Market Rally: 2 Top E-Commerce Stocks to Buy Now

Description

Back in 2019, I'd discussed why it was a great idea for investors to seek exposure to the growing e-commerce space. The performance of **Shopify** has demonstrated this fact. Its shares have climbed over 200% year over year. The Ottawa-based e-commerce giant is always an enticing target, but today I want to look at two different e-commerce stocks.

Why you should pick up e-commerce stocks

The COVID-19 pandemic has been a source of tragedy all over the world. It has also spurred global governments to take radical action to control the outbreak. This has had a devastating effect on many sectors of the economy. Like crises in the past, it has also accelerated the decline and rise of other sectors.

Consumers had been flocking to the digital space to do their shopping in ever-growing numbers. Many consumer discretionary retailers have been forced to close their brick-and-mortar locations. This has forced e-commerce holdouts into the digital space. When we do return to "normal," it is likely that a large portion of consumers will make a permanent migration to e-commerce.

eMarketer last projected that total retail e-commerce sales would grow to $98 billion in Canada by 2022 and to $108 billion by 2023. Of the total global retail sales in 2019, 14.1% came from online purchases. By 2023, Oberlo estimates that total e-commerce retail sales will exceed $6.5 trillion worldwide. This would represent roughly 22% of total retail sales.

Shopify and other e-commerce stocks that are facilitating this transformation are worthy targets. However, investors should also consider retailers that have acknowledged this trend and are bolstering their online offerings.

Two clothing stocks to scoop up

Clothing retailers have faced huge challenges over the past decade. The so-called retail apocalypse has claimed some retailers that had been in business for over a century. In order to survive and thrive, clothing stores must balance their brick-and-mortar presence with a strong and accessible online platform.

Canada Goose (TSX:GOOS)(NYSE:GOOS) is famous for its high-end winter clothing and its celebrity proponents. This helped the stock get off to a scorching-hot start after its IPO in early 2017. It also owes its success to its forward-thinking retail expansion. This involved a handful of brick-and-mortar store openings while bolstering its e-commerce platform. That is why it deserves recognition as an e-commerce stock today.

Shares of Canada Goose have dropped 57% year over year as of close on April 24. In the third quarter of fiscal 2020, Canada Goose reported revenue growth of 13.2% to $452.1 million. Adjusted net income per share rose 12.5% to $1.08. On March 16, Canada Goose announced that it would close all retail stores in North America and Europe. However, in Greater China, its retail stores remained open. In Q3 2020, its revenue in Asia doubled to $94.7 million from $46.4 million in the prior year. E-commerce traffic and revenue saw a significant uptick in Mainland China.

Canada Goose boasts a fantastic balance sheet. It still possesses solid growth potential going forward.

Earlier this month, I'd discussed why I loved **Aritzia** at a discount. Shares of Aritzia have climbed 18.7% month over month at the time of this writing. The company also owes its success to its excellent online shopping platform. In Q3 2020, Aritzia reported 10% revenue growth which was fueled by e-commerce. A large portion of its SG&A have been dedicated to bolstering its online offering.

The stock last possesses a favourable price-to-earnings ratio of 18. Aritzia has reported strong earnings growth since its IPO and is worth targeting today.

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