



Value Investors: This E-Commerce Giant Could Move Significantly Higher

Description

Canadian Tire ([TSX:CTC.A](#)) has been in business for [almost 100 years](#). The company operates through three reportable segments, including retail, financial services, and real estate.

Diverse business segments

The retail segment includes Canadian Tire, SportChek, Mark's, PartSource, Petroleum, Helly Hansen, and Party City. It also includes the consumer brands division which supports the retail banners in the development and acquisition of owned brands and products.

The financial services segment provides financial and other ancillary products and services, including consumer credit cards, in-store financing, insurance products, and retail and broker deposits. In addition, financial services offer payment processing services to the majority of the company's retail banners.

The real estate segment comprises a division that owns, develops, and leases [income-producing real estate properties](#) across Canada. This segment consists of a geographically diversified portfolio of standalone properties, primarily occupied by Canadian Tire (CTC) stores, multi-tenant properties, primarily anchored by a Canadian Tire store as well as those operating under other CTC retail banners, industrial properties, a mixed-use commercial property and development properties.

Bouncing back from COVID-19

In 2020, the COVID-19 pandemic had an impact on the Canadian and global economies and on consumer purchasing behaviours. These impacts, combined with the temporary closure of certain stores and the introduction of new safety protocols, significantly affected the company's operations and financial performance in the year.

In response to COVID-19, Canadian Tire introduced curbside pickup, providing customers with a safe and convenient way to order online and pick up orders. Canadian Tire also rolled out self-serve lockers

at approximately one-third of the company's stores.

Breadth of innovative products

The businesses in the retail segment focus on providing customers with a breadth of differentiated and innovative products and convenient in-store and omnichannel shopping experiences through personalized customer engagement. CTC stores offer consumers a wide range of products consisting of over 150,000 stock-keeping units under about 200 product categories.

The majority of Canadian Tire stores also provide a variety of automotive services, ranging from oil changes and tire installations to brake and engine repairs. Canadian Tire stores are easily identified by the trademark and have established a strong reputation and high recognition throughout the communities it serves.

Canadian Tire also offers online shopping through the company's website and mobile application with both click-and-collect and deliver-to-home order fulfilment.

Process-centric workflow

Canadian Tire is responsible for the category business management and procurement of more than 150,000 products. The company employs category management teams that build compelling, seasonally relevant assortments through category reviews and also continuously refine the product selection and introduce new, innovative, and often exclusive brands and product assortments.

Once product selections are finalized, the category management teams determine the optimal sales and distribution channel, forecast consumer demand, and execute the purchasing and ordering of products which ultimately end up in-store shelves and online, and then into the hands of consumers.

The teams also use in-season management tools to proactively adapt to any changes from the original demand forecast. This comprehensive process enables the merchants to actively manage the business during each season and could lead to a higher stock price.

CATEGORY

1. Investing

POST TAG

1. canada

TICKERS GLOBAL

1. TSX:CTC.A (Canadian Tire Corporation, Limited)

PARTNER-FEEDS

1. Business Insider
2. Koyfin

3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing

Tags

1. canada

Date

2025/08/20

Date Created

2021/06/20

Author

nikhilwaterloo

default watermark

default watermark