



Value Investors: 1 Canadian Luxury Stock to Own in Your TFSA

Description

Founded in a small warehouse in Toronto in 1957, **Canada Goose** ([TSX:GOOS](#))([NYSE:GOOS](#)) has grown into one of the world's leading makers of [performance luxury apparel](#). The company's products withstand the rugged demands of the Arctic and are used in the coldest places on Earth. The company is deeply involved in every stage of the production and sales process as a designer, manufacturer, distributor, and retailer of outerwear, knitwear, and accessories for men, women, and children.

This [vertically integrated business model](#) allows it to directly control the quality of the company's products while capturing higher margins. Canada Goose has e-commerce operations in 13 countries and 20 retail stores and sells products on the company's wholesale channel, which is comprised of select wholesale partners and distributors in 47 countries.

Authentic brand

For decades, the company has helped explorers, scientists, athletes, and film crews embrace the elements in some of the harshest environments in the world. The company develops superior functional products centered on protection from the elements and adaptability for a wide range of uses, climates, and environments.

The company's expertise in matching technical fabrics with the optimal blends of down enables it to create warmer, lighter, and more durable products. The superior quality and performance of the company's products also extends into freedom of movement, breathability, and protection from wind and rain.

Luxury product offerings

Canada Goose is the reference parka in the performance luxury space. On a global basis, consumer research shows that Canada Goose consistently ranks amongst the highest in brand awareness and affinity. In a market which is largely fragmented and regional, the international breadth of the company's brand equity is a significant point of strength. While many companies in the industry

outsource to offshore manufacturers, Canada Goose produces core down-filled jackets in Canada.

Further, Canada Goose directly controls the design, innovation, development, engineering, and testing of the company's products, which allows it to achieve greater operating efficiencies and deliver superior product quality. The company manages production through a combination of in-house manufacturing facilities and long-standing relationships with third-party sub-contractors. This gives it distinct advantages, including the ability to scale operations and achieve higher margins.

Multi-channel distribution

The company's distribution strategy allows it to reach customers through two distinct and complementary channels. In the company's most important markets, the direct-to-consumer (DTC) channel allows it to have direct and unfiltered relationships with customers, while realizing more favourable margins. In a world that is increasingly digital, the company's e-commerce platform is strong and dynamic, offering the full breadth of its product offering and available anytime.

Proven management team

Dani Reiss, the company's president and CEO since 2001, has led the transformation of Canada Goose from a small Canadian jacket manufacturer to a global luxury brand. Mr. Reiss has played a central role in transitioning the business into a consumer facing brand, developing the company's international markets and building a world-class team of senior business leaders. The company's current management team has established the company's innovative multi-channel distribution model, and successfully evolved product offerings beyond the parka.

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