



## This Opportunity Is Like Buying Google Stock in 2005

### Description

If you had the chance to buy stock in **Alphabet Inc** ([NASDAQ:GOOG](#))([NASDAQ:GOOGL](#)), the parent company of Google, back in 2005, would you take it? You'd better.

After debuting at \$50 per share, the stock went on a multi-year rise, recently surpassing \$1,350 per share. Over a 15-year period, you would have generated a 2,600% return.

Everyone wants to find the next Google, but the vast majority of stocks won't make the cut. Many investors scour the market for tiny startups looking to create the next big thing, but that's a mistake.

In 2005, Google had a market cap of almost \$100 billion. Its incredible rise wasn't a small company getting bigger, it was a big company getting *huge*.

Right now, there's a Canadian stock that is building a business very similar to Google. Plus, its market cap is nearly identical to Google's back in 2005. If you connect the dots, there's clearly [multi-bagger potential](#) here.

Want a stock that's like buying Google back in 2005? Now's your chance.

## All about the platform

The most powerful invention over the past century wasn't the internet or the smartphone, but rather the platform. Whether or not you're aware of it, your life is powered by platforms. Most likely you're reading these words on a platform right now.

Operating systems like Windows by **Microsoft Corporation**, Android by Google, and Macintosh by **Apple Inc.** have enabled nearly every digital experience we have today.

What makes these technologies platforms? Microsoft, Google, and Apple simply created the basic infrastructure necessary for other developers to build *on top* of it.

Your internet browser, and your entire internet experience is only possible with these platforms. Take away the underlying operating system and everything goes away. Such is the power of a platform.

**Shopify Inc.** ([TSX:SHOP](#))(NASDAQ:SHOP) has applied this platform model to e-commerce. Rather than completely building an e-commerce suite itself, Shopify simply created the basic infrastructure.

Other companies and individuals, whether developers, designers, or marketing specialists, then built additional capabilities *on top* of Shopify's platform.

This platform approach creates incredible network effects. The more developers you have building on your platform, the more powerful it becomes, which in turn creates more customers, making it more attractive for even more developers to contribute. This self-reinforcing feedback loop helped make Microsoft, Google, and Apple trillion-dollar businesses.

Today, Shopify is valued at just \$56 billion, around where Google was valued 15 years ago. Many look at the company's skyrocketing stock price and lofty valuation with skepticism. Looking at how large Shopify could eventually become, however, lends another perspective.

This year, global e-commerce sales are set to exceed \$30 trillion. Take a look again at the operating system market. Just three companies — Microsoft, Google, and Apple — have a controlling grip on the market.

While it seems aggressive, Shopify could ultimately control a huge chunk of the \$30 trillion global e-commerce market. That's the power of a platform. Due to network effects, its early lead should compound for years to come, making it very difficult for competitors to fight and win.

It's hard to believe that a \$56 billion stock is still in its early growth days, but Google proved how a company of this size could grow immensely by leveraging a platform model. If any company is ready to replicate this success, it would be Shopify.

## CATEGORY

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**Author**

rvanzo

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