



## E-Commerce Retail Sales Surge: That's Great News for These Stocks

### Description

Retail sales were down 0.3% in August, as revealed in an October 20th report by Statistics Canada. However, retail e-commerce sales accounted for 2.3% of retail trade in August, totaling \$1.2 billion. Year-over-year e-commerce retail sales have increased 41.9%, illustrating the incredible growth offered by the model.

E-commerce retail sales are expected to grow to \$43.9 billion in 2018 and up to \$55 billion in 2020, with an annual growth rate of over 10%. It is possible that e-commerce sales could surpass these expectations when all is said and done in 2017.

Shares of the Ottawa-based e-commerce company **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)) have climbed 12% week over week as of close on October 24. The company found itself the target of infamous short seller Andrew Left in early October after he accused the company of being massively overvalued and a peddler of “get-rich-quick” schemes.

Shopify CEO Tobias Lütke dismissed Left as a “troll” and hyped the upcoming earnings, which are set to be released by the company on October 31. Shopify offers its e-commerce platform to aspiring entrepreneurs for a fee, and the more successful the small business, the higher the intake for Shopify. The company boasts a user base that includes **Visa Inc.** and BuzzFeed.

Toronto-based **Points International Ltd.** (TSX:PTS)(NASDAQ:PCOM) is a technology company working in the loyalty e-commerce industry. Points International aims to improve management and monetization for some of the world's largest loyalty brands. This includes credit card rewards points, frequent flyer miles, hotel and retailer points, and many others. Shares have increased 34.4% in 2017 and 29% year over year.

The company released its second-quarter results on August 9. Revenue reached a record \$85.8 million compared to \$83.9 million in Q2 2016 and gross profit jumped 2% to \$11.4 million. The company previously announced a partnership with Air Europa. As domestic and international airlines move to offer a more customized consumer experience, Points International should find increased demand for its services.

Points International reiterated its forecast for the entirety of 2017, as it expects gross profit to climb 10% year over year and adjusted EBITDA to increase by the same rate.

The rise of e-commerce has forced traditional retailers to undergo significant transformations. The recent collapse of Sears Canada and bankruptcy of Toys “R” Us serve as stark reminders that brick-and-mortar retail will simply be unable to continue business as usual.

**Canada Goose Holdings Inc.** ([TSX:GOOS](#))([NYSE:GOOS](#)) finds itself in a unique position in this regard. The company has gained significant traction in recent years, and operates a small number of flagship stores. Though it plans to open several more around the globe in coming years, the company has made significant investments in its e-commerce platform, with impressive success.

In its fiscal 2018 first-quarter results, Canada Goose saw direct-to-consumer revenue climb to \$8.3 million compared to \$1.3 million in fiscal Q1 2017. Strong growth in its e-commerce platform drove this impressive increase.

Canada Goose stock has experienced growth of 21.3% since its initial public offering on March 16, 2017.

## CATEGORY

1. Investing

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