



Forget BlackBerry (TSX:BB) and Buy Shopify (TSX:SHOP)

Description

The market short squeeze has dominated a lot of the market news this week. Some stocks, such as **BlackBerry**, have seen their stocks shoot upwards of 100% year to date. To be fair, the short squeeze isn't the only reason why BlackBerry is rising, but it did help propel the stock north. I've mentioned my [problem with BlackBerry](#) before. Fortunately, there are other investments on the market worthy of mention, such as **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). Here's a look at why you should buy Shopify.

Here's what a real tech-growth stock looks like

It's hard to talk about growth in the tech sector without mentioning Shopify, if even in passing. The stock has been on fire over the past few years, climbing well over 4,000% in the past five years. Incredibly, there's little reason to doubt that Shopify won't continue to grow, albeit at a smaller pace.

For those that are unaware of what exactly Shopify does, let me try to explain. Shopify is a cloud-based commerce platform. The software allows retailers looking for an online presence the capacity to spin up an online storefront in a fraction of the time that traditional means required. Additionally, the platform can be connected to other areas of the business.

Those other add-ons can include support, inventory, social media integration, and in-person integration of POS systems. In total, the platform has over 4,000 applications that can be bolted on to a storefront for additional functionality.

In short, Shopify is a model that can be leveraged by businesses everywhere. The platform is used by both large and small businesses alike. In terms of numbers, Shopify boasts hosting over 1,000,000 businesses as customers, which are located in 175 countries around the world. Collectively, that translates into over \$200 billion in sales traversing the platform. That number alone justifies the case to buy Shopify, but there's still plenty more.

Oh, and in case you were wondering, Shopify generates revenue from transactions and subscription fees.

Show me the results

At some point, it's fair to ask whether Shopify's incredible growth spurt will begin to slow. That may have happened had it not been for the global pandemic. COVID-19 disrupted nearly every business differently. In the case of Shopify, the impact of everyone turning to online commerce had a positive impact on the company.

Critics may see Shopify's recent surge as tied to the pandemic. More importantly, some may view the end of the pandemic meaning that Shopify's growth will cease. There are two key problems with that view.

First, the pandemic helped Shopify realize *some* added growth, but not all. The shopping preferences of consumers have been shifting to online platforms for years. All the pandemic did was accelerate what was already happening. That means the shift will continue (just at a slower pace) once the pandemic ends.

Second, the pandemic *will* end. Vaccines are rolling out, and businesses will continue to flock to the platform. Once that does happen, Shopify will continue to grow, but that growth will come from acquisitions and additional add-ons to the platform.

Should you buy Shopify?

Shopify is a solid long-term growth stock. The company has shown on multiple occasions how it can adapt, expand its product portfolio, and continue to grow. In my opinion, a position in Shopify should be [part of any well-diversified portfolio](#).

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