



How Shopify Inc. Has Reinvented the Storefront

Description

One of the great things about investing in the market is that every so often, a true gem emerges that represents a huge opportunity for investors, but also a colossal shift in the marketplace.

Shopify Inc. ([TSX:SHOP](#))([NYSE:SHOP](#)) is one such investment, and if you haven't already considered Shopify for your portfolio, now would be a good time to take a serious look at the company.

Meet Shopify

Shopify is cloud-based commerce platform that, among other features, allows customers to set up a complete e-commerce store that is fully integrated with social media platforms in a fraction of the time that is normally required.

Shopify itself is still a young company, but that hasn't stopped it from counting over 377,000 businesses as customers and processing over \$29 billion in sales. Shopify is, without a doubt, one of the best-performing stocks on the market, outperforming the TSX, up nearly 60% year-to-date, and up an incredible 150% over the course of the past year.

So, what makes Shopify such a great business? Here are just a few of the features that set Shopify apart from the competition.

Integration into any type of business model with significant potential

Shopify's storefront suite is modular by design, which allows customers to bolt on or enable any add-ons or features that best fit the nature of that customer's business. Last year's acquisition of Kit CRM added the ability for businesses to manage their online presence through SMS and social media posts in what is commonly referred to as "conversational commerce."

The simplicity of the suite is one of the reasons why Shopify has managed to attract and keep so much business over a relatively short amount of time. This has led to a host of new integration options and agreements with other companies, all of which have pushed Shopify into a leading position in the space of e-commerce.

A recent agreement with **Amazon.com, Inc.** ([NASDAQ:AMZN](#)) is one such example. As part of the sell on Amazon integration, companies can opt to leverage Shopify's storefront suite, while taking advantage of Amazon's well-known distribution system. For retailers looking for the best storefront and distribution platforms, it's a win-win solution.

In some ways, Shopify represents an evolution of the traditional retail model, and latching on to Amazon's leadership in the online retail world is not only sheer genius, but it's set to drive growth well into the future.

In terms of results, Shopify's most recent quarterly update revealed impressive growth across a series of metrics. Total revenue for the quarter came in at US\$130.4 million, which was an improvement of 86% over the same quarter in the previous year. Subscription Solutions grew by 63%, accounting for US\$56.4 million of total revenue.

Is Shopify a good investment?

Shopify is a great investment, and the company has a significant amount of long-term potential. Shopify continues to innovate, launch new features, and draw in new customers. These are all hallmarks of a successful business.

Unfortunately, the previous successes of other internet giants are still fresh in many investors' minds, leading to an influx of investors jumping in to Shopify, which has sent the stock soaring in the past year.

At the current price, particularly for shorter-term investors, the stock may be a little on the expensive side and overdue for a correction. When that happens, Shopify will be a screaming buy.

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