



3 E-Commerce Stocks to Buy This Holiday Season

Description

E-commerce is a rapidly growing industry. The COVID-19 pandemic has also done a lot in terms of accelerating its penetration around the world. As a result, e-commerce companies have been thriving. Many [retail companies](#) are also realizing that consumers are starting to prefer the convenience of online shopping and are shifting operations towards those streams of revenue. In this article, I'll discuss three e-commerce stocks to buy this holiday season. These three companies could thrive over the next decade.

A leading enabler of the e-commerce industry

No matter how you look at it, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is one of the most important e-commerce companies in the world. The company provides a platform and all the tools necessary for business owners to operate online stores. Due to its ease of use and breadth of offerings, merchants of all sizes can find the right solutions to make their e-commerce endeavours successful. Today, you can find everything from handmade clothing stores to **Netflix's** official merchandise being supported by Shopify's platform.

Shopify stock has already made investors much richer since its IPO. Over the past six-and-a-half years, Shopify stock has gained more than 5,200%. That represents a compound annual growth rate of about 84%. As expected by the law of large numbers, Shopify's growth rate has slowed down over the years. However, it still manages to report impressive numbers. Over the Black Friday-Cyber Monday weekend, Shopify [recorded US\\$6.3 billion](#) in sales. That represents a 23% increase over the previous year. Shopify still has a lot of growth ahead.

This company recognizes the importance of following the crowd

Aritzia ([TSX:ATZ](#)) is known by many as an everyday luxury retailer that can be found in many local malls. In fact, as of October 2021, Aritzia operates 104 boutiques across North America. However, the company's management team has noticed a massive shift in consumer behaviour. Thus, Aritzia has quickly ramped up its e-commerce efforts over the past few years and now sells merchandise to

customers in 221 countries.

Aritzia's e-commerce growth is very impressive. From 2016 to 2020, its e-commerce revenue grew at a CAGR of 36%. In 2020, online sales also made up 23% of Aritzia's total revenue. However, in 2021, the company's e-commerce numbers skyrocketed. This year, Aritzia reported an 88% year-over-year increase in online sales. E-commerce revenue now accounts for 50% of the company's total sales. Aritzia is a great example of a company that has managed to follow secular trends. The stock's 103% year-to-date gain shows investors what could happen if you can recognize these trends as well.

Companies will need payment processors

No matter how many consumers desire to shop online, it'll never happen if businesses don't have a way to accept payments. That's where payment processors like **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) come into play. The company offers merchants with an omnichannel payments platform. Using its platform, businesses are able to accept online, mobile, in-store, and unattended payments.

While it's true that Nuvei's business isn't solely focused on the e-commerce industry, I find that to be a positive. Nuvei has focused a lot of its recent growth efforts into expanding within the rapidly growing sports betting industry. Through these two main verticals, Nuvei should see significant growth over the next decade.

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