

A STATE OF BRAND REPORT 2026

Brands got very good at reaching people. **And very bad at meaning anything to them.**

THE EMPTY BRAND EFFECT

A Benchmark Study of Brand in the Age of Performance



A four-paper synthesis from
CULT Collective.

15

Years of annual attitudinal benchmarking
via The Gathering

80+

2026 trend reports analyzed
across the industry

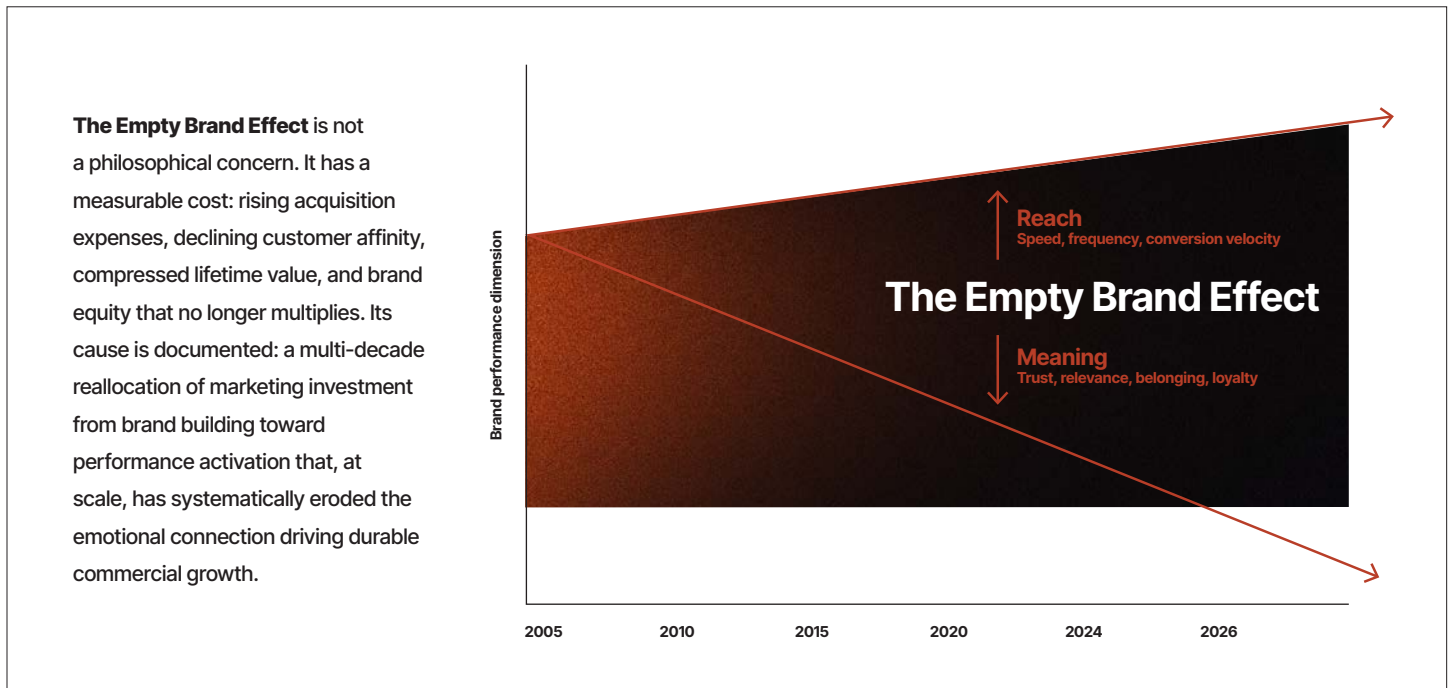
119

Independent sources spanning the IPA
Effectiveness Databank, Kantar BrandZ,
Nielsen, Analytic Partners, and the published case
records of seven leading multi-location brands.

Preface

This report synthesizes four white papers — published together as a single benchmark — that examine a structural problem in modern marketing: the widening gap between how much brands spend to reach consumers, and how much those consumers actually feel connected to the brands reaching them. The distance is called **The Empty Brand Effect**.

Fig. 1.1: Evolution of the Empty Brand Effect



These four papers approach **The Empty Brand Effect** as one continuous argument across a four part arch:

1

Part I: The Pattern

Across-benchmark of 80+ 2026 trend reports identifying the ten characteristics that recur across every credible source.

2

Part II: The Cause

The single structural force generating every visible 2026 trend, and the seven consumer desires now driving choice.

3

Part III: The Cost

The commercial measurement of the budget inversion — what performance over-investment costs the industry across CAC, brand equity, loyalty, and net profit.

4

Part IV: The Cure

What the brands already ahead have built — the framework, the cases, and what closes the gap.

Together they form a complete state-of-brand argument for 2026:

Where the Empty Brand Effect came from. How much it costs.

What it looks like in the market. And What the winning brands are doing differently.

The Central Finding

The marketing industry has spent the last two decades building one of the most efficient reach systems in commercial history. Google and Meta automate targeting, bidding, and placement. Attribution models made every dollar accountable to a conversion event. The quarterly reporting cycle rewarded short-term efficiency. Brands became extraordinarily good at putting messages in front of people who were ready to buy.

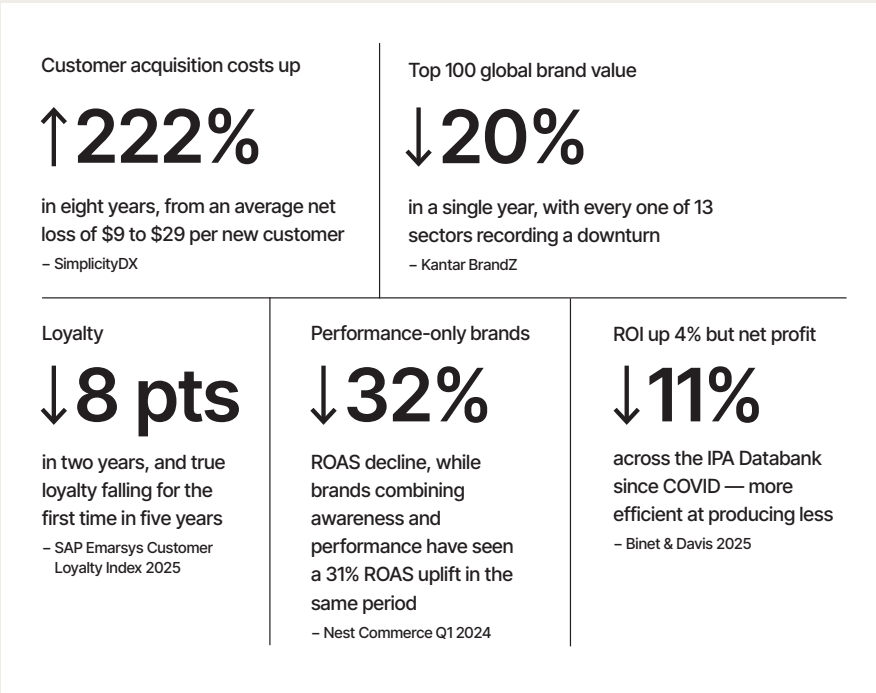
In doing so, they progressively disinvested in what makes people want to buy from them in the first place.

The Empty Brand Effect is the distance between a brand’s reach and its resonance. It grows every time a marketing budget shifts another dollar from brand building to performance activation. It grows every time a customer is retargeted but not recognized. It grows every time a loyalty program offers a discount, not a feeling. It grows every time a multi-location brand delivers a different experience in location twelve than it delivered in location one. Reach is not the problem. Reach without meaning is. The goal is not less reach — it is ensuring that what reach amplifies is worth amplifying. The two are multipliers, not trade-offs.

And it compounds. Quietly, at first. Then, in the unit economics.

What the Empty Brand Effect Is Costing Multi-Location Brands

For multi-location, destination-driven brands, the Empty Brand Effect does not show up as an abstract brand problem. It shows up in hard commercial metrics:



The bill for two decades of performance over-investment is arriving simultaneously in CAC, loyalty, and net profit. The rest of this report is about what caused that bill and how the brands already ahead are paying it down.

A Few Notes

This presentation of research does not pose an easy or singular finding, but one that is essential for marketers to understand. As a result of the complexity, we must clarify a few key points.

Language

Reach:
When this report refers to reach, it means the distribution of brand messages — the exposure of consumers to brand communications across paid, earned, and owned channels.

Performance Marketing:
When it refers to performance marketing, it means the category of measurable, short-cycle digital activation: paid search, paid social, affiliate marketing, programmatic display, and retargeting — channels optimized for a trackable conversion event.

This is not an argument against performance marketing, but about the commercial consequences of a prolonged budget imbalance: two decades of over-investment in performance channels at the direct expense of brand investment. The evidence is consistent: when appropriate investment is made in both brand and performance, business outcomes improve significantly. The challenge for brand leaders is identifying which experience moments matter most for repeat purchase, higher lifetime value, deeper affinity, and larger baskets — and investing there with the same rigour applied to performance channels.

Brand Building:
When this report refers to brand building, it means the full ecosystem of investment that builds emotional connection, cultural relevance, and long-term salience — not solely paid media. This includes strategic partnerships, experiential programmes, influencer and creator relationships, PR and earned media, CRM and community, CSR and values-led initiatives, and the quality of the physical experience itself. In multi-location, destination-driven categories, that last element — the experience of the brand across physical places and repeated occasions — is one of the most underinvested and highest-returning forms of brand building available.

Meaning:
When this report refers to meaning, it means the emotionally relevant memory structures that make a brand more likely to be chosen — the accumulated residue of experience, association, and feeling that precedes and outlasts any individual transaction.

Audience

The dominant marketing playbook was built primarily by and for the world's largest advertisers — P&G, Unilever, Toyota, Netflix. Their strategies, frameworks, and media logic have been elevated as the industry standard. But that playbook was designed for brands whose growth depends on mass distribution and media scale. If you operate a QSR franchise, a regional grocery banner, a fitness chain, a hotel portfolio, a healthcare system, or an entertainment venue, you are operating in a structurally different commercial reality. The basic laws of marketing still apply — growth depends on penetration, mental and physical availability still matter. But for multi-location, destination-driven brands, the levers are different. Operational consistency, repeated in-person experience, and local market presence carry strategic weight that CPG and DTC frameworks were never designed to capture. In these categories, the experience of the brand across physical places is not separate from the brand. It is one of the primary ways the brand is built. This report is written for the operators and brand leaders who already sense that borrowing the wrong playbook is costing them — and who are looking for a framework built for the commercial reality they actually operate in.

The thesis extends to any brand where experience, community, repeated usage, or physical presence materially shapes commercial outcomes — including digital-first and hybrid models now building toward that operating reality.

The brands in this report's analysis are multi-location, destination-driven businesses — brands where the customer physically shows up, repeatedly, and where the quality of that experience is the primary commercial variable. Restaurants and QSR, grocery, retail, hospitality, healthcare services, fitness, entertainment venues, financial services — and any brand operating in a category where growth depends on what happens when someone walks through the door.

This is a different commercial reality from the brands that dominate marketing trade press — CPG, telco, pharma, automotive, DTC, B2B — where brand relationships are mediated primarily through paid communications rather than physical presence. The frameworks built for those categories are not wrong. They were simply never designed for a business whose brand lives or dies at the counter, the check-in desk, or the service bay.

Philosophical Framework - Marketing Science

The argument across these four papers intersects with an active debate in marketing science that deserves direct engagement before the evidence is presented. The Ehrenberg-Bass Institute's body of work — most prominently Byron Sharp's *How Brands Grow* — has established that, in most consumer categories, brand growth comes primarily from penetration, reaching more buyers more often, rather than from deepening loyalty among existing buyers. In repertoire markets — categories where consumers rotate between several acceptable options based on context and availability — switching is the norm, loyalty is largely a consequence of market share rather than a driver of it, and the primary growth lever is mental availability: the degree to which a brand is distinctive and salient in memory at the moment a buying decision arrives. This is the dominant framework in evidence-based marketing science, and the industry has paid real costs for ignoring it — particularly by applying loyalty-first thinking in categories where penetration is the correct growth lever.

This report does not dispute that framework. It argues a category-specific case — and it is

important to be precise about what that case claims and what it does not. The brands in this report's analysis operate in high-frequency, experience-dependent categories: restaurants, fitness, beauty, consumer services, and retail. In these categories, the same buyer interacts with the brand multiple times per week. The structural consequence is that penetration and retention are not competing growth levers — they are the same lever operating across different time horizons. A QSR customer who visits four times a week is simultaneously an existing customer being retained, an existing customer who drives word-of-mouth acquisition, and the brand's most efficient revenue mechanism. Their frequency drives sales. Their advocacy drives new trials. Their defection costs more to replace than to prevent — and at current CAC levels, the math on defection is punishing.

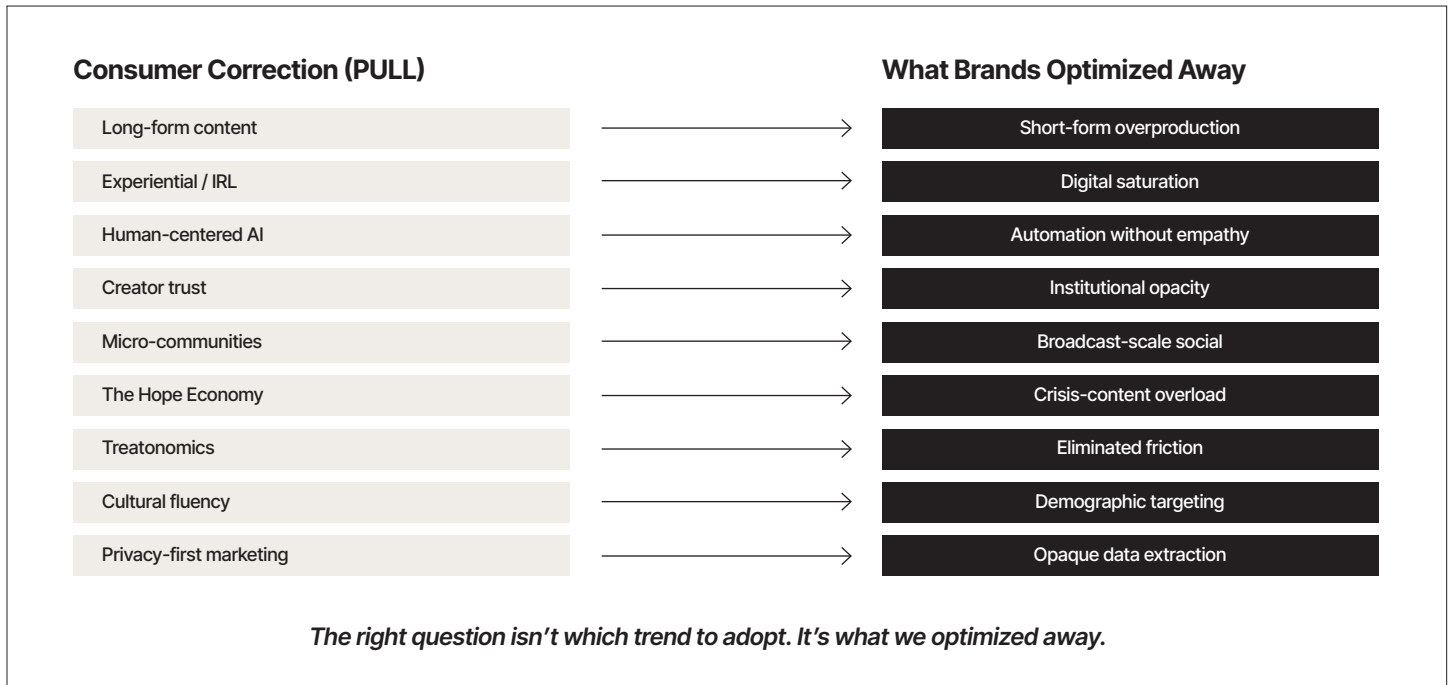
More precisely, in these categories, experience quality at key journey moments is the primary mechanism through which mental availability is reinforced or eroded. Every interaction either strengthens or weakens the memory structures that make the brand salient the next time the buying decision arrives. This is not a claim against penetration-driven growth. It is a claim that in high-frequency service categories, operational experience delivery is a direct input into mental availability — not a retention metric that exists separately from it. When experience quality degrades across a distributed network of locations, the distinctiveness the brand spent to earn begins to erode encounter by encounter, regardless of how much reach the media plan generates.

The Ehrenberg-Bass growth framework and the experience architecture framework described in Part IV are sequential, not competing. Mental availability — earned through reach, distinctive brand assets, and consistent presence — brings customers in. Experience architecture ensures that what those customers encounter reinforces the distinctiveness rather than quietly dismantling it. The performance-over-brand inversion damages both mechanisms simultaneously: it reduces mental availability by lowering brand investment and degrades the experience quality that rebuilds mental availability whenever an existing customer returns.

Part I: The Pattern

What 80+ Trend Reports Actually Have in Common

Fig. 1.2: Consumer Corrections to Optimization-Led Marketing



The Gap That Trend Reports Measure

The gap between what most brands are measuring and what their customers are actually experiencing has widened significantly across the decade of performance over-investment documented in Part III. Trend reports make that gap visible.

They are the market telling brands — in aggregate and with increasing urgency — that something fundamental has shifted in how customers make decisions. The measurement systems most organizations run are structurally blind to those shifts until they appear in the commercial metrics.

The right question for brand leaders is not which trends should we act on. That question leads to trend-chasing — a reactive posture that, by definition, always positions the brand behind the consumer.

The more durable question is:

**What would it take
to see these shifts
before they appear
in trend reports?**

A cross-benchmark of more than 80 of the 2026 marketing trend reports — from Kantar, HubSpot, Gartner, Brandwatch, AMA, Forrester, McKinsey, eMarketer, Escalent, and 70+ additional publications — found that every credible source is describing the same underlying condition from a slightly different angle. Ten characteristics recur throughout the body of work, regardless of methodology or industry focus.

Understanding these characteristics is more valuable than tracking any individual trend. They reveal the underlying logic of where consumer behavior is moving and why.

The Ten Characteristics

Fig. 1.3: Ten Characteristics of Emerging Consumer Behavior



The Ten Characteristics in Depth

1. Every Trend Is a Correction, Not a Prediction

The most striking pattern across all 80+ reports: not a single dominant 2026 trend is genuinely new. Every one of them is a consumer correction to something brands did too much of, for too long. Long-form content corrects short-form overproduction. Experiential marketing corrects digital saturation. Human-centered AI corrects automation without empathy. Creator trust corrects institutional opacity. Micro-communities correct broadcast-scale social media. The trends point backward — to what brands stripped away

in pursuit of efficiency, and what consumers are now actively trying to get back. The right question is not which trend we should adopt. It is what did we optimize away that this trend represents?

2. Every Trend Involves a Transaction of Trust

From Kantar's Global MONITOR to Brandwatch's 18-million-data-point sentiment analysis to HubSpot's 1,500-marketer survey, one concept appears more frequently than any other: trust. Its role has fundamentally changed. Historically, trust

was an outcome of brand exposure — earned over time through repeated positive experience. The 2026 data shows trust has become the prerequisite. Consumers are not willing to invest attention in brands to which they haven't already extended some baseline of trust. 69% of US consumers have abandoned a transaction due to data concerns.

The algorithms that govern search, social, and AI-powered discovery confirm trust that already exists. They do not create it.

3. Every Trend Rewards Consistency Over Campaign

The brands appearing as positive examples across 2026 trend data did not get there through a single campaign, a viral moment, or a trend-responsive content pivot. They got there through consistency — consistent audience understanding, consistent brand voice, consistent presence at the moments that matter. The trend reports cite the outcomes, but the consistent upstream investment that made those moments possible is almost never what the report is actually about. Any brand that reads a trend report and immediately pivots strategy is misreading the evidence. The brands the reports celebrate were built over years.

4. Every Trend Punishes the Transactional

Brandwatch's sentiment data shows 82% of responses to AI-generated content are negative. Audiences are not ignoring undifferentiated content — they are reacting against it.

IntelligenceNode's research confirms that when brands feel transactional or opaque, the default response is now distrust rather than indifference. The brands winning in 2026 trend data are not the ones with the most efficient conversion funnels. They are the ones whose relationships with customers feel like something other than a purchase process.

5. Every Trend Favors Depth Over Speed

Long-form video generates 10x more views and 5x more comments than short-form. YouTube accounts for over 50% of global social watch time. Podcasts averaging 60 to 90 minutes are billion-dollar businesses. But the same principle operates in shorter formats: short-form content with genuine insight outperforms polished short-form that delivers neither. The common characteristic is not length. It is the commitment to saying something worth engaging with.

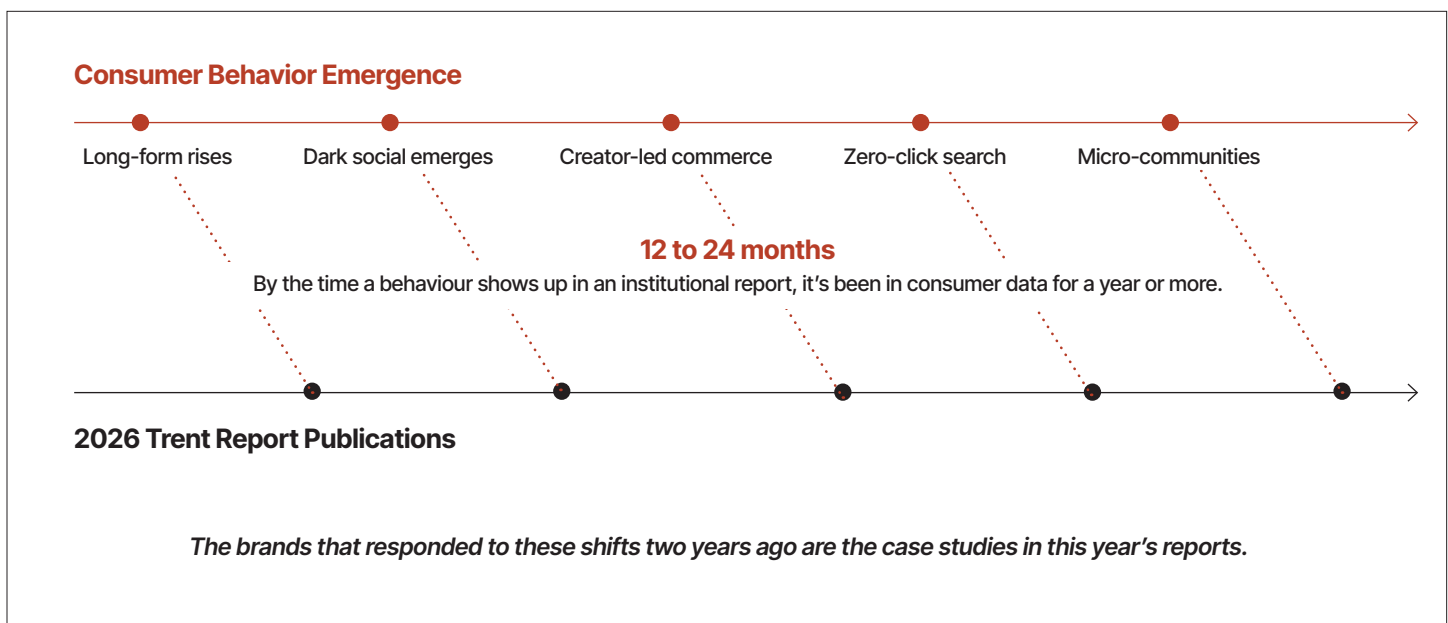
6. Every Trend Blurs a Previously Clear Category Boundary

Creator Economy 2.0 blurs the line between media company and brand. Social commerce blurs content and commerce. Human-Centered AI blurs efficiency and empathy. Experiential marketing blurs online and offline. The brands struggling in 2026, according to trend data, are consistently those organized around old category boundaries. If the organization is still divided by channel, format, or function in ways that made sense five years ago, the trends have already outrun the org chart.

7. Every Trend Is Accelerated by Economic Anxiety

Every major 2026 trend report references the economic context in which consumer behavior is shifting. Treatonomics is described as a coping mechanism for economic volatility, with 36% of consumers willing to take on short-term debt for small pleasures. The shift to creators over institutions is partly an economic transfer

Fig. 1.4: The Lag Between Consumer Behavior Change and Trend Report Recognition



of trust: when consumers feel financially vulnerable, they trust visible individuals with accountability more than opaque corporate brands. Economic anxiety does not simply suppress spending — it sharpens emotional decision-making.

8. Every Trend Has Already Happened in Consumer Behavior

Not a single trend described as emerging for 2026 is genuinely early-stage in consumer behavior. 60% of Google searches already end without a click. Seven in ten global shoppers are already buying through social platforms. Long-form is already outperforming short-form. Trend reports are confirmation documents. By the time a behavior appears in an institutional report, it has been visible in consumer sentiment and attitudinal data for 12 to 24 months. The brands that responded to these shifts earlier are the case studies in this year's reports. The brands reading this year's reports are already behind.

9. Every Trend Rewards Audience Specificity Over Demographic Targeting

The most effective brand responses to 2026 trends are not category-wide strategies. They are strategies built around a deeply understood specific audience. Creator partnerships generate higher ROI not because creators have larger audiences, but because their audiences are more precisely self-selected. Brands that read a trend and apply it universally — to everyone, in every channel, at the same moment — produce exactly the undifferentiated output that Brandwatch's data shows audiences penalizing.

10. Every Trend Is Invisible in Standard Marketing Measurement

The behaviors and attitudes driving every major 2026 trend are largely undetectable in the measurement systems most marketing organizations currently run. Click-through rates do not measure belonging. Conversion metrics do not capture trust erosion. Social reach does not surface micro-community migration. Quarterly sales data does not reveal the attitudinal shifts that precede loyalty changes by 12 to 24 months.

Gartner projects that over 40% of CMOs who cannot connect brand investment to measurable outcomes will lose C-suite credibility. Every trend in the 2026 landscape is a measurement problem as much as a strategy problem.



Not a single trend described as emerging for 2026 is genuinely early-stage in consumer behavior.

60%

of Google searches already end without a click.

What This Means for Multi-Location Operators

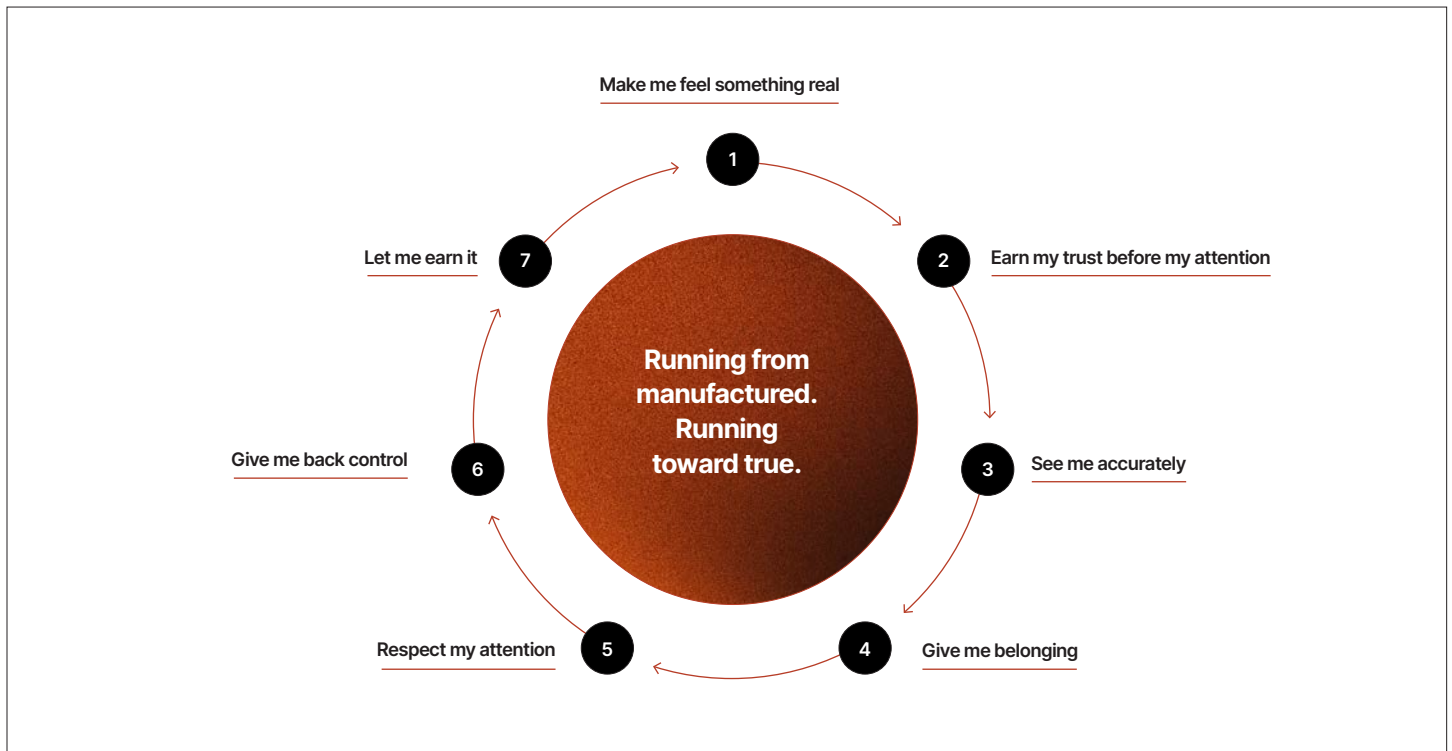
For multi-location, destination-driven brands, the ten characteristics translate into five practical realities:

1. You are reading corrections, not predictions. Every 2026 "trend" is a signal about what consumers are correcting from the last decade, not a new thing to chase.
2. Trends tell you what you optimized away. The real question is not "should we do long-form?" or "should we do experiential?" It is "what did we strip out of the experience that this trend represents a demand for?"
3. Standard dashboards will not show you this. Clicks, conversions, and ROAS are structurally blind to belonging, trust, and emotional readiness. Trend reports are measurement failures made visible.
4. Application must be audience-specific. Applying population-level trends universally — to everyone, in every channel, at the same moment — is how multi-location brands produce the undifferentiated experiences consumers are now penalizing.
5. In your categories, the signals show up first in the physical experience. For restaurants, fitness, retail, and services, these trends are most visible at the counter, in the lobby, in the treatment room, and at the drive-thru window long before they appear in digital dashboards.

Part II: The Cause

Why It's All Happening at Once

Fig. 2.1: The Seven Consumer Desires Underlying Market Change



The Single Structural Force

The ten characteristics in Part I describe what is happening. They do not explain why all of it is happening at the same time.

It is happening because of a single structural force that has been building for nearly two decades. Brands got extraordinarily good at reaching people. And in doing so, they became very bad at meaning anything to the people they were reaching. Every 2026 trend — long-form content, experiential marketing, creator trust, responsible AI, the Hope Economy — is

the consumer response to that single condition. Not ten separate shifts. One shift, with ten visible symptoms.

An entire generation of marketing organizations optimized go-to-market systems for efficiency: reach, frequency, conversion, cost-per-click. Brands became extraordinarily good at that. The problem is that reaching is not the same as mattering. This is not a media trend or a channel trend. It is a structural correction.

The brands organized entirely around performance infrastructure cannot deliver meaning — they were never built for it.

The Seven Consumer Desires Driving Every Trend

Cross-referencing the full 2026 research landscape — Kantar’s MONITOR, Escalent’s consumer insights, Brandwatch’s sentiment analysis, IntelligenceNode’s behavior research, Reddit’s KarmaLab, and the independent analyses from FTRS Studio and Lia Haberman — seven underlying consumer motivations surface consistently across the benchmark. Five appear consistently in institutional trend reports, typically framed as discrete trends. Two — “Give Me Back Control” and “Let Me Earn It” — surface clearly in independent and practitioner research but are substantially underrepresented in institutional publications.

All seven connect by a single thread: consumers are running from anything that feels manufactured, and running toward anything that feels true.

These are not demographic segments. They are emotional states driving choice across every category.

The most underrepresented insight in 2026 marketing thinking is the seventh desire. The complete elimination of friction has commoditized experience. When everything is instant and effortless, nothing is memorable. Purposeful friction is the mechanism through which experiences become meaningful. The queue for a cultural moment. The 90-minute podcast that demands sustained attention. The private community which requires a genuine contribution to enter. Content asks nothing of the audience. Experience asks something — time, attention, physical presence, genuine commitment. And it is precisely that ask — the investment the audience makes — that transforms an interaction into a memory.

Why Most Brands Cannot Respond

The 2026 trends are not the strategic challenge. The organizational model most brands are running is. Most marketing leaders operate within a quarterly reporting cadence that trains teams to chase short-term content output rather than to understand how the attitudes driving repeat

purchase, LTV and affinity are actually shifting. Gartner projects that over 40% of CMOs who push for larger budgets will lose C-suite influence if they cannot demonstrate clear ROI. Marketing budgets have stalled at 7.7% of revenue. The pressure is real, and it is complicating the problem.

The diagnostic questions are simple. If audiences are migrating to micro-communities, that is a signal about belonging that the brand is not delivering. If long-form is outperforming, that is a signal about the depth that the brand is not offering. If consumers are choosing creators over institutions, that is a trust signal the brand has not earned. If experiential is the only thing breaking through, that is a signal that everything the brand is producing digitally is failing the attention test.

Trends are lagging indicators. Consumer behavior precedes them, sometimes by years. The brands that will appear in next year’s reports are making decisions today that are not yet reflected in current data. The goal is not to be in the trend report, but to be close enough to the audience that the trend report simply confirms what the organization already knew.

Fig. 2.2: Interpreting Consumer Signals Through Attitudinal Drivers

Signal you’re seeing:	What you’re sitting with:
Audiences migrating to micro-communities.	<i>A belonging signal your brand isn’t delivering.</i>
Long-form outperforming short-form for you.	<i>A depth signal your brand isn’t offering.</i>
Customers choosing creators over your brands.	<i>A trust signal your brand hasn’t earned.</i>
IRL is the only thing breaking through.	<i>An attention test your digital is failing.</i>

What the Brands Already Ahead Have Built

The brands that consistently lead trends do not operate on a campaign calendar. They operate on an audience calendar.

Fig. 2.3: Audience-Led vs. Campaign-Led Brand Management

	Campaign calendar	Audience calendar
ASKS	What are we making? When does it go out?	Where are our customers right now? What do they need from us?
OPTIMIZES FOR	Output velocity	Attitudinal connection
PRODUCES	Content	Loyalty
MEASURED IN	Reach, frequency, conversions	Trust, relevance, belonging, repeat behaviour

“Simple to describe. Rare to actually build”

A campaign calendar asks what we are making and when it goes out. An audience calendar asks where our customers are right now, what they are feeling, and what they need from us at this moment in their journey. That shift sounds simple. It requires three things most organizations have not built:

1. A living understanding of audience attitudes, not just behaviors.

Behaviors are outputs. Attitudes are inputs. Purchase data tells you what happened. Attitudinal research tells you why, and more

importantly, what is about to happen. The brands that predict market shifts are measuring trust, relevance, belonging, and emotional readiness — the states that precede behavioral change by months or years. By the time attitude shifts show up in performance data, they are already in someone else’s trend report.

2. A journey architecture built around moments that matter, not channels.

The question is not which platform. It is the moment in the customer’s life that represents the highest leverage point for the brand to show up meaningfully. That requires knowing how attitudes shift across the full journey —

from first awareness through advocacy — and where the emotional gaps are. Most brands have channel maps. Very few have moment maps.

3. A measurement model that captures what compounds, not just what converts.

Conversion metrics measure transactions. The brands with durable loyalty are also measuring the attitudes that drive repeat purchase, larger basket size, and unprompted advocacy. These do not show up in a quarterly dashboard. They show up in next year’s results — which is precisely why short-term reporting cadences systematically underinvest in the work that matters most.

Part III: The Cost

What Performance Over-Investment Costs the Industry

What the inversion cost the industry.

Bill One

CAC Inflation

+222%

Over 8 years

From \$9 net loss per customer (2013) to \$29 (2022).
Source: SimplicityDX.

A brand equity problem expressed as a platform pricing problem.

Bill Two

Brand Equity Erosion

-20%

Top 100 Brand Value, 2023

All 13 sectors down.
Retail -32%, Apparel -21%.
Source: Kantar BrandZ.

*2% future revenue lost per quarter without brand investment.
Source: Nielsen.*

Bill Three

LTV Compression

63 pts

Full-Funnel vs Performance Only

Full-funnel +31% YoY ROAS.
Performance-only -32% YoY.
Source: Q1 2024. Nest Commerce.

*Loyalty 77 → 69%. True loyalty declines first time in five years in 2025.
Source: SAP Emarsys.*

The Inversion: How the 60/40 Rule Got Reversed

The commercial cost of the Empty Brand Effect begins with a budget-allocation decision repeated across thousands of marketing organizations over two decades.

Les Binet and Peter Field's analysis of 996 IPA Effectiveness Award case studies — spanning 1980 through 2016, more than 700 brands and 83 categories — produced one of the most heavily replicated findings in modern marketing research: a 60% brand-building to 40% activation budget split maximizes combined short-term and long-term profit. The optimal ratio shifts based on category context — brands in early growth stages, smaller challenger brands, and DTC-first businesses appropriately weight activation more heavily — but the directional finding is robust: across established brands in mature categories, long-term brand investment

generates disproportionate long-term profit, and the industry has dramatically and systematically moved away from it.

Global digital advertising spend grew from approximately \$522 billion in 2021 to an estimated \$695 billion in 2025, with projections reaching \$740 billion by 2026. Within that total, the share captured by performance-based channels — paid search, paid social, affiliate, programmatic — expanded from approximately 68% of global digital ad spend in 2020 to an estimated 78% in 2025. The US alone allocated over \$190 billion to digital performance channels in 2024. The budget followed the attribution model.

The inversion is not only a shift from brand advertising to performance advertising. It

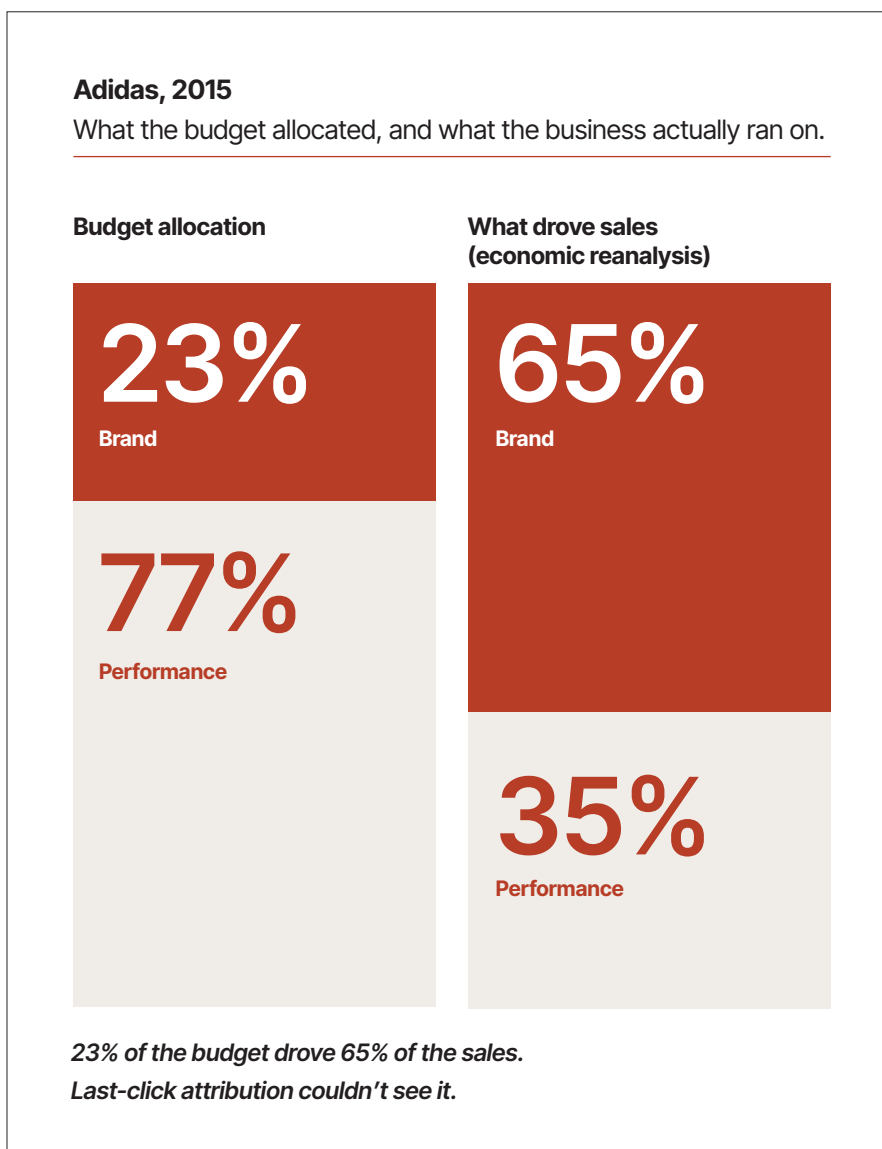
is a broader reallocation away from the full ecosystem of brand-building activity — strategic partnerships, experiential investment, creator relationships, CRM, community, and the operational quality of the physical experience — toward measurable, short-cycle digital activation. For multi-location brands, this matters acutely: the investments most likely to be cut in a performance-first budget are precisely the ones that sustain the in-person experience quality that drives repeat visit, basket size, and advocacy.

The attribution model credited what was visible at the point of conversion: the performance channel. What was invisible — the brand equity that made consumers open to conversion — received progressively less investment.

Adidas Case

The Adidas case is the most publicly documented illustration at scale. By 2015, Adidas had allocated 77% of its marketing budget to short-term performance marketing and 23% to brand building — a direct inversion of the Binet and Field optimal. The decision was driven entirely by last-click attribution models that over-credited performance channels and under-credited the brand-building touchpoints that made performance work. Subsequent econometric modeling, presented publicly at the IPA Effectiveness Conference, produced a stark finding: the 23% allocated to brand was driving 65% of sales. The 77% in performance was driving 35%. The math the attribution model could see was not the math the business was actually running on. Adidas's global media director acknowledged publicly that the company had been operating without brand tracking of any kind — an organization with one of the world's largest marketing budgets — measuring the channel driving 35% of revenue while the channel driving 65% went unmeasured.

Fig. 3.1: Attribution Distortion in Marketing Investment Allocation



The Airbnb case documents the reversal with equal clarity.

During COVID, Airbnb cut its total marketing spend by 58% — a \$662 million reduction from 2019 to 2020 — with \$541 million of that cut coming from performance marketing and just \$121 million from brand. Even so, site traffic recovered to 95% of pre-pandemic levels, with over 90% of visits coming from direct or unpaid sources. Airbnb has since maintained a structurally lower dependence on performance spend and publicly framed the shift toward brand and PR as a permanent strategic choice, not a temporary cost-saving.

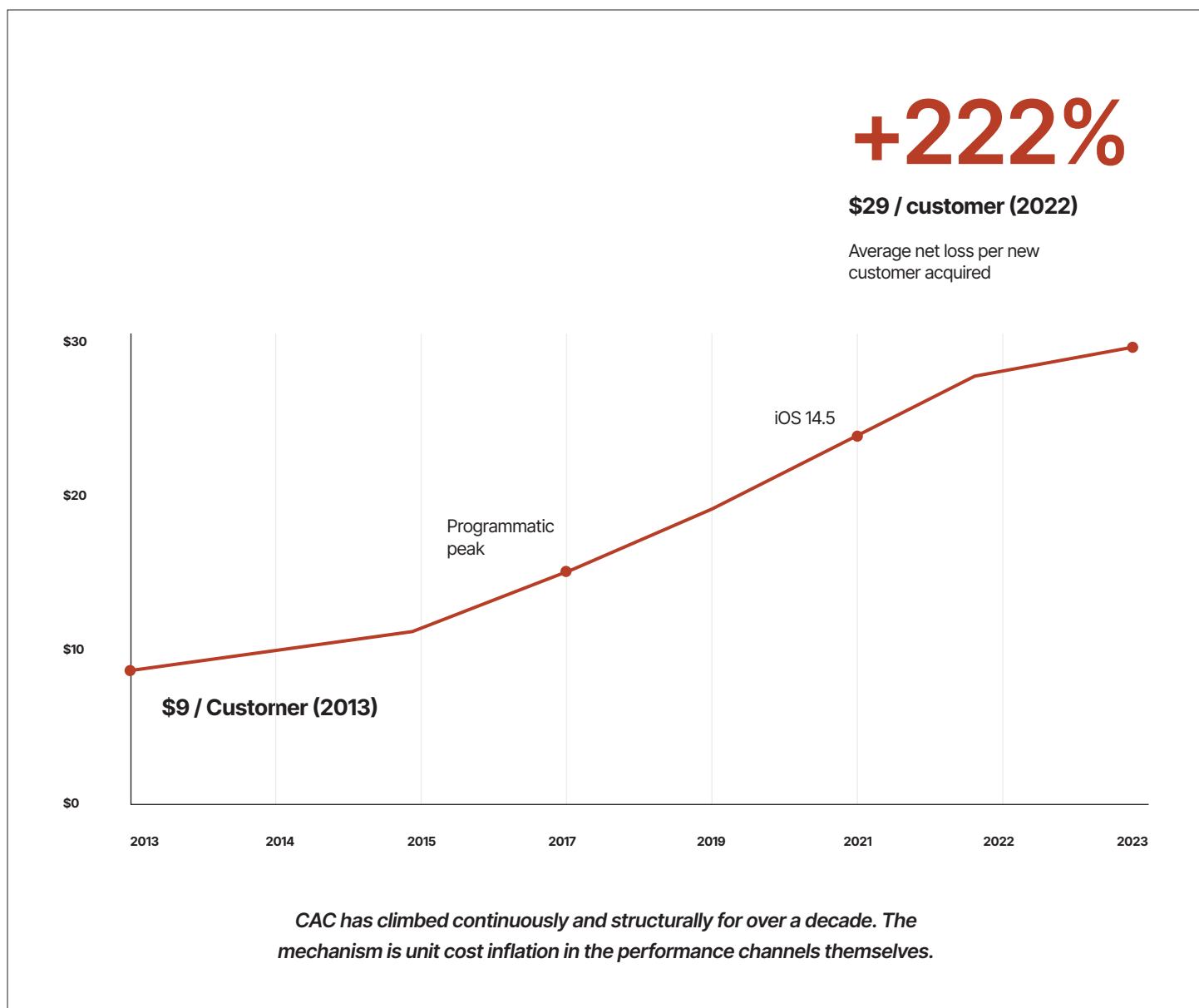
Taken together, Adidas and Airbnb show the same underlying trade from opposite directions.

The Three Commercial Bills

Bill One: CAC Inflation

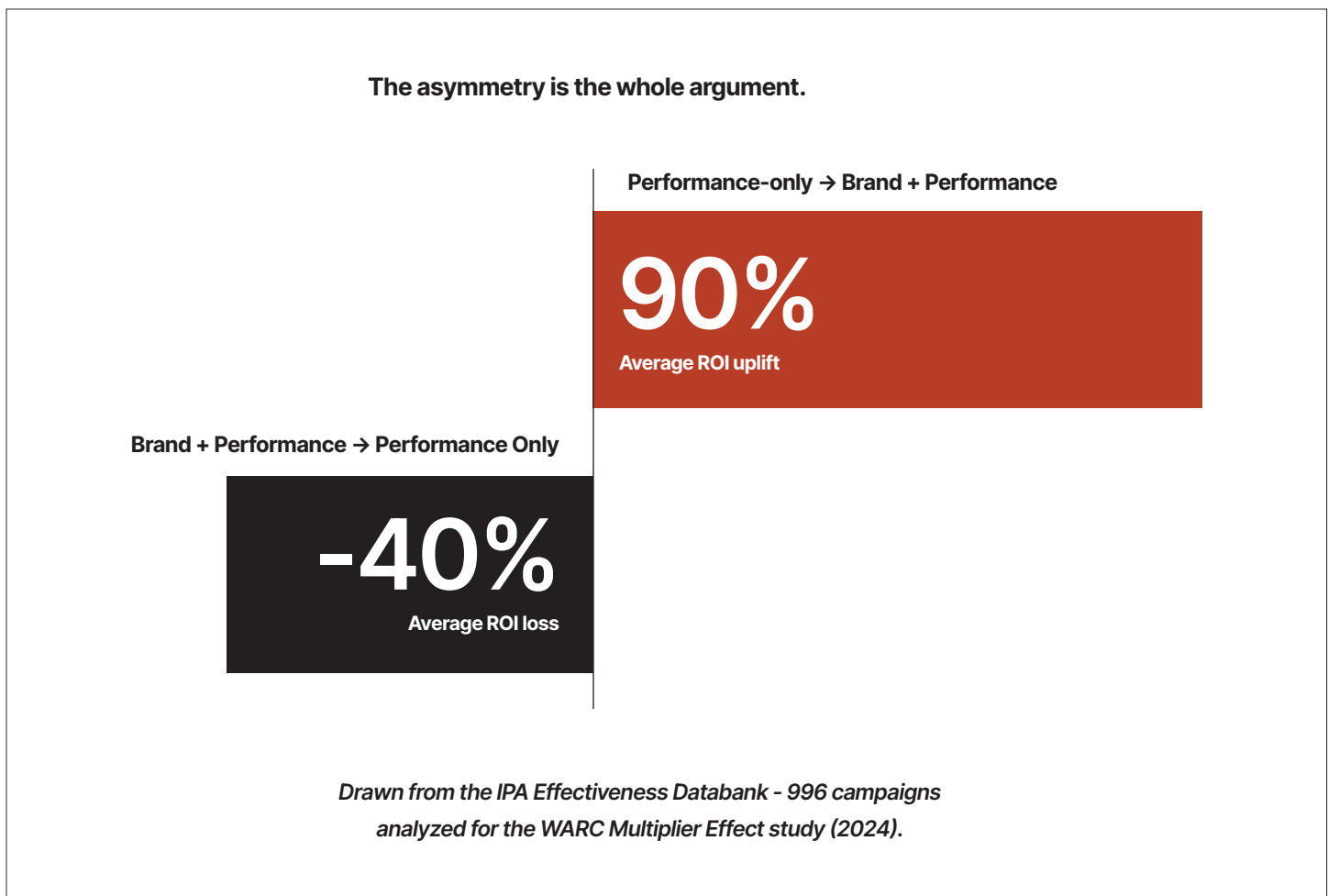
Customer acquisition costs have climbed continuously and structurally for over a decade. SimplicityDX has seen a 222% increase over eight years — from an average net loss of \$9 per new customer acquired in 2013 to \$29 by 2022. Between 2023 and 2025, CAC jumped by 40-60% across most categories, driven by digital ad market saturation, iOS 14.5 targeting restrictions, GDPR expansion, and the degradation of third-party cookies. WordStream's industry data shows a median CPC compound annual growth rate of 4.37% across US verticals, with agency-managed accounts targeting high-value intent keywords experiencing CPC growth as high as 11.75% per year. Over half of tracked verticals have seen CPC growth that outpaces general inflation. Meta CPM rates climbed steadily from 2021 to 2024.

Fig. 3.2: The Commercial Consequences of Budget Inversion



The mechanism is well documented. Analytic Partners' ROI Genome econometric work — spanning multiple clients and geographies — finds that upper-funnel brand tactics are 60% more effective over the long term than lower-funnel performance tactics and only 25% less effective in the short term. Their operational finding is direct: when clients who spend more than 50% on performance reallocate toward brand, ROI uplift is substantial. One client shifted 61% of brand budget to performance and saw a 22% decrease in performance marketing ROI and a 16% decrease in total marketing ROI — performance cannibalized itself in the absence of the brand equity that made it work. Another client increased brand spend 72% year-over-year and saw a 76% profit increase; a parallel 35% increase in performance spend produced only a 48% return improvement. Brand investment amplified the performance outcome. WARC's Multiplier Effect analysis of 996 IPA campaigns confirms the aggregate pattern: a 90% average ROI uplift when moving from performance-only to brand-plus-performance investment, and a 40% ROI consequence when moving the other direction.

Fig. 3.3: The Asymmetric Returns of Brand Investment



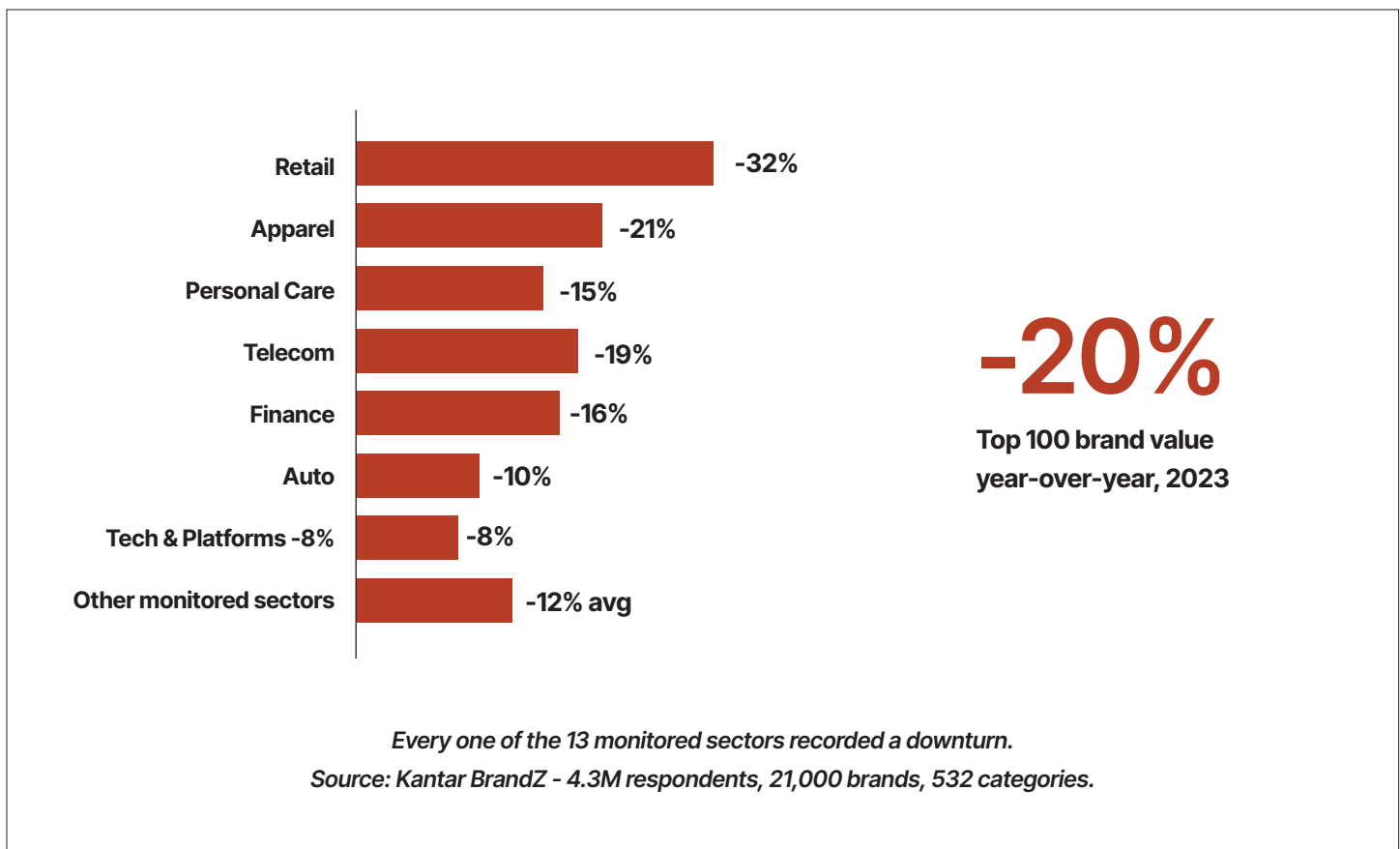
CAC is not only a platform pricing problem.

It is also a brand equity problem — and the brand equity dimension is the one marketing organizations can actually do something about.

Bill Two: Brand Equity Erosion

Kantar BrandZ — combining financial market data with consumer perception surveys across 4.3 million respondents, 21,000 brands, and 532 categories — reported that the world's top 100 most valuable brands collectively lost 20% of their brand value in 2023. Every one of 13 monitored industry sectors recorded a downturn. Retail brands fell 32%. Apparel dropped 21%. Personal care declined 15%. Kantar's longitudinal data captures the mechanism beneath the decline: between 2019 and 2021, brands with growing equity increased their brand value by 72%. Brands with declining equity grew brand value by only 20% — a 52-percentage-point divergence over two years driven almost entirely by differential brand investment levels.

Fig. 3.4: Sector-Wide Brand Equity Decline



Brand investment compounds differently than activation spend. Activation spend produces immediate, measurable, short-duration return. Brand investment produces delayed, difficult-to-attribute, long-duration returns. The attribution model favors the first. The business runs on the second.

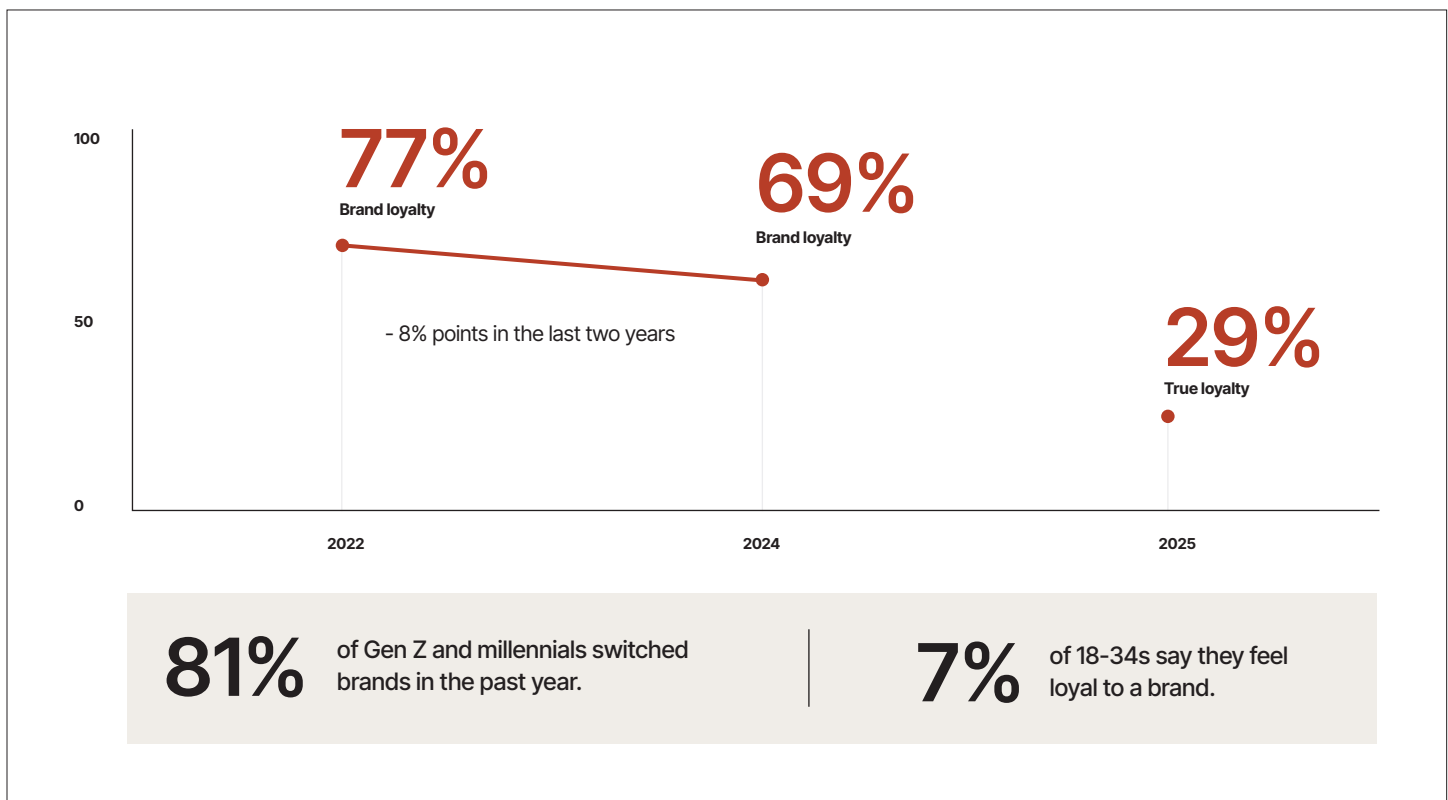
Nielsen's research quantifies the cost of equity disinvestment in revenue terms: a brand loses 2% in future revenue for every quarter it does not invest at the brand level. If brand equity decays, future sales decline at a 1:1 ratio. It takes three to five years of consistent brand-building to recover from extended periods of brand under-

investment. Brand development contributes to almost 60% of long-term sales impact. Brands with high consumer awareness achieve 2.5 times the conversion rates of low-awareness brands.

Bill Three: LTV Compression

Nielsen also documented the specific mechanism by which performance and promotional marketing erode lifetime value. Incentives and promotions offset natural purchase cycles — when consumers buy earlier at a lower price, they are removed from the market later. Over time, incentives train consumers to look for incentives: to wait for the next discount, to compare offer depth, to treat the brand as one of several interchangeable price points rather than a preferred choice. The LTV erosion loop runs continuously. Performance investment pulls demand forward, trains price sensitivity, suppresses organic repeat behavior, and shifts the brand from a preference-driven choice to a commodity competing on offer depth.

Fig. 3.5: The Mechanics of Lifetime Value Compression

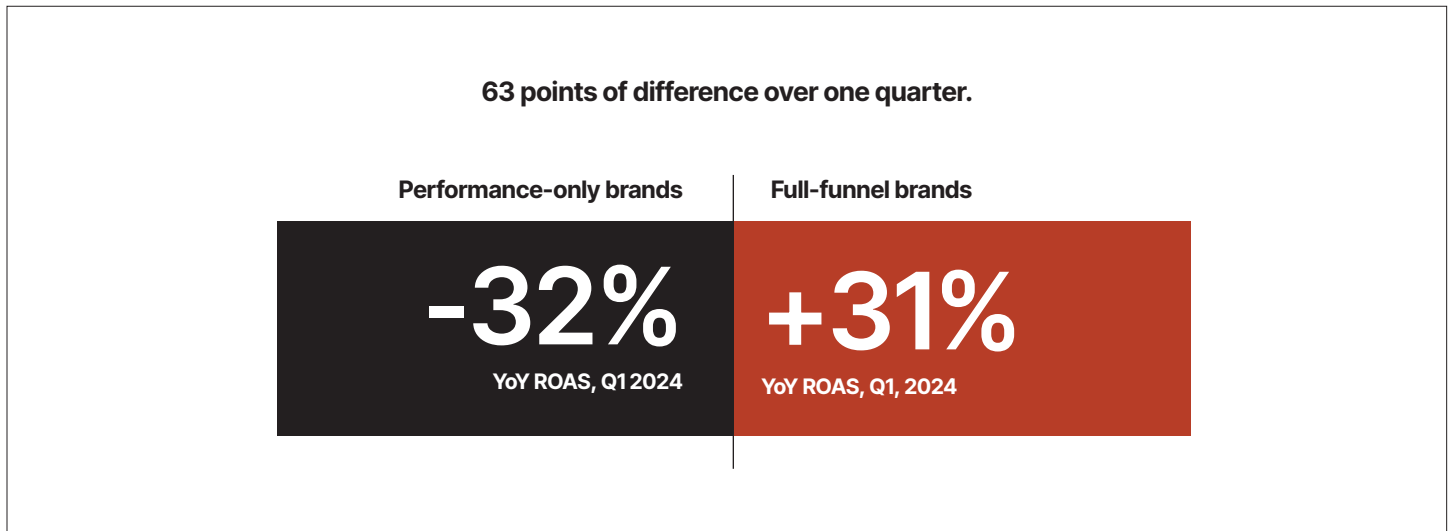


For multi-location brands, this is the cost that directly impacts the unit economic model. Frequency, repeat purchase, and basket size are the engines of every multi-location business. In the high-frequency, experience-dependent categories this report examines, repeat visit rate and share of occasions are the closest measurable proxies for what the data describes as loyalty — and by that measure, the trend is

consistent. Loyalty fell from 77% to 69% between 2022 and 2024 — an 8-point drop in two years (SAP Emarsys Customer Loyalty Index 2025). True loyalty — the trust-based connection that drives repeat purchase without prompting — fell for the first time in five years in 2025, declining 5 percentage points globally. 29% of consumers admit they abandon brands the moment a trend fades — a shallow attachment cohort that is

precisely what performance marketing builds, and brand investment dissolves. 81% of Gen Z and millennial consumers switched brands in the past year — a switching rate 1.3 times higher than Baby Boomers (Salesforce Connected Shoppers Report, 2025).

Fig. 3.6: The Performance Advantage of Full-Funnel Marketing

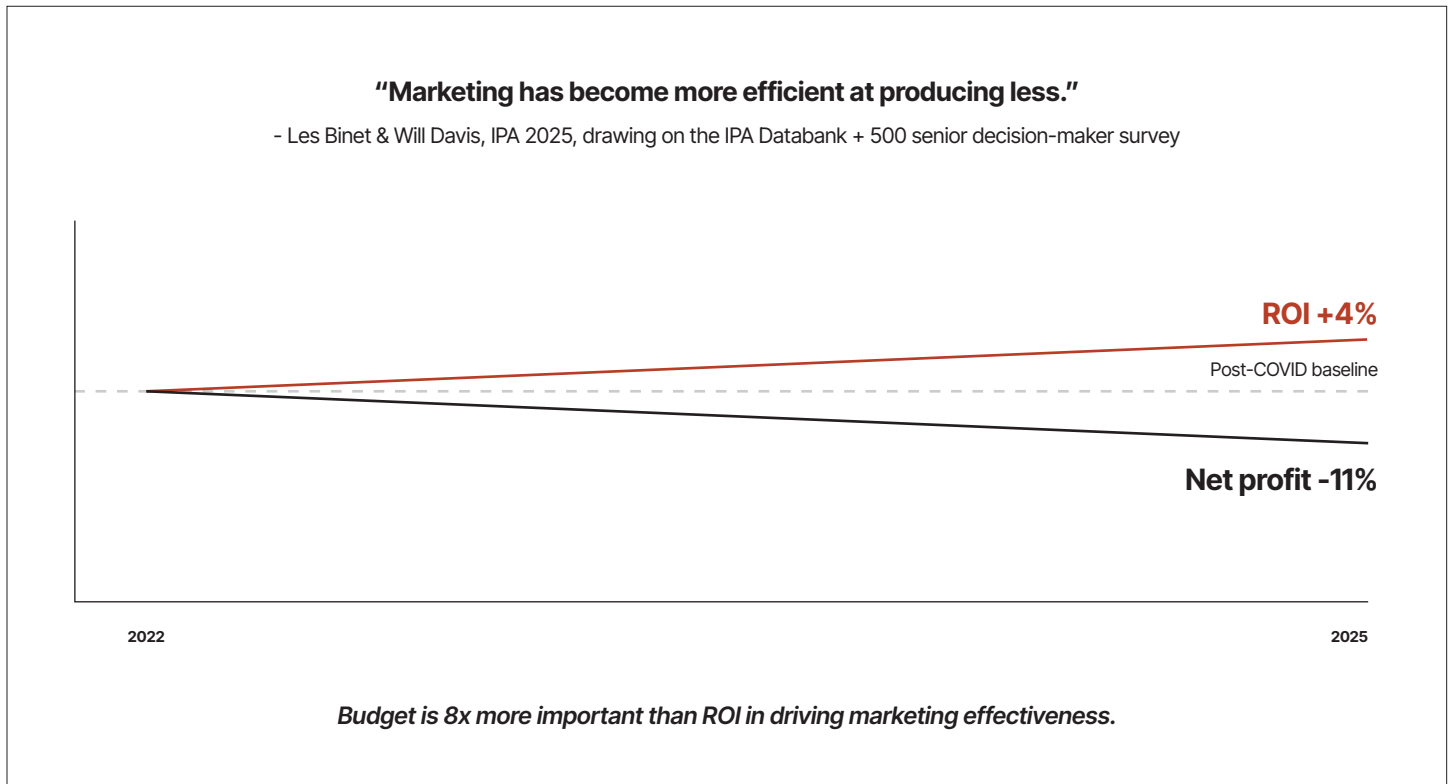


Brands running awareness or traffic campaigns alongside performance saw a 31% YoY ROAS boost. Brands running performance only saw a 32% YoY ROAS decline.

Nest Commerce's Q1 2024 analysis of actual ecommerce performance produced one of the most useful single data points in the dataset: brands running awareness or traffic campaigns alongside performance campaigns saw a 31% year-over-year ROAS boost. Brands running only performance marketing saw a 32% YoY decline in ROAS over the same period. A 63-percentage-point performance divergence in a single quarter — between brands running full-funnel and brands running performance alone.

Les Binet and Will Davis presented analysis at the 2025 IPA Effectiveness Conference that frames the logical endpoint of performance-only optimization with unusual precision. Their study analyzed IPA Databank data and found that since the COVID pandemic, ROI has improved 4% across the Databank — but net profit generated has declined 11% in the same period. Marketing has become more efficient at producing less. Their exposure threshold data explains the mechanism: advertisers must generate between 30 million and 60 million exposures to drive statistically significant sales uplift, and at least 200 million to drive major results. Narrowly targeted performance campaigns systematically fail to reach these thresholds. The math behind broad-reach brand investment is real, and abandoning it is producing exactly what the commercial data is now documenting.



Fig. 3.7: Divergence Between Marketing ROI and Net Profit

The pattern is self-reinforcing. Brands cut brand investment. Loyalty weakens. CAC rises. Margins compress. Budgets come under more pressure. Brand investment is cut further. The efficiency metrics that justified the original shift improve because the brand-building line item is shrinking. The underlying commercial engine continues to degrade.

This is the trap most marketing organizations are currently in. The shift looks rational at every individual decision point. The compounding effect is not.

The data does not support eliminating performance marketing. It argues that the ratio has been inverted, that the cost of that inversion is now measurable and material, and that the case for rebalancing is commercial rather than philosophical.

A Quick Diagnostic for Multi-Location Brands

You are likely sitting in the Empty Brand Effect if:

- CAC has risen faster than revenue over the last three to five years.
- Loyalty metrics — repeat visit rate, basket size, tenure — are flat or declining despite increasing performance spend.
- Location-to-location experience scores are inconsistent, with wide variance in NPS or satisfaction across your network.
- Brand tracking is light or absent compared to performance dashboards.
- Most "CX projects" focus on décor, menu, or campaigns rather than the attitudinal moments in the journey that actually drive repeat behavior.

If three or more of these statements are true, your brand is likely paying the price of a performance-first playbook in CAC, loyalty, and margin — whether or not the dashboards have caught up yet.

Part IV: The Cure

What the Brands Already Ahead Have Built

Fig. 4.1: Experience Architecture Case Comparisons

Brand	Attitudinal Insight	Journey Moment Invested	Outcome
STARBUCKS	Ritual, care, belonging	Service speed, handoff, recognition	<i>First simultaneous Reward and non-Reward growth since '22</i>
DUTCH BROS	Peer connection, being known	The drive-thru window interaction	<i>72% loyalty transactions 35% growth Q4 '24</i>
ULTA BEAUTY	Expertise, access, beauty as identity	Omnichannel touchpoint integration	<i>Omni-members spend more than store-only members</i>
SEPHORA	Status, insider identity, being seen	VIP experience at tier transition point	<i>+20% credit card sign up; mass organic advocacy</i>
PATAGONIA	Purpose, alignment, value identity	Post-purchase repair + community activism	<i>81% loyalty, KPMG #3 CX, revenue increase 4x over decade</i>
NIKE	Athletic aspiration, cultural belonging	Brand building moments in sport culture	<i>Early recovery signaled with 15% brand spend Q4 '25</i>
LULULEMON	Wellness, community, self-improvement	Local IRL events + ambassador relationships	<i>89-92% retention and top 20% of customers</i>

Same five behaviours. Different categories. Same commercial result.

Identify the attitudinal driver. Map the journey. Invest at the inflection point.
Make loyalty an experience problem, not a discount. Let performance follow.

The Distinction That Changes Everything

Two phrases get used interchangeably in 2026 marketing conversations, and the conflation matters commercially.

Experiential marketing — pop-ups, activations, immersive events — primarily operates at the awareness and acquisition stages of the customer journey. It generates impressions, earns earned media, and can build top-of-funnel brand heat. Its commercial footprint is largely upstream of the transaction and largely absent from the loyalty arc. The activation produces a moment.

Experience architecture is something structurally different. It starts with attitudinal understanding of customers: why they feel what they feel, which moments in the journey build or break trust, and what is at stake commercially when those moments fail. It maps those attitudes across the full customer relationship — from first contact through advocacy. It then makes deliberate, operational investments in elevating the specific inflection points where emotional connection is made or

lost. Its commercial footprint spans acquisition, transaction, service, loyalty, and advocacy. The architecture produces a customer.

For multi-location and experience-dependent brands, operational experience is one of the primary mechanisms through which mental availability and preference are reinforced or eroded. That is not a CX claim. It is a commercial growth claim — and it is the argument this report has been building toward.

The principle of experience architecture extends well beyond high-frequency categories. Home Depot — a low-frequency, high-consideration retailer — identified the single highest-anxiety moment in its customer journey (the uncertainty before beginning a complex project), named its AI tool Magic Apron after its core brand asset, and built a structural digital investment at that exact inflection point. The category is different. The logic is identical.

The logic also runs in the opposite direction. Fanatics — built as a digital-first ecommerce and licensing business — is now aggressively expanding into physical: stadium retail, live events, collectibles, and sports betting venues. Every one of those moves is a deliberate acquisition of the kind of destination-driven, repeated physical interaction this report describes. The commercial opportunity is real. So is the risk. Brands that build physical presence without building experience architecture around it do not gain the advantage of place — they inherit the cost of it. The question Fanatics now faces is the same as every multi-location brand in this report has had to answer: what does the customer actually feel when they show up, and is that feeling worth coming back for?

The brands closing the Empty Brand Effect are not running better experiential marketing campaigns. They are running experience architecture as an operating system.

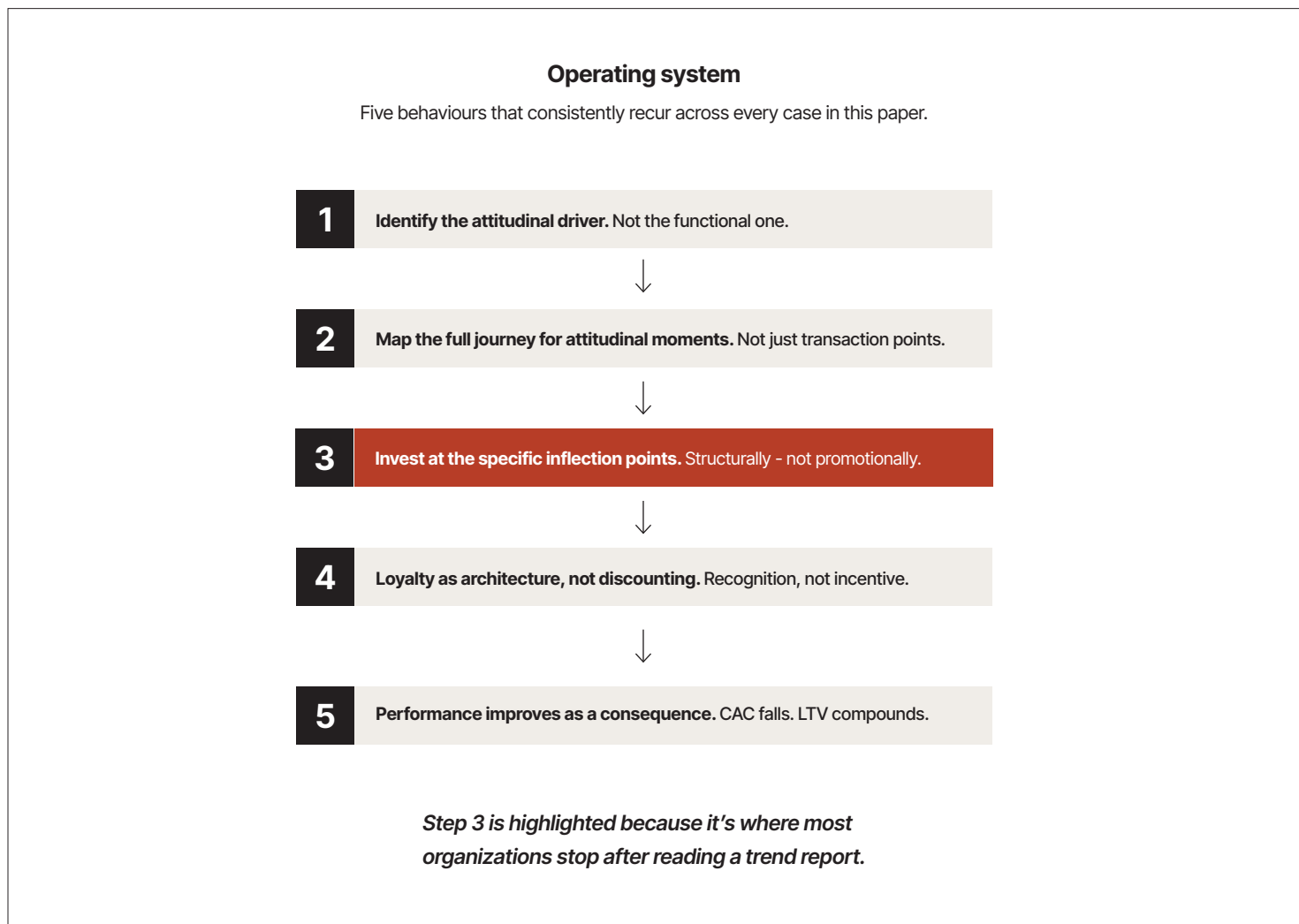
Fig. 4.2: Comparing Experiential Marketing and Experience Architecture

	Experiential marketing	Experience architecture
FORM	A campaign	A system
REACHES	Awareness, acquisition	The full journey
PRODUCES	A moment	A customer
EARNs	Earned media	Lifetime value

The Five Shared Behaviors

Five operating behaviors recur across every brand examined in this paper. None of them are new ideas individually. What is distinctive is the consistency with which the brands gaining commercial ground are building all five simultaneously.

Fig. 4.3: Shared Operating Behaviors of High-Performing Brands



They identify the attitudinal driver of their category — not the functional product attribute, but what customers are buying emotionally. They map the full customer journey and identify the moments where attitudinal connection is made or broken — not just where transactions occur. They invest at those specific inflection points: operationally, experientially, digitally, and in physical environments. The investment is structural, not

promotional. They treat loyalty as an experience architecture problem, not a discounting mechanism. The reward is recognition, status, access, and the quality of the relationship — not the depth of the incentive. Their performance metrics improve as a consequence of brand investment — not despite it. CAC falls. Repeat rate rises. LTV compounds.

The Cases

Starbucks: Both Sides of the Hypothesis

Starbucks is the most instructive recent case because it documents the framework working in both directions — degradation and recovery — within a single brand over a four-year window.

Between 2021 and 2024, Starbucks pursued volume, digital conversion, and promotional velocity. Mobile ordering grew. Menu complexity expanded. Wait times increased. The in-store environment shifted from what the brand had always called the third place — somewhere between home and office — toward an order-fulfillment operation. The attitudinal driver of the Starbucks category is not coffee. It is ritual, belonging, and the feeling of being cared for in a small, repeated way. When performance optimization degraded the journey moments where that feeling was supposed to occur — the greeting, the wait, the handoff — the brand stopped performing its attitudinal function. The first simultaneous decline in both Rewards and non-Rewards transactions since Q2 2022 arrived in 2025.

CEO Brian Niccol's Back to Starbucks plan is, at its core, a journey-moment investment strategy. Wait time reduction at the highest-friction experience point: peak café and drive-thru times are now under four minutes, achieved through operational redesign. Green Apron Service — described by Niccol as the company's largest ever investment in customer service — restores a deliberate human-touch moment at the handoff point that had been stripped out by speed optimization. Tiered loyalty mechanics were explicitly redesigned to recognize the attitudinal difference between a daily ritual visitor and a monthly visitor.

The outcome: Q1 FY2026 saw the first simultaneous increase in both Rewards and non-Rewards transactions since Q2 2022. Free Mod Mondays — a perks-based experience mechanic rather than a discount — more than

doubled point redemptions versus earlier promotional formats. What is most notable is what Starbucks did not do. There was no experiential marketing campaign, no pop-up, no activation. The recovery has been built on operational investment in the journey moments where attitudinal connection is made or broken.

Dutch Bros: The IRL Moment Is the Strategy

Dutch Bros is among the fastest-growing beverage chains in the United States. Its growth is built almost entirely on a single attitudinal premise: a drive-thru coffee transaction is a relationship moment, not a service transaction. CMO Tana Davila has stated the strategic logic directly: the same peer demographic that staffs Dutch Bros locations also constitutes a large proportion of the customer base — creating an authentic IRL connection that no paid acquisition strategy can replicate.

The brand does not lead with performance marketing. It leads with the quality of the experience at the window — a recurring moment with disproportionate attitudinal weight. Q4 2024 produced 35% year-over-year revenue growth, 6.9% system same-store sales growth, and the largest year-over-year transaction increase in over two years. The Dutch Rewards loyalty program drives 72% of all transactions, up five points year-over-year. Gen Z customers describe the brand not as a coffee chain but as an experience. That is the attitudinal outcome the framework predicts.

Ulta Beauty: Journey Architecture as Competitive Moat

Ulta Beauty's 44.6 million active loyalty members — on track to reach 50 million by 2028 — account for over 95% of total company sales. That number is not a marketing metric. It is the business model. The loyalty program sits at the center of what Ulta calls a loyalty flywheel: a cross-functional team of marketers, engineers, and product managers who translate first-party

behavioral and attitudinal data into personalized experience design at every touchpoint.

The strategic insight Ulta has acted on is that the 18% omnichannel cohort — customers who engage across both physical and digital channels — has a lifetime value nearly three times the store-only average. The investment strategy is not designed to acquire more members. It is designed to activate more members into the omnichannel pattern — not through performance marketing, but through experience design that makes multiple touchpoints feel worth returning to.

Sephora: A Single Experience at the Tier Transition

Sephora's Beauty Insider program had 34 million members and was driving 80% of North American sales by 2023 — strong functional loyalty by every conventional measure. Sephora's response was not to add points or increase performance marketing. It was to identify the attitudinal driver of its highest-value customer segment — the Rouge tier — and invest in the moment that was emotionally irreplaceable: the feeling of being recognized as an insider. The first Rouge Celebration was a four-day event exclusively for top-tier loyalty members — VIP masterclasses with brand founders, first access to limited collections, and Insider Cash rewards that signaled membership status rather than savings. The framing was deliberate: from transactional to emotional loyalty. From perks to pride. From savings to status.

Credit card sign-ups surged 20% during and after the event. Hundreds of thousands of members redeemed rewards not because they had to, but because the event made redemption feel like participation in something exclusive. VIP attendees turned the event into unprompted earned media. Sephora identified the moment in the loyalty arc where emotional investment peaks — the transition from regular to VIP — and built a structural experience investment at that exact inflection point.

Patagonia: Values Alignment as Full-Journey Architecture

Patagonia's commercial model is the purest expression of experience architecture because it contains almost none of the traditional performance marketing infrastructure. No paid retargeting. No promotional coupons. No discount-based loyalty mechanics. The entire customer relationship is built on attitudinal alignment — the customer's belief that the brand shares their values — sustained at every journey touchpoint.

Pre-purchase: transparency about environmental and sourcing impact, including campaigns like Don't Buy This Jacket that deliberately suppress impulse acquisition. At purchase: the Ironclad Guarantee and 1% for the Planet contribution, making the transaction itself a values expression. Post-purchase: the Worn Wear program — free repairs, resale, and recycling that extends the relationship well beyond the initial transaction. Community: activism events and donation matching that make the brand an identity vehicle rather than a product line.

PRE-PURCHASE

Don't Buy This Jacket" - transparency about environmental impact, sourcing.

Deliberately suppresses impulse acquisition. An explicit rejection of performance marketing logic.

AT PURCHASE

Ironclad Guarantee. 1% for the Planet purchase contribution.

The transaction itself becomes an expression of values, not a conversion event.

POST-PURCHASE

Worn Wear - free repairs, resale, recycling.

Extends the relationship well beyond the transaction.
Generates repeat engagement without new acquisition

COMMUNITY

Activism events, volunteer opportunities, donation matching.

The brand becomes an identity vehicle, not a product line

The outcomes are now widely cited: 81% customer loyalty score. Number 3 in KPMG's U.S. Customer Experience Excellence survey for 2024–2025, up sixteen places year-over-year. 52% of customers will pay a premium for purpose-driven brands like Patagonia — confirming that attitudinal loyalty produces price insensitivity, the most commercially valuable form of loyalty. Revenue has quadrupled over the past decade.

Nike: The Cautionary Tale and the Reversal

Nike provides large-scale evidence that experience architecture works in both directions. Between 2020 and 2023, Nike accelerated a direct-to-consumer strategy that prioritized digital performance channels, reduced investment in wholesale relationships that had served important discovery functions, and over-indexed on promotional activity to drive conversion. The attitudinal infrastructure — Nike's cultural positioning in sport, its athlete partnerships, and the emotional experience of being a Nike customer — was progressively underinvested in. The commercial consequence: FY2025 annual revenues of \$46.3 billion, down 10% from \$51.4 billion the prior year.

CEO Elliott Hill, returning to Nike in January 2025, stated the recovery mission directly: refocus on the athlete, on performance sport, and on the core attitudinal drivers that built the brand. The investments since have been precisely targeted — Breaking4, a year-long brand-narrative project supporting Faith Kipyegon's attempt to run a sub-four-minute mile, with no conversion goal and pure brand-building at the highest emotional register of sport culture. A Q4 FY2025 marketing spend increase of 15% to \$1.3 billion, explicitly signaling confidence in long-term brand value while managing short-term revenue decline. The Sport Offense Initiative, restructuring Innovation, Design, and Product teams into a single athlete-focused creation engine.

A note on evidence quality: Nike's recovery is in its early stages at the time of publication. Revenue figures remain below prior-year levels. The investment pattern precisely mirrors the framework — but the commercial outcome is directional, not yet conclusive. The Nike case belongs in this report as a real-time test of the thesis, not as confirmed proof.

Lululemon: Community as the Journey Itself

Lululemon's 30 million loyalty members, with the brand's top 20% maintaining 89 to 92% retention rates, are produced by a system that extends the brand relationship across every relevant lifestyle moment — not just the purchase transaction. Local store events create in-person touchpoints between transactions. Ambassador programs embed the brand within fitness communities. Member-only experiences for higher-tier members provide status-coded recognition that elevates

the perceived value of loyalty. The most operationally significant detail in the Lululemon case: the top 20% of members, who generate the highest retention and lifetime value, do not need the loyalty program to remain loyal. Their retention is driven by attitudinal connection to the brand, not by points mechanics. The loyalty program primarily activates middle-tier behavior. Confusing the two — treating the mechanics as the retention driver rather than the attitudinal connection — is one of the most expensive operational errors in modern marketing. Lululemon's model is instructive precisely because it has maintained the distinction.

The Pattern Across the Cases

What connects these seven cases is consistent across categories, geographies, and price points. Each brand started with an attitudinal insight, not a media plan. Each mapped that insight to the journey moments where the attitude was made or broken. Each invested at those moments — operationally, structurally, programmatically. And in every case where the model has had time to mature, the performance metrics that performance-only investment could not sustain — lower CAC, higher LTV, sustained retention, organic advocacy — followed as a downstream consequence.

The Commercial Quantification

Qualtrics' 2025 customer experience research quantifies the commercial stakes at the journey level: moving a customer from a one- or two-star experience to a three-star experience increases the likelihood of repeat purchase by 68% and the likelihood of recommending by 97%. That magnitude of behavioral change does not come from a performance channel or a discount mechanic. It comes from the brand's experience at a moment that mattered attitudinally.



1-2 Star Experience



3 Star Experience

+68%

Repeat Purchase likelihood

+97%

Recommendation likelihood

This magnitude of behavioral change comes from the experience of the brand at the moment that mattered attitudinally.

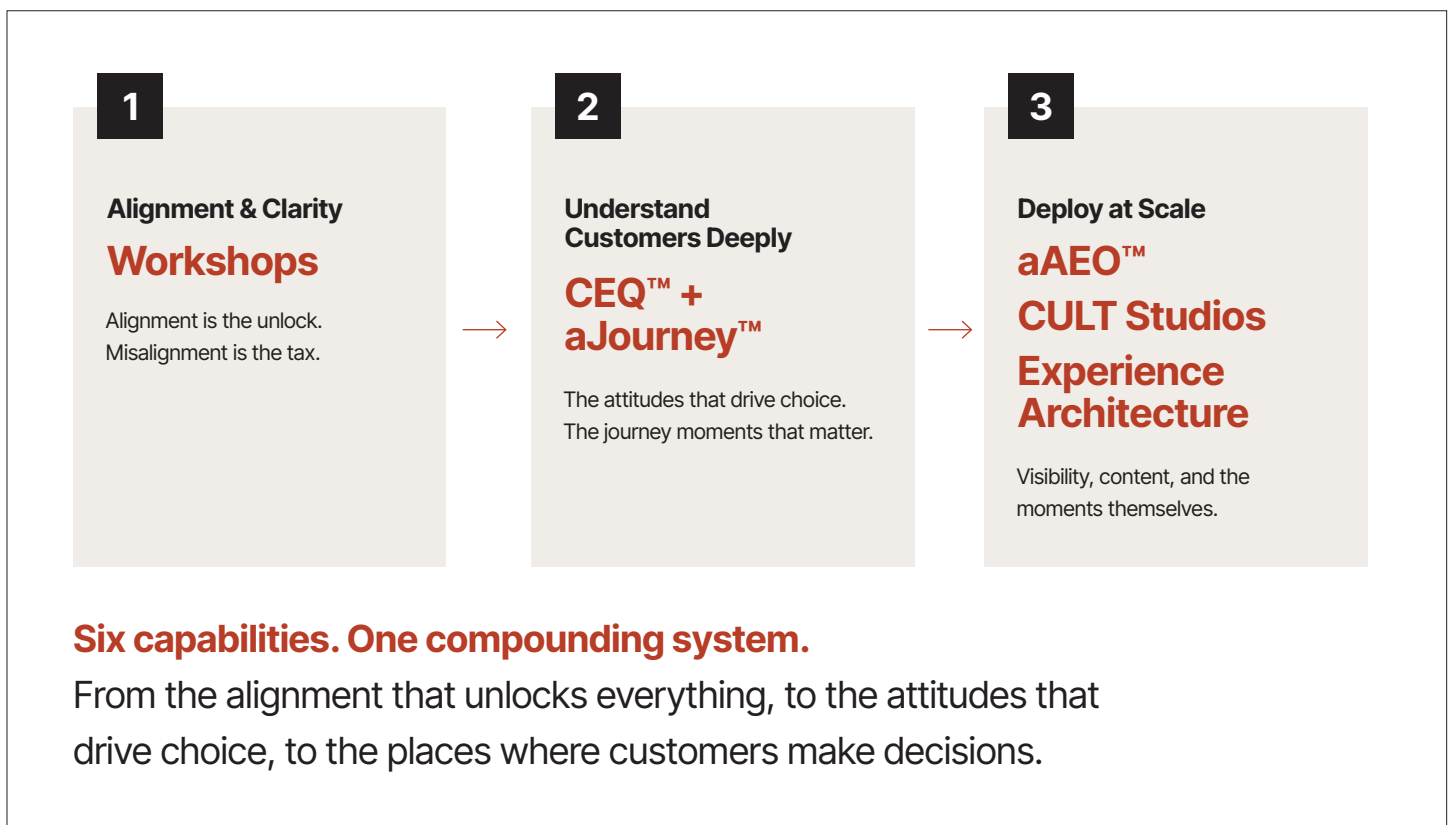
The IPA's 2026 Effectiveness Databank analysis of 812 campaigns confirms the principle at industry scale. Trust-building campaigns — those designed to close the Empty Brand Effect — delivered 39% customer acquisition improvement against a Databank average of 28%, 39% sales volume gain against an average of 25%, 56% brand loyalty improvement against an average of 23%, and 59% brand quality perception improvement against an average of 20%. The 103 trust-building campaigns in the analysis represent approximately £7.5 billion in advertising investment. This is not a small-sample finding. It is an industry-wide dataset showing that the campaigns most aligned with closing the Empty Brand Effect are the campaigns doing the most commercial heavy lifting.

Conclusion:

What Correcting the Empty Brand Effect Requires

The evidence assembled across the four papers points to the same conclusion through four different lenses. The marketing industry built a reach system at the expense of a meaning system. The cost of that trade-off is now showing up in the metrics that determine commercial durability.

Fig. 5.1: The Empty Brand Effect Remediation Framework



Closing the Empty Brand Effect is not a creative brief. It is a commercial operating decision. It requires four capabilities that most marketing organizations have not yet built:

Attitudinal understanding of customers — not just behavioral segmentation, but a working theory of what customers feel about the brand relationship, why those feelings change across the journey, and which emotional states are the actual inputs to purchase behavior and loyalty.

Journey mapping at the emotional level — identifying not just where transactions occur, but where the attitudinal connection that makes those transactions recur is made or broken. Most brands have channel maps. Very few have moment maps.

Experience investment at the inflection points that matter — **operational, digital, physical, and human** — applied where they carry the highest emotional weight and produce the highest

commercial return. The investment is structural, not promotional. It is sustained, not episodic.

A measurement system that captures the commercial outcome of brand investment — repeat rate, loyalty tier migration, LTV cohort performance, and NPS by experience touchpoint — not just attribution-window ROAS. Without this, brand investment remains invisible to the measurement systems that govern budget allocation, and the inversion continues.

For boards and investors, the Empty Brand Effect shows up in three places: structurally higher CAC than peers, slower comp-store or same-location sales growth despite improving marketing efficiency metrics, and weaker pricing power than brand tracking would predict. Experience architecture is not a marketing cost. It is an operating model investment that lowers CAC, stabilizes comp growth, and improves margin through price resilience. That is why the brands in this report treat it as infrastructure, not as a campaign.

A Diagnostic Starting Point

Most organizations already have enough data to locate their highest-priority attitudinal gaps without commissioning primary research. The entry point is simpler than it appears:

1. Identify the key touchpoints.

Start by agreeing on the 8–10 moments in the journey that matter most commercially — the places where customers decide whether to come back, spend more, or recommend.

2. Score the experience at each touchpoint.

Use whatever you already have — NPS by touchpoint, CSAT, review themes, mystery shop scores, or even a simple 1–10 internal rating — to grade the quality of the experience at each of those moments. The result is a map of where the experience is underperforming the average.

3. Overlay investment.

Only then look at how much operational, training, and experiential investment each underperforming touchpoint is actually receiving. The priority gaps are the moments that are both high-impact and experience-weak — especially where current investment is low relative to their commercial importance.

At that point the question shifts from whether to close the gap to where to begin, and what the commercial value of closing it actually is. The brands that have already made this shift are

not reporting softer metrics. They are reporting harder ones: faster transaction growth, higher omnichannel spend ratios, rising loyalty program participation, and — in the cases where the model is most mature — structurally lower CAC from advocacy-driven acquisition that did not require a performance budget.

The Empty Brand Effect is the named condition. Experience architecture is the named cure. The brands closing the gap are not running better marketing campaigns — they are running better operating systems.

About this Research Methodology

This benchmark study synthesizes four white papers published together under the title The Empty Brand Effect. Paper I is a cross-benchmark of 80+ 2026 marketing trend reports, whitepapers, Substacks, and publications, cross-referenced on five dimensions: trend naming and categorization, data sources and sample sizes, causal claims, strategic recommendations, and material omissions. Paper II traces the single structural force that generates every visible trend and the seven consumer desires that emerged in its wake, drawing on 15 years of annual brand benchmarking via The Gathering — CULT Collective's annual research program that tracks attitudinal drivers of consumer choice across North American categories. Paper III quantifies the commercial cost of the brand-versus-performance budget inversion, drawing on the IPA Effectiveness Databank, Kantar BrandZ, Nielsen, Analytic Partners, and 40+ additional research sources. Paper IV presents the framework and case evidence from seven leading multi-location brands.

About The Gathering Research Program

CULT Collective's attitudinal benchmarking methodology, developed over 15 years through The Gathering, tracks the emotional and attitudinal drivers of consumer-brand

relationships across high-frequency, experience-dependent categories. The methodology is designed to surface the factors that precede behavioral change — attitudinal states that standard behavioral analytics cannot detect until they manifest in purchase data, typically 12 to 24 months after the underlying shift has occurred. Where this report draws on research from the Gathering, it references the methodology and directional findings rather than raw data.

Source Basis

This report draws on the IPA Effectiveness Databank (Binet & Field; Binet & Davis 2025; 2026 trust analysis of 812 campaigns), Kantar BrandZ (4.3M respondents, 21,000 brands, 532 categories), Kantar MONITOR, Brandwatch (18M+ datapoint sentiment analysis), HubSpot State of Marketing 2026 (1,500+ marketer survey), Analytic Partners ROI Genome, Nielsen long-term brand-building research, SimplicityDX CAC tracking, Salesforce Connected Shoppers Report (March 2025), SAP Emarsys Customer Loyalty Index 2025, eMarketer, Statista, WordStream, BluShark Digital CPC inflation analysis, Nest Commerce Q1 2024 ROAS data, the Adidas case (IPA EffWeek, Marketing Week), EY Future Consumer Index, WARC Multiplier Effect (996 IPA campaigns), Gartner 2025 CMO Spend Survey, Deloitte Digital 2025 marketing investment research, and Qualtrics 2025 customer experience research.

Case study sources: Starbucks (Customer Experience Dive, Yahoo Finance, Forbes, CNBC), Dutch Bros (USA Today, BusinessWire, Yahoo Finance), Sephora (Glossy, LinkedIn case analyses), Ulta Beauty (Hubble, Glossy), Patagonia (eTail West, Renaissance, KPMG U.S. Customer Experience Excellence survey), Nike (Marketing Dive, Culture of Brand, The CFO), Lululemon (Rivo).

Marketing science references: Sharp, B. (2010). How Brands Grow. Oxford University Press. Romaniuk, J. & Sharp, B. (2016). How Brands Grow Part 2. Oxford University Press. Dawes, J., Nenycz-Thiel, M., et al. (2022). Service category loyalty patterns in the Ehrenberg-Bass framework. Journal of Service Research.

The Empty Brand Effect was written by Bradley Foster, with contributions from Chris Kneeland, Pedro Porto Alegre and Greg Damus and is published by CULT Collective. For questions about the research methodology or the attitudinal benchmarking program, contact CULT Collective directly.

