



## My Top Stock Pick for the Black Friday Shopping Spree

### Description

Black Friday marks the start of a very wild weekend in the retail industry. Consumers line up in front of stores hoping to make purchases at incredibly low prices. Although retail companies like **Aritzia**, **Canada Goose**, and others may seem like possible beneficiaries, I would argue that another company should receive attention. I believe **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is a company that is poised to find success over the Black Friday weekend. Here's why I believe the company is still a top stock.

### E-commerce is thriving

Any way you look at it, you can't deny that the e-commerce industry has been firing on all cylinders for the past while. Over the past decade, online retail slowly penetrated the global retail industry. However, the COVID-19 pandemic forced consumers online, after businesses around the world were told to temporarily cease operations. In 2019, the e-commerce industry represented about 4% of all Canadian retail sales. In mid-2020, e-commerce accounted for more than 11% of all Canadian retail sales.

In addition to the push towards online retail from consumers, retail companies have been heavily investing towards e-commerce streams as of late. As a result, consumers are sure to see excellent deals available through online stores in addition to the sales offered to in-person shoppers.

Shopify has managed to land a large number of impressive names as customers, powering their online stores. Examples include Staples and **Logitech**, two companies that could be very busy this weekend, as consumers gear up to set up home offices in a largely work-from-home society.

Last year, Shopify merchants managed to sell US\$5.1 billion over the [Black Friday weekend](#). That represents a 76% year-over-year increase. In addition to the large increase in revenue, Shopify noted that more unique customers were shopping at Shopify stores. From 2019 to 2020, the company reported a 50% increase in Shopify customers.

### Shopify is so much more than a Black Friday stock

Shopify is also an interesting stock to pick up this Black Friday, because it has incredible upside from this weekend on. The company has done an excellent job of partnering with leading businesses in an effort to expand its reach. Last month, Shopify announced a new deal with **Spotify** which would allow artists to link Shopify stores to the audio platform.

That would make it easier for artists to sell merchandise and gives Shopify a new revenue stream. This partnership adds to Shopify's previous partnerships with the likes of **Meta Platforms, Walmart, Pinterest, and Amazon.**

From an investment point of view, investors will be happy to know that Shopify's financials remain robust. In Q3 2021, Shopify reported a 46% year-over-year increase in its quarterly revenue. In addition, the company extended its streak of increasing monthly recurring revenue. Since its IPO, Shopify's monthly recurring revenue has never decreased and is now growing at a CAGR of 43%.

Shopify is a company that has already made investors richer. At a market cap of about \$270 billion, some investors may feel like its best days are behind it. However, that couldn't be [further from the truth](#). Shopify is now a proven winner in a growing industry. Black Friday should be another successful event for this top stock.

## CATEGORY

1. Investing
2. Tech Stocks

## TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:SHOP (Shopify Inc.)

## PARTNER-FEEDS

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2. Koyfin
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**Author**

jedlloren

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