



A Shopify Catalyst Emerged Over the Weekend

Description

Thinking with a long-term mindset will help companies and investors see market-beating growth moving forward. The logic behind this is that if you are able to invest capital in growing industries before it reaches the accelerated growth stage, you are well ahead of the game. If you manage to pull that off, then you should see extraordinary gains as the industry is increasingly adopted by society. One of my favourite emerging industries may be the next catalyst for **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#))

A potential catalyst

Globally renowned Starcraft II player, Dario “TLO” Wunsch has announced that he will be leaving Team Liquid to take become Shopify’s e-sports program manager. Although the company has made its name by providing merchants an outlet to set up online stores, Shopify continues to branch out into different industries.

For example, a quiet segment of the company’s business lies within the [visual media industry](#). If Shopify can tap into the e-sports market, its stock could skyrocket in the future.

E-sports is a rapidly growing market. The total number of participants has been growing at double digit rates for the past few years and is expected to reach 646 million by 2023. In 2017, the total revenue generated by e-sports worldwide was \$694 million. By 2023, the industry is expected to generate \$2,174 million. This represents a compound annual growth rate of 18.61%. Shopify only needs to capture a fraction of this market to see staggering growth.

Is Shopify a buy now?

Although there should be some excitement that arises from this news, it would be unwise to jump into the stock solely because of it. There will certainly be a good number of investors, institutional or otherwise, that may use this as an opportunity to “buy the rumour, sell the news.” I would therefore remain on the sidelines for the meantime if you are worried about any short-term declines in value.

However, Shopify continues to be my favourite Canadian growth company. All of the previous positives that the company had going for it remain true. Tobi Lütke is still leading the company, holds a large ownership stake in the company, and continues to find new ways to grow his pet project.

Shopify also continues to capture market share among other online store website builder companies. Finally, the company’s monthly recurring revenue continues to grow. Shopify reported \$57 million in recurring revenue in Q2 2020, compared to \$55.4 million in Q1.

Foolish takeaway

Shopify is a leading e-commerce solutions provider. Its business spans every stage of the commerce industry from creating online stores, logistics services, and it provides loans to small businesses. The company has become one of Canada’s most exciting growth stories [since its IPO](#). With news of the company entering one of the quickest growing industries worldwide, Shopify could still see a lot of growth in the future.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. canada
2. esports stocks
3. growth
4. growth stocks
5. investing
6. long term growth
7. Retail
8. Shopify
9. Shopify Stock
10. Stocks
11. tech
12. tech stocks
13. technology
14. technology stocks
15. tsx growth stocks
16. tsx tech stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Investing
2. Tech Stocks

Tags

1. canada
2. esports stocks
3. growth
4. growth stocks
5. investing
6. long term growth
7. Retail
8. Shopify
9. Shopify Stock
10. Stocks
11. tech
12. tech stocks
13. technology
14. technology stocks
15. tsx growth stocks
16. tsx tech stocks

Date

2025/07/06

Date Created

2020/09/21

Author

jedlloren

default watermark

default watermark