



Why the TSX's Tech Superstar Is a Better Choice Than Amazon (NASDAQ:AMZN)

Description

Jeff Bezos's **Amazon** was the "Everything Store" before, but it can't claim that title in 2022. The title belongs to **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), Canada's largest publicly listed company.

Performance-wise, Shopify has outclassed Amazon by wide margin — 731.20% versus 111.25% — in the last three years. The rise to fame of the erstwhile online snowboard store was phenomenal. If you're investing in [technology stocks](#) today, the Canadian tech superstar is the [better choice](#) over the American Big Tech firm.

Make commerce better for everyone

Shopify is popularly known as the provider of essential internet infrastructure for commerce. The success of the \$233.27 billion e-commerce stems from its all-out support to small business owners and merchants. Harley Finkelstein, Shopify's president, said, "It took 15 years for our merchants to get to \$200 billion in cumulative GMV and just 16 months to double that to \$400 billion."

Management believes that Shopify makes commerce better for everyone. Its platform and services are engineered for reliability, while delivering a better shopping experience for consumers everywhere. Although the growth pace has slowed down compared to 2020, business remains strong.

Embracing the future

In Q3 2021, Shopify reported impressive growth in merchant solutions (51%) and subscription solutions (37%) revenues versus Q3 2020. Its total revenue increased 46% year over year to US\$1.12 billion. The quarter's highlight was the US\$1.14 billion net income, which represents a 500.94% increase from a year ago.

Finkelstein emphasized, "Shopify is making it easier for more merchants worldwide to build direct and authentic relationships with their customers, in creative ways that work best for them." He added that

based on the strong gross merchandise value (GMV) during the quarter, entrepreneurs are [embracing a future](#) in which retail happens everywhere.

Amy Shapero, Shopify's CFO, said, "Our results show that Shopify is executing well, giving our merchants the tools, they need to compete in differentiated ways in a growing number of markets." She said more merchants are using Shopify's platform to start and grow their businesses.

According to Shapiro, Shopify's primary focus is to simplify commerce so that merchants can take full advantage of what digital makes possible and reimagine retail. The Q4 2021 results aren't out yet, although, historically, the fourth quarter contributes the largest share to Shopify's full-year revenue.

BNN Bloomberg reported that Shopify merchants brought in US\$6.3 billion in sales during the Black Friday and Cyber Monday weekend. The sales figure was 23% higher than the previous year. Rick Watson, an e-commerce consultant, said the pandemic turbocharged Shopify.

Brad Stone from *Bloomberg News* said Shopify will continue to flourish, because it is "democratizing commerce" and "making entrepreneurship cool." The top Canadian tech firm focuses on smaller end of the scale, although it has alliances with some of the largest retailers in the world.

"Internet Everywhere"

Shopify is now a pure digital company. Its founder and CEO Tobi Lütke had such an obsession with remote work that he closed the offices in May 2020. He calls Shopify's headquarters as "Internet Everywhere." Lütke acknowledged that Amazon is a worthy rival, and he doesn't mind being an underdog. However, from an investment standpoint, Shopify is the logical choice between the two technology stocks.

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