



Shopify Inc. Expands Core Offerings With a New Acquisition

Description

Shopify Inc. (TSX:SH)([NYSE:SHOP](#)) is one of those companies that continues to make an impression on me. The company is a cloud-based multi-channel commerce platform that prides itself on being able to set up fully scalable e-commerce storefronts that integrate with social media platforms in a fraction of the time that is typically required.

Shopify went shopping

Shopify made news this week when the company announced the acquisition of Kit CRM, which uses a combination of SMS and social media posts to help businesses manage their online presence. Essentially, Kit is a virtual marketing assistant.

The platform allows businesses to engage with customers through email, SMS, and a variety of social media platforms; it even makes ads on **Facebook** and sponsors posts on Instagram.

Shopify commented on the acquisition, noting the addition of Kit into the Shopify universe will serve to strengthen the offerings of the company by allowing merchants to use the messaging platforms to engage in what Shopify calls “conversational commerce.”

What this acquisition means for Shopify

This acquisition can be added to a number of deals that it has made in the past, which have all strengthened the core of what Shopify does as well as relations with its clients.

This purchase will only accelerate the integration between social media platforms that Shopify already has agreements with and Shopify’s customers.

Shopify’s potential

Shopify has experienced incredible growth during the past decade or so to the point where the company now has 243,000 active storefronts and \$14 billion worth of sales that have passed through the platform.

The company is primarily focused on small to medium-large businesses, where the simplicity and ease of setup are real advantages. That's not to say that Shopify can't cater to larger companies. Shopify has a considerable following of larger companies as clients through a premium service called Shopify Plus.

The growth and rise in popularity of the company has led to Shopify recently announcing a deal with a real estate developer for a massive 112,000 square foot office space in the soon-to-be-developed King Portland Centre in downtown Toronto. That move won't happen until 2019, but it will result in Shopify being an anchor tenant in the new downtown building, occupying over 40% of the available space.

That office space will house many of the new hires as it continues to scale up operations. Shopify currently has 130 employees in Toronto using a 35,000 square foot space and a further 600 staff in the Ottawa area using 155,000 square feet.

Shopify remains, in my opinion, a great option for investors looking to invest into a tech company with a bright future and eye on growth.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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Author

dafxentiou

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