



This Undervalued Stock Could Rise Significantly Higher in 2021

Description

Alimentation Couche-Tard (TSX:ATD.B) operates and [licenses convenience stores](#). Across the network, the company is preparing for the future by innovating its payment and delivery options. In response to the pandemic and changing shopping behaviours, Couche-Tard expanded and gained valuable insights into what the company's customers want in terms of convenience, including curbside pickup and home delivery options. The company is evaluating these models for further understanding and deployment.

Frictionless payments

Recently, the company has also made notable advancements in frictionless payments inside Couche-Tard's stores and on forecourts. In January, the company opened its first frictionless store, Couche-Tard Connecté, which is a unique retail laboratory in partnership with McGill University in Montreal. The results were quite impressive in terms of how the company delivers a fully frictionless experience in a timely manner and with great accuracy.

Further, Couche-Tard's store team members have been outstanding ambassadors, playing a key role in the success of the location. In the next few months, Couche-Tard plans to inaugurate the company's first few stores in Arizona using technology from a leading provider of autonomous checkout technology — another milestone in Couche-Tard's innovation journey.

Electrification of the company's network

Despite the hardships the world faced from the COVID-19 pandemic, Couche-Tard's customers continue to rely on the company's network for timely energy needs, as routines [progressively return to normal](#). As a company, Couche-Tard acted proactively to strengthen the fuel side of the company's business, while at the same time looking to the future by investing in the electrification of the company's network.

In fiscal 2021, the company has continued to press forward on Couche-Tard's initiative to rebrand the

company's forecourts to Circle K, converting 450 sites and adding another 71 fully branded new-to-industry locations, bringing the total to nearly 2,800 Circle K fuel branded sites in North America. In fiscal 2022, Couche-Tard plans to accelerate the pace, as it builds further brand awareness in the minds of consumers.

Loyalty program

As the company scales this rebranding work, Couche-Tard is also pushing forward the company's value proposition by developing a loyalty program that will be both attractive and easy for the company's customers and enable the company's North American network to leverage a greater amount of data, as it already does in Europe.

One of the biggest developments in Couche-Tard's fuel business this year has been the strides it has made in Couche-Tard's supply chain, as it formed partnerships to take advantage of procurement synergies and to become increasingly active in fuel-trading opportunities. The company also opened a logistics tower in Riga, Latvia, where all Couche-Tard's global fuel logistics are monitored at all times, as the company aims to drive efficiencies in Couche-Tard's supply chain.

Electric vehicle (EV) charging solutions

Furthermore, the company has accrued some valuable benefits and experiences from its Norway Lab, solidifying its position as a global leader in the future of EV charging solutions. In Norway, at Couche-Tard's stations, the company now has nearly 500 charging points and has gained significant insight into the charging and shopping behaviours of the company's EV customers. This sets up Couche-Tard well for the future.

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