Growth Investors: Why Shopify and WELL Health Are 2 Stocks You Should Buy

Description

Growth investors often look for stocks that can beat the market year after year. However, that's not always what happens. Some exceptional companies can see their stocks stay flat or even fall for an extended period. Look at how **Tesla** performed from 2014 to 2019, or **Nvidia** stock from 2007 to 2016. Both stocks were terrible performers, even though the businesses were world class. Now, investors that took advantage of those depressed prices are having their moment in the sun.

Shopify (TSX:SHOP)(NYSE:SHOP) and **WELL Health Technologies** (TSX:WELL) are two great companies operating in important and emerging industries. Like Tesla and Nvidia, these two Canadian powerhouses are seeing an extended period of lacklustre performance. However, their respective businesses are still very impressive. In this article, I'll discuss why growth investors should buy these two stocks today!

The case for Shopify

Shopify is a global leader within the massive e-commerce industry. For perspective, consider that Shopify stores now see more traffic than **Amazon**'s marketplace. This happened for the first time in Q2 2021. Over that period, Shopify's stores saw an average of 1.16 billion monthly unique visitors. However, Amazon's marketplace saw an average of 1.10 billion monthly unique visitors over the quarter.

Shopify's impressive growth can be attributed to two distinct drivers. The first is by attracting more customers. This method of growth can be further divided into two subcategories. First, Shopify does this by acquiring new merchants to its platform. In 2021, **Netflix** announced that it would be opening a Shopify store to sell its official merchandise.

Another way Shopify is able to attract more customers is by expanding its enterprise partnership. Last year, the company came to terms with **Spotify**, which will allow artists to link Shopify stores to the audio-streaming platform. This allows the artists to sell merchandise more easily to their fanbases.

The second driver of Shopify's growth comes from upselling to its older merchant cohorts. Shopify has done a great job of incentivizing merchants to upgrade to more expensive subscriptions as they find success. These pricier subscriptions offer the merchants access to a wider range of solutions, creating a positive feedback loop, which is beneficial to both the merchant and Shopify.

I believe Shopify is a top growth stock, despite its early struggles in 2022. That's why I've previously declared it my top growth stock for 2022. This e-commerce leader still has a lot of room to grow.

Why WELL Health is a buy

The telehealth industry is still very well in its infancy. It has seen a dramatic increase in penetration ever since the start of the COVID-19 pandemic, but its adoption remains very low. As it stands, the industry is ripe for innovation with many competitors fighting for market share. The companies that come out on top could see massive gains in the future.

WELL Health Technologies is a leader among Canadian telehealth companies. It supports more than 2,800 clinics on its EMR network. In addition, the company offers 36 apps on its online marketplace. These apps can be purchased by telehealth providers to improve their healthcare offerings.

Like many successful Canadian tech companies, WELL Health's growth follows an aggressive acquisition strategy. Led by Hamed Shahbazi, WELL Health is equipped with a management team experienced in mergers and acquisitions. If it can build off its recent expansion into the United States, WELL Health will stand a much better chance in this highly competitive industry.

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