



## The Next Amazon: Your Chance to Make 100X Gains

### Description

Want to find the next **Amazon** ([NASDAQ:AMZN](#))? If you do, you could make 1,000% gains, or even more.

This isn't an easy task. If it were, everyone would be rich. You need to be willing to think outside the box, understand the fundamentals, and make a bet early.

### This is what makes Amazon

Do you want to find the next big thing? You first must understand what made the *last* big thing possible.

"If you don't understand a company's goals, how can you know what its strategies and tactics will be?" [Ben Thompson](#), a highly respected tech analyst, asked. "Unfortunately, many companies, particularly the most ambitious, aren't as explicit as you might like."

A lot has been written about Amazon's success, but the company itself hasn't been super revealing. It's not like Jeff Bezos tweets out his strategy on a daily basis.

The key is to not think of the company as being involved in any of its end markets. Yes, Amazon Fresh delivers groceries, but it's not a grocer. Amazon sells books, but don't think of it as a bookstore. Instead, understand this company for what it truly is: a service provider.

"Unlike Whole Foods Amazon has no particular desire to be a grocer, and contrary to conventional wisdom the company is not even a retailer," stressed Thompson. "At its core Amazon is a service provider enabled — and protected — by scale."

### How to make huge gains

Most investors think about Amazon in terms of end markets. Smart investors think of it as a service provider. More specifically, the company is a tech service provider.

By using its e-commerce technology, millions of buyers and sellers can aggregate onto a single marketplace. As more buyers shop there, more sellers are attracted, which in turn brings in more buyers. It's a virtuous cycle — one that produces huge gains for decades at a time.

This is what most people fail to understand about Amazon: the bigger it gets, the more [powerful](#) it becomes.

To find the next Amazon, you need to identify a business like this. **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) fits the model perfectly.

## This stock is on fire

Since going public five years ago, Shopify stock has risen 40 times in value. What's the secret?

Like Amazon, Shopify is a service provider of e-commerce technology. Whereas Amazon is an aggregator, Shopify is a platform.

Aggregators bring all relevant parties to one place. Platforms allow others to build on top of the technology. On the surface, these are different websites, but on the backend, everything is powered by the Shopify platform.

When you buy through Amazon, you know you're shopping at Amazon. But when you buy through Shopify, you often have no idea, as the marketplace is custom-branded by the individual store. If Amazon is the digital **Walmart**, Shopify is the independent store down the block. But instead of owning the store, Shopify gets a cut of sales across the one million stores it enables.

Shopify should eventually reach Amazon's current size, suggesting shares could rise another 20 times in value.

### CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:AMZN (Amazon.com Inc.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:SHOP (Shopify Inc.)

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