



2 E-Commerce Stocks That Could Double Your Money in 2022

Description

The e-commerce industry has slowly increased its penetration of the broader retail market over the past decade. However, the COVID-19 pandemic has greatly accelerated this penetration. In Canada, e-commerce sales accounted for about 4% of all retail sales in 2019. By April 2020, the e-commerce industry had grown to represent more than 11% of all Canadian retail sales. It's currently estimated that the industry will grow at a CAGR of 18.7% from 2021 to 2026. Here are two e-commerce stocks that could double your money in 2022.

A leading enabler of the e-commerce industry

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is one of the most well-known names in the e-commerce industry, and for good reason. The company provides merchants of all sizes with a platform and all the tools necessary to operate online stores. By offering a range of subscriptions at different price points, Shopify makes itself appealing to everyone from first-time entrepreneurs to large-cap enterprises. Considering its leadership position within a very important industry, it shouldn't be a surprise that the company is now Canada's largest company by market cap.

Impressively, it's been found that consumers are visiting Shopify stores more often than **Amazon's** marketplace. In Q2 2021, Shopify stores saw an average of 1.16 billion monthly unique users. This compares to 1.10 billion monthly unique users on Amazon over the same period. Shopify continues to grab market share by attracting new enterprise customers, like **Netflix**, and by expanding its partnership network. In late 2021, Shopify announced a new partnership with **Spotify** that would allow artists to [sell merchandise directly](#) from the audio streaming platform.

As mentioned previously, Shopify is already Canada's largest stock by market cap (\$218.5 billion). That means it'll be harder for the company to double. However, given the fact that e-commerce penetration in Canada is still very low, compared to other developed countries, there's a clear opportunity for growth. Shopify has an excellent leadership team, a large share of its market, and a secular trend that could help drive its growth.

Focusing on online sales

It's important for [retail companies](#) to follow consumer trends. Otherwise, they risk being left behind. **Aritzia** ([TSX:ATZ](#)) is an example of a company that has been able to reinvent itself, in light of a drastic shift in consumer behaviour. For those that aren't familiar, Aritzia is a clothing store which brands itself as "everyday luxury." As of October 2021, Aritzia operates 104 boutiques across Canada and the United States.

In recent years, Aritzia has done an excellent job of growing its e-commerce business. Today, the company delivers products to customers in 221 countries. From 2016 to 2020, Aritzia managed to grow its e-commerce revenue at a CAGR of 36%. In 2020, e-commerce sales accounted for 23% of its total revenue. In 2021, the company saw a drastic shift. Aritzia reported an 88% year-over-year increase in e-commerce sales. Online retail also accounted for 50% of Aritzia's total revenue in 2021.

If the company can continue to make its online retail business a bigger focus, then shareholders could see massive growth. In 2021, Aritzia stock gained more than 100%. However, it's still only valued at around \$6 billion. This company's growth runway is still very long.

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