



Fear a Market Correction? Buy Canada's Safest Stock

Description

Loblaw Companies ([TSX:L](#)) is one of Canada's largest grocery, pharmacy, and health retailers. It is also a leading provider of apparel and general merchandise. The company offers one of Canada's [strongest control label programs](#), including the President's Choice (PC), No Name, Farmer's Market, and Joe Fresh brands. In addition, through the PC Optimum loyalty program, Loblaw rewards Canadian consumers for shopping at the company's stores.

Innovative store options

The company's retail segment consists primarily of corporate and franchise-owned retail food and drug stores. This includes in-store pharmacies and other health and beauty products, apparel, and general merchandise. The company's financial services segment provides credit card services, insurance brokerage services, and wireless mobile products and services and operates the PC Optimum loyalty program.

The company's discount format stores, including No Frills and Maxi, are focused on delivering a fresh-led food shop with an offering of products and services aimed at keeping costs low to continuously invest in price. The Real Canadian Superstore is a [discount format store](#) that prioritizes total value and offers a one-stop shop with a broad assortment of food, health and beauty, apparel, and general merchandise products. Many of the company's discount format stores also include in-store pharmacies. The company's discount format stores operate across Canada and include franchised and corporate stores.

The company's full-service stores, which includes Loblaws, Zehrs, and Valu-Mart, support Loblaw's vision by delivering a leading fresh offering, breadth of assortment, quality products, and customer-centric service. These stores consists of two primary formats. Neighbour stores provide a trusted and familiar full-service shopping experience, and the growing network of renovated Inspire stores specialize in food discovery.

Crown jewel: Shoppers Drug Mart

Most of the company's market format stores also include in-store pharmacies. Shoppers Drug Mart is the crown jewel of Loblaw. It operates stand-alone drug stores under the banners Shoppers Drug Mart and Pharmaprix. Shoppers Drug Mart stores also include a beauty area, a store-within-a-store concept with open-sell displays focused on prestige cosmetics.

In addition to full-service retail drug stores, Loblaw includes other retail formats such as retail pharmacies located in medical buildings or clinics providing pharmacy products and professional services and advice. It also sells a wide range of home-care, medical, and mobility products and services to retail customers.

PC Optimum loyalty program

The company rewards customers through participation in the PC Optimum loyalty program. This program offers a fully digital loyalty experience for the company's customers, in the form of personalized weekly offers on grocery, personal care, convenience, and gas. Offers are designed to reward customers for the items purchased most often while leveraging data to unlock meaningful value for those customers. This provides customers with the best possible shopping experience.

The company's supply chain includes 26 distribution centres across Canada. Third-party logistics service providers are used at several of these distribution centres. The company uses various modes of transportation, including Loblaw's own trucking fleet and third-party common carriers, railways, and ocean carriers.

Overall, there are multiple exciting initiatives going on at Loblaw that could significantly increase the intrinsic value and stock price.

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2. Editor's Choice

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