



## Will Shopify Be a Trillion-Dollar Stock by 2030?

### Description

There's no question that **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is one of the best Canadian growth stocks of all time. Now that it's worth almost a quarter of a trillion dollars, though, its growth will inevitably start to slow down.

However, it's still popular because even at the massive size it is today and the slower pace of growth it's likely to grow at going forward, it still has the potential to be one of the top growth stocks in Canada.

Right now, Shopify has a [market cap](#) of roughly \$240 billion. So it would take a gain of more than 300% over the next eight years for Shopify to become a trillion-dollar stock. Therefore, it's not impossible, but it's also not a given that the company can achieve this either.

Shopify's ability to grow to become a trillion-dollar stock by 2030 depends on two main factors. First, how much the e-commerce industry continues to grow and how consumer habits continue to evolve. The second factor will be the work Shopify does to gain more market share or even make the industry more popular by itself.

Shopify and other major e-commerce companies like **Amazon** have such massive and impressive businesses, and the innovation they consistently bring to the space means that these stocks are arguably some of the biggest factors in how well the industry does grow over the coming years.

## The e-commerce industry

For a few years now, the e-commerce industry has progressed significantly, making it very convenient to buy things online. In a lot of cases, it can actually be more convenient than having to find a brick-and-mortar store to purchase goods.

I haven't bought a printer toner in store in years. And it's certain items like these that consumers continue to find more convenient to just order online and have delivered.

So as the industry continues to gain popularity, the economies of scale will continue to improve. This

means that shipping times will only continue to get faster and costs will consistently become cheaper. And the more popularity and scale the industry can achieve, the faster the snowball effect will be, bringing tonnes of growth to the industry.

Therefore, if Shopify stock can continue to refine its product and find new ways to expand its operations, that could help to give that snowball an extra boost as it picks up steam and momentum.

## Shopify stock

[Shopify](#) reported earnings recently, and the headline was a slowing of e-commerce sales as economies reopened from the pandemic. This was to be expected. However, in my opinion, the bigger takeaway is that e-commerce spending continues to be above pre-pandemic levels.

This shows that while consumers have shifted spending back to services and discretionary experiences such as travel (which was to be expected), certain shopping habits have remained in place. This bodes well for the industry in general, as well as Shopify, which continues to improve its core operations.

During its recent earnings report, Shopify stock also reported a significant jump in monthly recurring revenue by 33% year over year. The significant increase was due to the company bringing more merchants to its site, which is one of the most important steps to ultimately grow its sales over the long run. It was also aided by retail locations signing up for Shopify's POS service.

So with the stock trading roughly 10% off its all-time high, now could be a great time to buy one of the fastest-growing companies in Canada. Regardless of whether it becomes a trillion-dollar stock by 2030, it should continue to grow for years. However, I do think the odds are in Shopify's favour.

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