



## This Canadian Innovator Is Betting Big on Augmented Reality

### Description

**Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)) is a business that will likely benefit profoundly over the years from its R&D spending on augmented reality technologies.

I've been hard on Shopify in the past because of issues I've had over the company's lack of transparency over [churn](#) and the stock's absurd valuation. At over 20 times sales, it's not a cheap stock. Also, the lack of visibility on the sustainability of its subscriber base bothers me, but if it doesn't bother you, then Shopify's probably a stock you'd want to add to your radar if you haven't done so already.

All bearishness aside, I do believe that Shopify is a compelling technological innovator that Canada really needs. The company behind the small-and-medium business (SMB) catered e-commerce platform likely has ample room to run, as the company has barely scratched the surface of a market that continues to grow at a ridiculous rate. A huge reason why merchants prefer Shopify over the competition is its ever-improving tech that's making the lives of its all of its users easier.

Shopify has heavily invested in R&D, with a chunk of the budget going toward next-level AR tech that's unlike anything many of us are familiar with. Shopify's looking to leverage AR in order to create personalized experiences, thereby enhancing the digital experiences both from the merchant and the shopper's point of view.

Through the use of AR, merchants would be able to create a virtual shopping experience, much like the big market in the sci-fi film *Valerian* and *The City of a Thousand Planets*. For those who haven't seen the movie, it's a virtual mall that's augmented over a space that's empty in the real world. Using an AR headset, merchants would be able to view and interact with true-to-scale virtual items that are available for real-life purchase.

If Shopify can properly leverage AR technology, the company could be at the forefront of the virtual shopping mall of the future — and the ridiculously expensive multiple may ultimately be worth it. However, I'd strongly urge investors to consider waiting for a [meaningful pullback](#) back to more reasonable levels. Perhaps recent fears about the market could give investors another chance to pull

the trigger on the stock at the \$100 levels.

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