



Why Cathie Wood Seems to Think Shopify Is the Next Amazon

Description

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) has been one of my [top picks](#) in the technology space for quite some time — and for good reason.

When it comes to growth stocks, there remain few better options on the TSX right now that can measure up to Shopify. Since its IPO in 2015, this company has generated substantial returns for investors. However, there is no doubt that Shopify still has ample room to grow in the long term.

It appears that I'm not the only one singing praises of this growth gem. Indeed, the CEO of Ark Invest, Cathie Wood, seems to believe that Shopify could be the next **Amazon**. Here's why.

E-commerce growth an unstoppable catalyst

Broadly speaking, e-commerce growth is expected to remain sky high over the long term.

However, some sectors will see larger growth rates than others. According to eMarketer, social media-driven e-commerce sales are one area of focus for investors right now. In the U.S., these sales are expected to grow by nearly 35% this year. That's some pretty impressive growth.

Indeed, more and more consumers are turning to social media platforms like **Twitter**, Instagram, and **Facebook** for their purchases. And it appears that Shopify is in a great position to take advantage of this situation in the explosive e-commerce space. Unlike other online storefronts like Amazon, Shopify powers the backend storefronts of many SMBs setting up shop using social media.

Now, how the market share struggle goes from here between Amazon and Shopify-powered social media businesses remains to be seen. Some would argue the pie is large enough to have both players coexist.

However, Woods seems to think Shopify has got the upper hand in terms of long-term growth catalysts. She's picking Shopify to outgrow Amazon. Indeed, that's a pretty impressive endorsement.

Bottom line

My view is that Shopify's platform provides investors with unique leverage to the rise of e-commerce everywhere. The company's a broad-based play on this secular catalyst, and investors like Cathie Woods are buying in.

I don't think it's a mistake that Shopify has grown to become Canada's largest company by market capitalization. Shopify stock isn't cheap by any stretch of the imagination. Indeed, shares are priced to perfection — or pretty close to perfection.

However, the company's growth offering today is unlike anything else investors will find on the TSX right now. For those who believe this growth trade has legs, this is a stock to consider right now. I remain bullish on Shopify as a long-term holding.

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