Brand Doctor

Brand Check-up

Shopify

As of November 3, 2026

Status: Healthy

Healthy business, nervous shareholders: Shopify grows revenue over 30% and generates cash, yet its shares fell 8.7% in a day after a small miss on merchant volume.

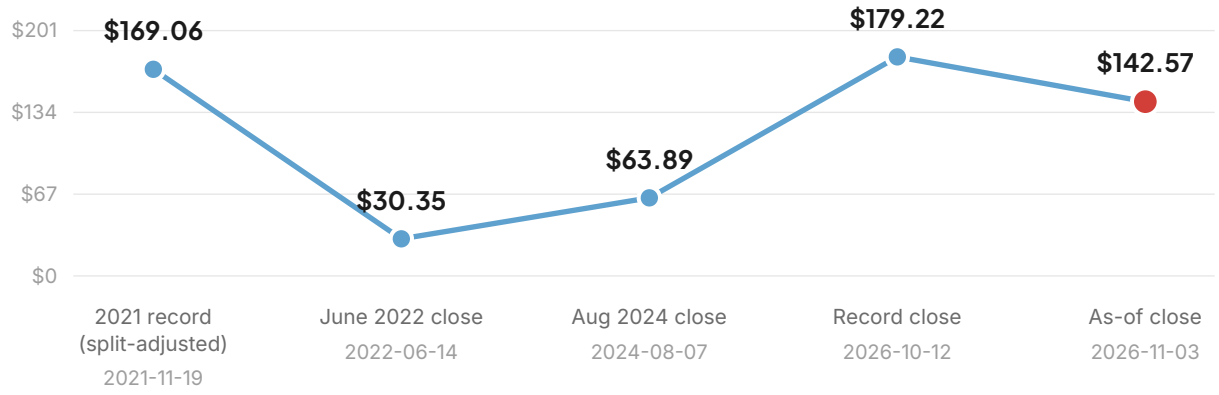
About this check-up

Brand Doctor reviews well-known brands the way we review a client's marketing: symptoms, diagnosis, treatment. This check-up uses public information available on November 3, 2026. It is brand and marketing analysis, not investment advice. Sources are listed at the end.

Vital signs

Share price

USD, at the dates shown [5, 6, 3, 4, 14, 2]



Share price

US$142.57

Nasdaq close, Nov. 3, 2026 (USD). Chart uses split-adjusted US closes (10-for-1, June 2022); NYSE before March 31, 2025 [2, 14]

Change vs record close

-20%

From the record close of US$179.22 on Oct. 12, 2026 [3, 4, 15]

Results-day move

-8.7%

Nov. 3, 2026, after Q3 results; S&P 500 up 0.4% [2]

Annual revenue

US$11,556 million

Fiscal 2025 (year to Dec. 31, 2025), up 30% [13]

Q3 2026 revenue

US$3.74 billion

Quarter to Sept. 30, 2026, up 32% [1]

Gross merchandise volume

US$119.1 billion

Q3 2026, up 29% [1]

Timeline

2015-05	Lists on the New York Stock Exchange at US$17 a share (US$1.70 split-adjusted); shares rise as much as 69% on day one. [9]
2021-11	Shares close at a record US$169.06 (split-adjusted) on November 19. [5]
2022-06	Shareholders approve a 10-for-1 split and a founder share that keeps Tobi Lütke at 40% of votes; split completed June 29. [10]
2022-07	About 10% of staff cut; Lütke says his bet on the pandemic e-commerce surge "didn't pay off". [7]
2023-05	20% of the workforce cut and the logistics division handed to Flexport for a 13% stake; shares up 25% at the open. [8]
2025-03	U.S. listing moves from the NYSE to Nasdaq, with trading from March 31; TSX listing unchanged. [11]
2026-02	Fiscal 2025 revenue of US$11,556 million, up 30%, on GMV of US$378,441 million. [13]
2026-10	Shares close at a record US$179.22 on October 12. [3, 4, 14]
2026-11	Q3 2026 revenue up 32% to US$3.74 billion; shares fall 8.7% to US$142.57 on November 3. [1, 2, 14]

Symptoms

- Shares fell 8.7% on results day despite 32% revenue growth.
- GMV and subscription revenue came in slightly below analyst estimates.
- Subscription Solutions grew 20%, well behind Merchant Solutions at 35%.
- The close of US$142.57 sat 20% below the October 12, 2026 record.

Diagnosis

1 A growth story that sets a high bar

Third-quarter 2026 revenue rose 32% and operating income 66%, yet the shares fell 8.7% on results day. Reports tied the fall to a small miss on GMV and subscription revenue. Three weeks earlier the shares had closed at a record US$179.22. [1, 2, 3]

2 Slower growth in subscription plans

Subscription Solutions revenue grew 20% to US$836 million while Merchant Solutions grew 35% to US$2.91 billion. Monthly recurring revenue rose to US$230 million from US$193 million a year earlier. [1]

3 Past overreach beyond the core

Lütke bet that the pandemic surge in online shopping would last and wrote in July 2022 that the bet "didn't pay off", cutting about 10% of staff. The shares lost about three-quarters of their value in 2022. In May 2023 Shopify cut 20% of its workforce and handed its logistics division to Flexport for a 13% stake. [7, 3, 8]

4 A new sales channel it does not control

Orders to Shopify stores from AI search platforms rose 15 times from January 2025, from a small base. Harley Finkelstein said large language models "do not bypass Shopify's checkout." The brand has to keep merchants visible as product discovery moves into AI assistants. [12]

Prognosis

As of November 3, 2026, Shopify is a fast-growing, profitable company whose shares had just fallen 20% from a record set three weeks earlier. It guided to fourth-quarter revenue growth at a low-thirties percentage rate. What to watch: GMV growth against expectations, whether

subscription growth steadies, and how many orders reach merchants through AI assistants and whether those orders still run through Shopify's checkout. The business is in good health. Its standing with investors depends on clearing a high bar each quarter.

Treatment

- Keep the merchant at the centre of every message, and report merchant outcomes such as GMV, B2B and offline growth alongside Shopify's own revenue.
- Give the slower subscription line a clearer value story, built on what each plan helps merchants sell.
- Make Shopify's role in AI shopping visible to shoppers and merchants, with a checkout and merchant branding that hold up inside AI assistants.
- Stay out of capital-heavy side businesses, as the 2023 hand-over of logistics to Flexport did.

Lessons for growing companies

Name the mistake in plain words

Lütke's 2022 memo said the bet was his call and that he got it wrong. Owning an error early keeps the trust of staff and customers while you fix it.

Cut what does not fit the brand

Shopify gave up its logistics arm in 2023 and refocused on software for merchants. Build what customers hire you for and partner for the rest.

Expectations are part of the brand

When fast growth is your story, every quarter is judged against it. Make promises you can keep and measure customer outcomes, not only your own.

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About Brand Doctor

Brand Doctor is a marketing strategy consultancy founded by Cliff K. F. Lin. He has spent 17 years in marketing and managed more than $30 million in spend for SaaS, tech and lead-generation companies.

A Brand Check-up applies the method we use with clients to a well-known brand: the symptoms you can see from outside, the root causes behind them, and the treatment we would prescribe. For your own company, we look at six areas (positioning, messaging, customer journey, channel mix, budget and spend, and measurement) and rank what to fix first.

$30M+	135+	8×	17
In marketing spend managed	Campaigns treated	Growth achieved	Years in marketing

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