



Forget Shopify (TSX:SHOP): This Growth Stock Has Much More Potential

Description

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) has been having a great year thus far, but with the stock trading at over \$400, there's not a lot of opportunity for investors that buy today to still earn a good return — at least, not as good as they might earn elsewhere. While there's little doubt that Shopify will be able to continue growing its sales across the globe, and there's still a lot of potential left for the company, there's also going to be a lot more competition as well.

The fact remains that what Shopify is doing today is not revolutionary, and it doesn't have a big competitive advantage that will keep similar companies from being able to offer comparable services. There are some pretty big competitors out there right now backed by big tech companies that could become significant threats to Shopify in the future. Magento is owned by **Adobe**, while **Facebook**-owned Instagram has gotten into the game as well, recently rolling out [Instagram Checkout](#), which makes it easier for consumers to simply buy from within its app.

With significant resources at their disposal, both companies could become major players in the industry. Adobe has only recently acquired Magento while Instagram is new to the game entirely. Shopify still being able to still achieve significant growth is not indicative of its ability to compete with these two tech giants, which may take on more aggressive strategies in the months and years to come.

The road is going to get much more difficult and competitive for Shopify, regardless of how much potential there is in the market. More intense competition will result in lower market share and smaller margins as well.

A better option for investors

Instead of trying to jump on the bandwagon with Shopify, investors might be better off buying shares of **Stars Group** (TSX:TSGI)(NASDAQ:TSG). The company behind PokerStars has a lot more potential beyond just poker. With the sports betting industry beginning to take off in the U.S., there will be significant opportunities for Stars Group to grow its brand.

What makes it even more appealing is that the company recently got a key investor on board in [Fox](#),

which now owns 4.99% of Stars Group. Together, the two could become a powerhouse in the industry, utilizing each other's assets to help make Fox Bet a popular betting platform in the future. Initially, Stars Group did jump on the news but would ultimately end up falling shortly afterward.

However, that doesn't take away from the opportunity that exists there, and it's a pretty lucrative one for growth investors. Sports betting is big business and with more states being able to tap into the industry, there's a lot of growth for Stars Group and Fox to cash in on.

Today, Stars Group trades at just 1.1 times its book value and looks like a bargain buy given the opportunity that the company has ahead of itself. While investors might be a bit concerned about the company recording a loss in two of the past four quarters, that has been largely to do with other expenses dragging it down, as Stars Group has consistently posted a profit from its operations. The same cannot be said about Shopify.

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Author

djagielski

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