



Here Are the Latest 5 Key Takeaways in Shopify (TSX:SHOP) Stock

Description

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) has been holding its annual partners and developers conference from June 18 to 20. The stock popped about 7% yesterday, which likely had to do with the exciting product updates and launches that it announced in the event.

Shopify remains determined with its original goal to make the lives of entrepreneurs easier. And its latest announcements indicate [lots of growth lies ahead of the company](#), as it continues to innovate and solve the problems of merchants. Here are five key takeaways.

Launching its own fulfillment network

Shopify sees the growing need for fast, reliable, and affordable fulfillment. To improve the shipping experience for both merchants and their customers, the company will be spending about US\$1 billion over the next five years on a streamlined fulfillment network that includes intelligent inventory and order routing.

The company will be prudently building the network in phases. It aims to complete the brains of the network that fits the market needs by the end of 2020 and then scale from there through 2023.

Don't think of Shopify paying US\$1 billion from its pocket. It expects incremental revenue from increased sales from the use of the network to largely offset costs. This is much like investing in a rental property and then using the rental income to largely pay off the mortgage. Shopify expects the bulk of the net returns to occur beyond 2023.



An all-new Shopify Plus coming soon

Recall that the Shopify Plus merchant base increased by almost 50% in 2018. Later this year, Shopify will be releasing a new Shopify Plus, which will empower these large and complex businesses to more simply manage multiple stores, users, automation, and more.

Upgraded point of sale software

Shopify hasn't forgotten about the importance of brick-and-mortar stores in the overall direct-to-consumer retail strategy. As a result, it has invested to improve the Shopify point of sale system to better support the more than 100,000 merchants that use it. This will undoubtedly increase the stickiness of merchants to Shopify.

Improved global capabilities

New language capabilities were added, which will help merchants sell in multiple languages, such as Chinese, Danish, Dutch, Finnish, Hindi, Malay, Norwegian, Swedish, and Korean. Moreover, buyers will see prices displayed in their local currencies, while merchants will get paid in their local currencies. These changes enhance the overall user friendliness.

Easy design and development

Shopify has made great progress in making it easier for non-technical merchants to create storefronts with the exact look and feel they want. Moreover, it will add the native support for uploading and displaying of video and 3D model assets for the product section. Additionally, the company has provided more tools for its ever-growing ecosystem of developers to create more powerful apps.

Foolish takeaway

All the changes and improvements that Shopify is making reiterate one thing — lots of [growth](#) lies ahead of Shopify, as it listens to its customers, innovates, and invests in its business. As a result, investors looking for growth should build their positions in the solid name and consider it a gift from the market should the stock correct meaningfully.

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