



Is Shopify the Next Amazon? Cathie Woods Thinks So!

Description

When thinking of [growth stocks](#), there's really no better option on the TSX than **Shopify Inc.**([TSX:SHOP](#))([NYSE:SHOP](#)). Indeed, this sentiment has only been improved in recent days over comments made by Cathie Wood.

Ms. Woods' comments comparing Shopify to **Amazon** are a big deal. Indeed, the recent buzz around this stock is well-deserved.

Here's why I think she might be right on the money with this stock.

Cathie Wood's social e-commerce bull thesis

One striking change seen coming out of the pandemic is the integration of social media and online sales. More and more consumers are turning to Instagram and Facebook marketplaces to purchase commodities online. Industry data tracker eMarketer predicts that U.S. social e-commerce sales can rise to US\$36 billion this year, a rise of nearly 35% year-on-year.

Cathie Woods reiterates Shopify's crucial position in this space. Social media-driven e-commerce is a Shopify-enabled opportunity that she thinks will be huge in the coming months. It won't matter which third-party merchant tops the sales chart as all the sites powered by this platform will power up e-commerce.

Indeed, Amazon's response – to people scrolling through Instagram and Snapchat and simply buying there – is going to be interesting. Many brick-and-mortar stores hit by the pandemic have been forced to shut down, which has led to supply chain disruptions.

However, with its reliable and easy-to-use hosted domain stores, Shopify facilitated the transition to e-commerce. Accordingly, there isn't a better integrated online shopping platform and central hub for merchants right now, providing these companies with a necessary competitive edge.

Shopify's growth prospects remain impressive

Since its inception in 2004, Shopify has grown to become a central hub for merchants, supporting the e-commerce endeavors of companies like **Red Bull** and **Nestle**. Besides front-end development and domain hosting, Shopify has a diverse service solutions portfolio, such as customer interaction and inventory management via online SAAS products. One such SAAS platform, **Stamped.io**, was acquired by WeComemrce Holdings, a Victoria-based holdings enterprise.

With social media e-commerce booming, Shopify is set for impressive long-term growth. Cathie Woods' assessment of Shopify appears to be one I agree with right now. And I don't always take the same viewpoint as Ms. Woods on every issue.

Bottom line

I think Shopify remains the premier growth option on the **TSX** for investors today.

Yes, this company is expensive. However, it's expensive for a reason. Indeed, the incredible growth Shopify showed through the pandemic is indicative of stable long-term growth catalysts I think can continue to provide momentum for Shopify over the long-haul.

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