



## How to Spot the Next Apple

### Description

**Apple Inc** ([NASDAQ:AAPL](#)) is the quintessential millionaire-maker stock. If you had invested \$10,000 into Apple stock in 2003, you'd have more than \$1.3 million today. Back then, you'd be hard-pressed to find a better place to stash your money.

These days everyone is trying to find the next Apple. That's a tough task, but the effort could transform your portfolio into a multi-million dollar nest egg.

Here are a few tips to dramatically increase your odds of success. Let's dive in.

### Lock them up

Apple has become the definition of an "ecosystem play," although it wasn't always this way. The entire point of an ecosystem play is to lock users into your company's products and services. When Apple first released its iPhone, everyone loved it.

Then Apple unveiled its new MacBook line-up to critical applause. Critically, it then began integrating the two technologies, allowing each device to seamlessly connect and share information.

Users saw it as a convenience, but it was a savvy business decision. MacBook users became significantly more likely to purchase an iPhone, and vice versa. It became a pain to switch one piece of hardware away from an Apple product, as your other devices would lose key functionality.

Apple then hit the accelerator on its ecosystem push, releasing AirPods, the Apple Watch, and more, all interconnected with its other devices. In fact, some products like the Apple Watch weren't fully functional *without* another Apple device like an iPhone.

The key here is to integrate your product so deeply into your users' behaviour that it becomes a giant pain to ever switch. **Shopify Inc** ([TSX:SHOP](#))([NYSE:SHOP](#)) has emulated this strategy perfectly.

By integrating e-commerce marketplaces with payment processing, shipping and fulfillment services,

and marketing tools, users find Shopify's platform incredibly convenient.

To the company's benefit, however, it's nearly impossible for a merchant to ditch Shopify without experiencing extreme friction costs. They're essentially locked in.

You won't be surprised to hear that Shopify stock is up more than 1,000% since its IPO a few years ago. The stock is pricey, but it is executing Apple's ecosystem strategy flawlessly.

## Transcend hardware

In recent years, Apple has pivoted its strategy away from hardware altogether. Today, it's all about software and services. Earlier this year, *Bloomberg* noted that Apple is attempting its "biggest strategy change since the iPhone in 2007."

The company is now pitching investors on its fast-growing, high-margin services like app sales, Apple TV subscriptions, and premium news customers.

In many ways, **BlackBerry Ltd** ([TSX:BB](#))([NYSE:BB](#)) beat Apple to the punch. In 2016, BlackBerry's CEO revealed that it would stop manufacturing phones to focus on—you guessed it—software and services.

Today, it's pioneering [massive opportunities](#) like self-driving cars, cybersecurity, healthcare analytics, and the internet-of-things. The market is still valuing BlackBerry like an old-school hardware manufacturer, but it's well on its way to becoming the next Apple.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

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2. NYSE:BB (BlackBerry)
3. NYSE:SHOP (Shopify Inc.)
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