



Can Shopify Stock Recover in 2023?

Description

The global markets saw historical plunges in 2022. However, unfortunately, this disastrous situation is not limited to only a few sectors. Nonetheless, experts predict that this great plunge in tech stocks will give way to a strong rebound in 2023, as companies put extra effort into increasing profitability and experts predict rate cuts by Feds in 2023.

E-commerce stock **Shopify** ([TSX:SHOP](#)) had a great year in 2021 but faced a massive slump last year, as many moved to brick-and-mortar retail. But all is not lost in the e-commerce sector.

Let's find out if SHOP will be able to live up to analysts' predictions in 2023.

Shopify, the fifth-largest holding in Bailie Gifford's U.S. Equity Growth Fund

The Canadian e-commerce giant Shopify is the fifth-largest holding in Bailie Gifford's U.S. Equity Growth Fund. This behemoth suffered a [massive drop](#) in 2022 around 80%. This stock has been described by experts as a "pandemic darling" for its outstanding performance in 2021, but it faced significant losses in 2022, like any other company that was taking losses. The growth was interrupted due to multiple factors that affected the entire market.

Market experts suggest positive changes, as the company is entering the enterprise markets and launching a new tool Shopify Audiences that helps businesses find customers through digital marketing on platforms, such as Google and Facebook. It has already made ventures into offline retail by introducing POS Go.

Moreover, the company recorded a massive \$7.5 billion in sales in the Black Friday Cyber Monday sale in November 2022. Accordingly, Shopify faces little direct competition and has been exercising cost cutting.

Shopify eliminates meetings to boost productivity

SHOP prioritized cost cutting in the previous year. This year it has shifted its focus to cutting meeting agendas short, as it thinks that the hybrid work model is resulting in extended and unnecessary meetings. To quote the management, the company stated that it is carrying out a “calendar purge” as the employees return from the Christmas holidays.

Shopify has re-established its prohibition against conducting any meetings at all on Wednesdays, while stating that no recurrent meetings will involve more than two people. If there is any meeting on Thursdays of over 50 people, it can only last a maximum of six hours, and only one each week is permissible. The company’s management will also encourage its employees to drop excessive meetings and withdraw from any long-duration internal discussion groups.

Many believe this might actually prove to be beneficial to grow the company’s productivity.

Bottom line

SHOP stock can be a great option for investors to add for their portfolios, particularly for those with long-term investing objectives. This is a stock that may see more volatility on the near-term horizon. However, I do think that over the long term, this is a stock with [growth](#) potential that should outshine near-term weakness.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. chrismacdonald
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date

2025/09/01

Date Created

2023/01/12

Author

chrismacdonald

default watermark

default watermark