



## Canada Goose: A New TSX Meme Stock?

### Description

Meme stock investing is where it's at these days. Retail day traders are pulling money in like it's going out of style. Indeed, various retail stocks are in the spotlight right now amid a rush to pick up shares in these surging stocks.

Momentum is in the favour of various retailers such as **Express** in recent days. However, there's one Canadian stock that could be making a similar move right now.

Here's why I think investors should keep their eye on **Canada Goose** ([TSX:GOOS](#))([NYSE:GOOS](#)) right now.

## Canada Goose has become a trendy retail stock

As Fellow Fool contributor Vishesh Raisinghani pointed out in [a recent piece](#), there's a new catalyst investors are considering with Canada Goose today.

"This week [week of Mar. 4], Canada Goose announced a new deal with the American National Basketball Association (NBA). The multi-year deal involves a new line of designer clothing timed around the NBA's annual midseason All-Star game. So far, plans include a four-piece, unisex collection that includes a vest and a trench coat.

Why does this matter? Well, it indicates that the brand is looking beyond its core product offering. Moving beyond heavy coats is a big deal. It enhances Canada Goose's appeal in markets where the winters are not as bitter as Canada's."

Indeed, the company's been looking to make inroads in countries with warmer climates. This is a brand that has a tremendous amount of appeal in tropical areas such as Asia, but the need for parkas in these markets is limited.

I think this sort of mass-market approach to the company's marketing could be a key driver of long-

term success for the company. The NBA has grown its footprint substantially in the Chinese market, so this partnership makes sense more than ever.

## Brand value is everything

I think Canada Goose's brand is the company's real durable competitive advantage. Indeed, retail is a difficult business to succeed in long term. Customers have constantly changing preferences, and want to wear what's "in."

Canada Goose has done an excellent job of ensuring its brand is at the top of the "in" list. Accordingly, I think its recent marketing initiatives are as ingenious as its product design and current market share in its core categories.

If Canada Goose can continue to build inroads in growth markets in Asia, this stock's potential is incredible. This stock isn't cheap right now, trading at 85 times earnings. However, I think investors are correctly valuing a tremendous amount of growth in GOOS stock right now.

Indeed, if more social media-savvy retail investors pile on board, this stock could go on a wild ride.

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