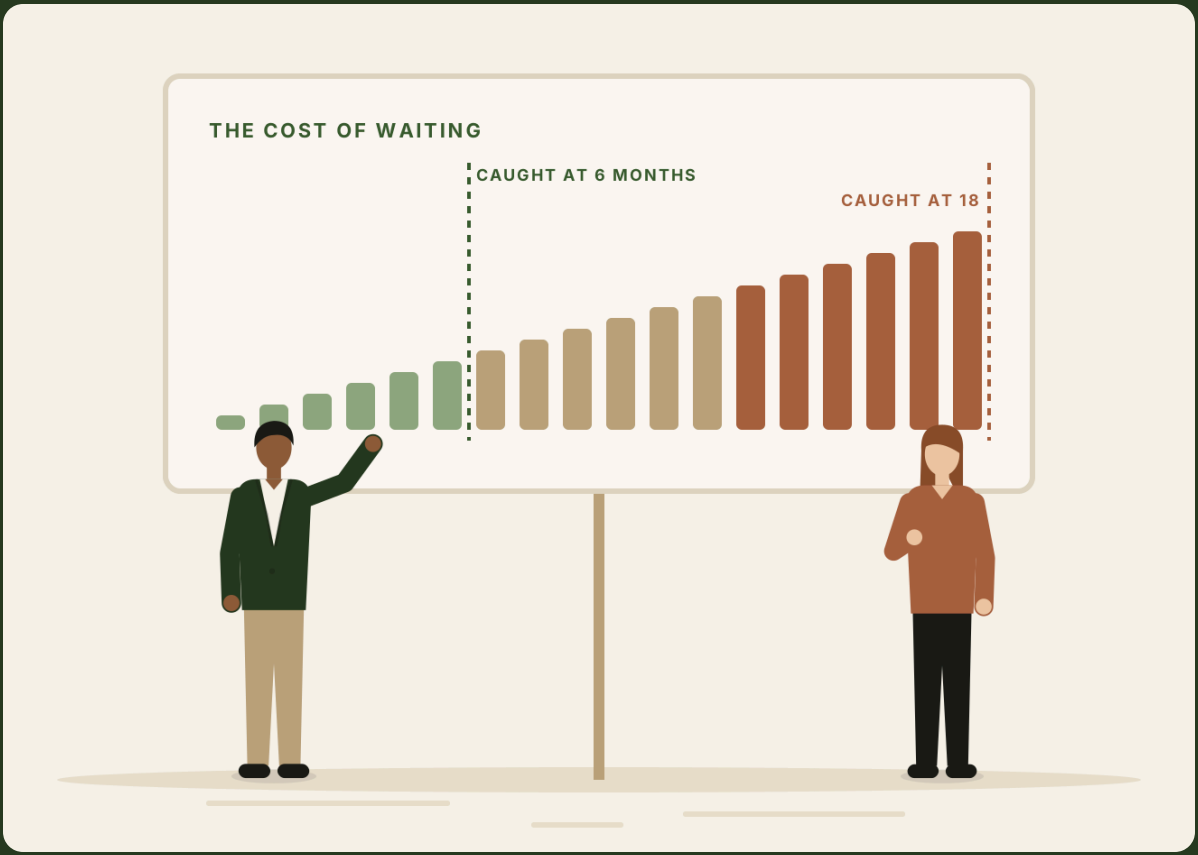
The Market Verdict™



THE FINANCIAL CASE · A PAPER

What brand drift costs, and how to work it out yourself.

A simple calculation you can run on your own numbers, with every assumption labelled.

PAPER Pilot Edition · October 2026 · Benedict Talplacido

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THE SHORT VERSION

Brand drift is expensive because nobody sees the bill.

Brand drift never appears as a line item. It shows up as campaigns that need more money to do the same work, customers who cost more to win, and loyal customers who quietly come back less often. By the time it reaches the revenue line, it has usually been costing money for a year or more.

This paper shows how to put a number on that cost for your own business. It does not promise a return. The inputs are yours, every assumption is labelled, and the figures we cite come from named sources you can check.

> THE ONE IDEA
> The cost of drift grows with every month it goes unnoticed. So the cheapest moment to find it is early, while it is still a conversation and not yet a rebrand.

What changed from the June 2026 version

The earlier version of this paper attributed industry-wide waste figures to drift, used corporate restructuring charges as if they were brand repositioning costs, and quoted returns of 18 to 28 times. This version removes all three. What is left is a method you can run yourself, and the numbers that hold up.

Three costs, in the order you notice them

When a brand drifts from the role customers actually give it, the organization keeps spending on the brand it planned. The work is often good. It is pointed at the wrong thing. Three costs follow.

Spend aimed at the wrong brand

FELT FIRST IN MARKETING

Campaigns describe the company in words customers don’t use, for reasons customers don’t buy. They still work a little, which is why the problem hides. Every dollar does less than it could.

Customers cost more to win

FELT NEXT IN ACQUISITION

When the message is partly wrong, fewer of the people who see it become customers. To keep volume up, the company spends more. The cost of winning each customer rises, and the explanation offered is usually “the market got more competitive”.

The customers who mattered most come back less

FELT LAST IN RETENTION

Drift often shows up in decisions that wear down the one thing loyal customers came for: a price change, a service cut, a product decision. They leave quietly. New customers can hide the loss for a while, which is why it is so often found late.

When all three finally show in revenue, the fix is no longer a change of brief. It is a repositioning: new strategy, new agency work, new internal alignment, months of disruption. That is the most expensive way to find out.

Work out your own cost of waiting

Step 1 · What you spend on marketing. If you don’t know the exact figure, Gartner’s 2025 CMO Spend Survey puts the average at 7.7% of company revenue [1]. That is about $3.85 million a year for a $50 million company, and $23.1 million for a $300 million company.

Step 2 · How much of it is aimed at the wrong brand. This is the honest hard part. There is no industry figure for drift alone. A widely reported survey found marketers believe they waste about a quarter of their budgets on ineffective channels and strategies [2], but that covers every cause, so don’t borrow it. Estimate your own share from evidence you can see:

- Compare the words customers use about you (reviews, referrals, support messages) with the words your marketing uses. Little overlap suggests a high share.
- Check which campaigns your best customers actually responded to. If they came for something you don’t advertise, the share is high.
- If the two mostly match, the share is low, and this paper matters less to you. That is a good result.

Step 3 · How many months before you would notice. Most companies notice when revenue moves. Behavior usually moves first.

> THE FORMULA
>
> **Cost of waiting** = (annual marketing budget ÷ 12) × share aimed at the wrong brand × months before you notice

This covers marketing spend only. Higher acquisition costs and lost repeat business come on top. They depend so much on the business that we don’t estimate them here.

The same formula at three sizes

These use a 10% share, an assumption for illustration, not a finding. Replace it with your own.

Company revenue	Marketing budget (7.7%)	Cost per month at 10%	Caught at 6 months	Caught at 18 months	Cost of the extra year
$50 million	$3.85M	$32,083	$192,500	$577,500	$385,000
$300 million	$23.1M	$192,500	$1.16M	$3.47M	$2.31M
$1 billion	$77M	$641,667	$3.85M	$11.55M	$7.70M

At a 5% share, halve every figure. At 20%, double them. What doesn't change is the shape: twelve extra months always cost twice the first six.

What the illustrations do not claim

- That every company has drifted. Many haven't. Finding that out is useful too.
- That fixing the brief recovers all of the misdirected spend. Some of it would have been spent anyway.
- Any return on The Market Verdict itself. During the pilot it is free. When it is priced, the comparison you should make is its cost against your own number from Section 02.

Three numbers to watch every quarter

Watch	Why it moves early
How often your best customers come back or renew	Loyal customers react to drift first, because they came for the thing that is changing.
The share of new customers who arrive by referral	Referrals carry the market's own description of you. When they slow, the description has changed.
Whether customers describe you in your words	When customers' words and your marketing's words drift apart, the brand they buy and the brand you sell are separating.

If the first two slip while the third drifts apart, drift is costing you money now. The Market Verdict workbook helps you check this from the inside. The outside read checks it from public evidence, without seeing your answers.

Sources

1. Gartner, "Gartner 2025 CMO Spend Survey Reveals Marketing Budgets Have Flatlined at 7.7% of Overall Company Revenue", press release, 12 May 2025.
2. eMarketer, "Marketers Waste About One-Fourth of Their Budgets", 23 March 2018, reporting a Rakuten Marketing survey of 1,000 marketers.

Illustrations are arithmetic on stated assumptions, not forecasts. This paper does not offer financial advice.

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