To: Cordelia Twomey

From: Martha Osei-Yaw

Date: July 31, 2014

Subject: Stock Market Analysis

**Technology Sector Investment Recommendations**

Our department recently received a $10,000 donation which has been

earmarked for investment in the technology sector of the stock market. We have

narrowed down the search to three companies which include the LinkedIn Corporation,

Wix.com LTD and Web.com Group, Inc. Each of the companies that we selected

promotes web-based products that support small business owners and entrepreneurs with

opportunities to network and manage their online businesses. All three companies are

currently demonstrating earnings growth in 2014. We will need to further analyze the

comparisons and trend lines to narrow down our selection. See Figure 1.

**Figure 1.** EARNINGS GROWTH COMPARISONS

**Figure 1. Earnings growth comparisons of the LinkedIn Corporation,**

**Wix.com LTD and Web.com Group, Inc. beginning in 2013 with an estimated trend**

**for the next 5 years. Adapted from NASDQ. (2014). Retrieved on July 31, 2014,**

**from <http://money.cnn.com>.**

**Analysis of Company Stocks**

The LinkedIn Corporation is currently the world's largest professional network with 300 million members in over 200 countries and territories around the globe. In 2013, LinkedIn had a 21% earnings growth whereas in 2014, the earnings growth was reported at 3.9%.

Wix.com LTD provides a Web development platform and offers businesses, organizations and professionals with the ability to create a sophisticated presence. As of December 31, 2013, it had approximately 42 million users and 789,753 premium subscriptions in 190 countries. Although last year the stock plummeted with a -504.88% decrease in earnings growth, in 2014, the earnings growth rose to 55.98%.

Web.com Group, Inc. offers easy solutions to grow small businesses and help them succeed online. With over 3 million customers and 30 years of experience, this company has been growing at a steady rate. Last year’s earnings growth was 48.66% and this year’s growth is 19.24%.

**Current Trends**

LinkedIn shares surged nearly 10% on Thursday, July 31, 2014. Experts

believe that the increase in numbers can be attributed to the social media aspect

of the company which has been gaining popularity (USA Today, 2014).

On July 31, 2014, Web.com Group, Inc. announced the acquisition of Scoot, the UK

industry leader in online directories (Yahoo Finance, 2014). This acquisition gives

Web.com a foothold in the UK and provides a platform to build an international market

which is likely to provide the company with an edge in growth potential over LinkedIn

and Wix.com LTD.

Wix.com LTD is an Israeli owned company. Israel currently has the highest density of

startup companies in the world (CNN Money, 2014). It is believed that the country’s

startup techs have helped Wix.com thrive and go public.

**Recommendations**

Based upon their earnings growth and current trends I propose that we invest equally in two of the companies. On behalf of EdTech 2.0, we should invest $5,000 in shares with the LinkedIn Corporation ($198.00 per share) and $5,000 in shares with Web.com Group, Inc. ($20.21 per share). See Figure 1.

**Next Steps**

We should plan to discuss this matter further on August 8, 2014 at 9:00 a.m. Since many of you are on vacation, I propose that we set up the meeting via a Skype group calling video. The group video call works on a variety of devices and up to ten of us can join in on the discussion. This link includes a brief tutorial on how to get started with the call. <http://www.skype.com/en/group-video-call/>. I suggest that we conduct a trial run on August 7, at 9:00 a.m., in the event that we need to troubleshoot. Please send me an email ([msosa@njcu.edu](mailto:msosa@njcu.edu)) by August 5, to confirm attendance in the video conference.

**References**

CNN. (2014) Retrieved July 31, 2014, from <http://money.cnn.com>

FINVIZ. (2014) Retrieved July 31, 2014, from <http://www.finviz.com>

Kuiper, S. (2009). *Contemporary Business Report Writing* (4th ed.). Cincinnati, OH: Cengage Learning.

USA TODAY. (2014) Retrieved July 31, 2014, from <http://www.usatoday.com/story/tech/2014/07/31/linkedin-earnings-shares/13426223/>

YAHOO. (2014) Retrieved July 31, 2014, from <http://finance.yahoo.com/news/com-announces-acquisition-scoot-201500698.html>