



Which Stock Is the Better Buy: Shopify Inc. or BlackBerry Ltd.?

Description

Growth stocks can offer investors [superior returns](#) to what can be earned by investing in companies that pay dividends. A big reason for that is that companies that invest back into their operations rather than distribute earnings out as dividends will be able to take on more growth opportunities, including acquisitions and other ventures that otherwise wouldn't be available if a significant portion of their funds were paid out to shareholders.

For that reason, I'm going to look at two of the top tech companies on the TSX, **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)) and **BlackBerry Ltd.** ([TSX:BB](#))([NYSE:BB](#)), and assess which one is the better buy today based on their growth potential.

Simplicity and ease of use gives Shopify many growth opportunities

Shopify is an attractive buy because of its excellent business model that could be used by any vendor that sells products or services online. The company's focus on ease of use and integration of many platforms and websites will definitely simplify operations for vendors that might sell on multiple websites and are looking for a less complex solution.

Although Shopify has sometimes been criticized as being a get-rich-quick scheme, if that were the case, the company wouldn't be continuing to grow at its current rate. In the past two years, its top line has more than tripled, and although its growth rate is starting to slow down, with sales up nearly 70% in its most recent quarter, the stock still has plenty of steam left.

Even Silicon Valley's Tim Cook has praised Shopify's operations and is a [big believer](#) in what the company is doing. That should be a big vote of confidence for investors from someone whose opinion should carry a lot of weight in the tech world.

Year-to-date, Shopify's stock price has risen nearly 40% and earlier this year it hit a high of over \$200.

BlackBerry's business could soar amid data and privacy concerns

BlackBerry is serving much different customers, namely corporate customers looking at cyber security

and software to help run and manage their operations. The once-popular handheld maker has completely overhauled its operations and no longer finds itself competing head-on with big tech companies to produce the latest and greatest cell phone.

BlackBerry's cell phones are known for their security, with the company's instant messaging service providing users much more privacy than those available from its competitors. It's this reputation that has helped BlackBerry secure a deal with a U.S. government organization, which has accelerated its sales growth as it continues to pick up more and more customers.

In addition, BlackBerry is also working on developing software for self-driving automobiles, as it seeks to once again leverage the skills and capabilities it had when it was making cell phones into new avenues for growth.

So, which stock is better?

Clearly, both companies have many growth opportunities, and so it's a very tough call to make. The safer option tells me BlackBerry is the better buy, as it's mainly dealing with big businesses, which will make it easier to grow than it would be to sign up one vendor at a time.

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