing and more about “who” you’re wearing, as they say on the high-fashion runway.

Foolish takeaway

Looking ahead, I see off-the-charts growth, as Aritzia continues to move beyond the confines of Canada while continuing to improve its omnichannel channels. After last week’s brutal 18% peak-to-trough drop, investors would be well-advised to back up the truck now before shares have a chance to heat up again.

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