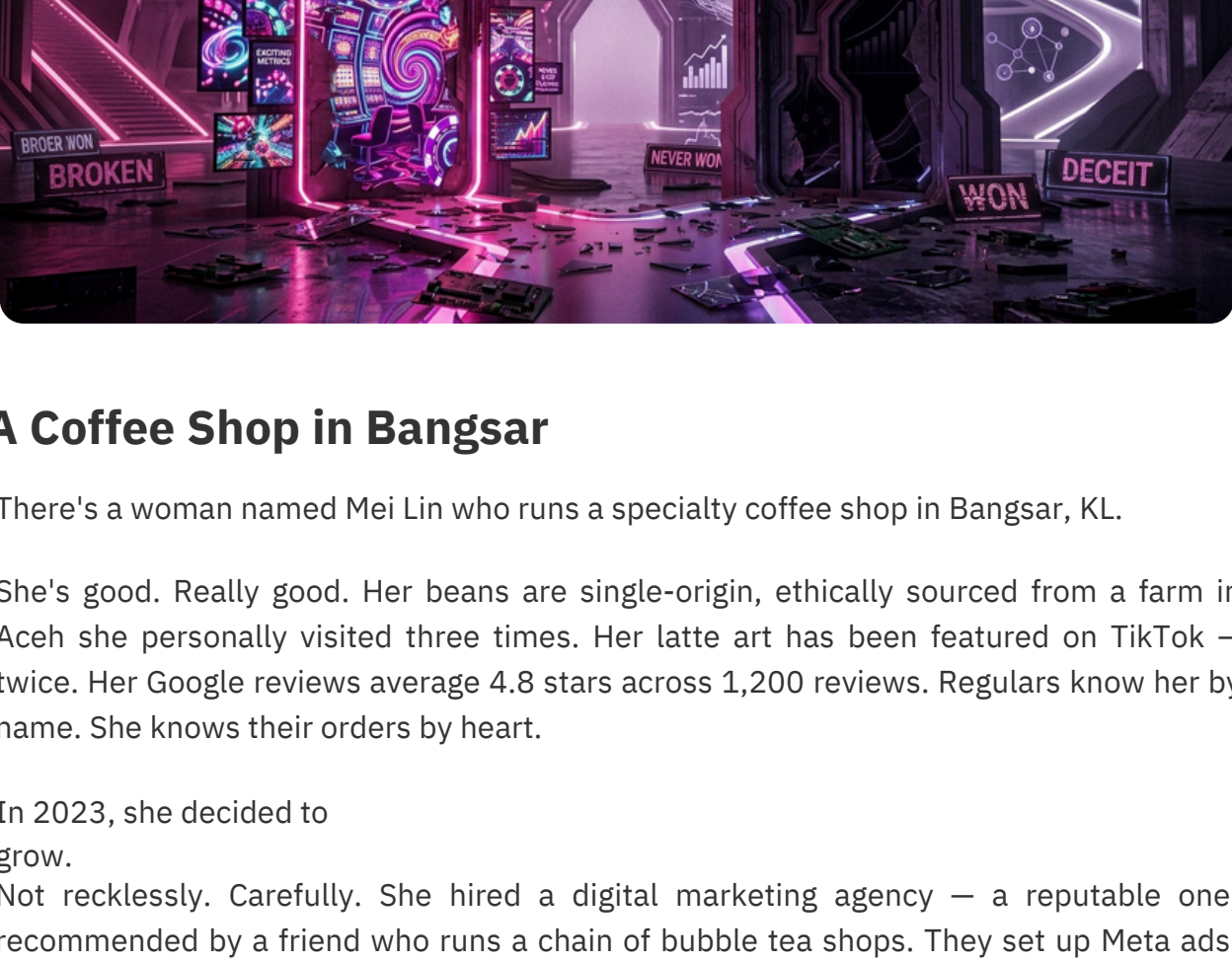


THE BROKEN GAME — WHY YOU WERE NEVER MEANT TO WIN



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11 MIN READ



A Coffee Shop in Bangsar

There's a woman named Mei Lin who runs a specialty coffee shop in Bangsar, KL.

She's good. Really good. Her beans are single-origin, ethically sourced from a farm in Aceh she personally visited three times. Her latte art has been featured on TikTok — twice. Her Google reviews average 4.8 stars across 1,200 reviews. Regulars know her by name. She knows their orders by heart.

In 2023, she decided to grow. Not recklessly. Carefully. She hired a digital marketing agency — a reputable one, recommended by a friend who runs a chain of bubble tea shops. They set up Meta ads. Google Search campaigns. A retargeting funnel. An email sequence. A loyalty app.

Month 1: \$2,000 in ad spend. 340 new customers walked in. She was thrilled. CAC: \$5.88. For specialty coffee in Bangsar? That's a steal.

Month 3: \$2,000 in ad spend. 210 new customers. The agency said audiences were "saturating." They recommended expanding to lookalike audiences. CAC: \$9.52.

Month 6: \$3,500 in ad spend (she increased budget on their advice). 195 new customers. CPMs had risen 40% because a new chain — backed by a Singaporean F&B group with \$12 million in funding — had entered the Bangsar market and was outbidding everyone on Meta. CAC: \$17.95.

Month 9: The agency recommended TikTok. New content strategy. New creative team. Additional \$1,500/month. Total spend: \$5,000. New customers: 180. CAC: \$27.78.

Month 12: Mei Lin sat down with her accountant. In twelve months, she had spent \$42,000 on marketing. She had acquired roughly 2,400 new customers. Her average ticket was \$8.50. Her repeat rate was 30% (good for the industry). Her blended CAC had gone from \$5.88 to \$27.78 — a 372% increase in one year.

Her accountant looked at her and said something she'll never forget: "Mei Lin, you're not growing a business. You're funding Meta's business."

She laughed. Then she went quiet. Because she knew he was right.

The Pattern Nobody Warns You About

Mei Lin's story isn't unique. It's universal.

It happens to the coffee shop in Bangsar. The SaaS startup in Singapore. The DTC skincare brand in Jakarta. The financial advisory firm in Sydney. The e-commerce store in London.

The pattern is always the same:

Phase 1: Discovery. You find a channel that works. Costs are low. Results are exciting. You feel like you've cracked something.

Phase 2: Optimization. You get better at it. You learn the levers. You refine targeting, creative, copy. Performance improves. You start to believe this is your competitive advantage.

Phase 3: Competition. Others discover the same channel. The same audiences. The same tactics. Costs rise. Not because you got worse — because the auction got crowded.

Phase 4: Escalation. To maintain results, you spend more. You diversify channels. You hire specialists. Your marketing team grows. Your overhead grows. Your dependency grows.

Phase 5: Dependency. You can't stop. If you reduce spend, revenue drops immediately. If you pause campaigns, leads dry up within days. You're not choosing to spend anymore. You have to spend. The business doesn't function without it.

Phase 6: The Quiet Realization. You look at your P&L and realize that marketing isn't a growth lever anymore. It's a survival cost. You're not investing in growth. You're paying rent — to platforms, to agencies, to an ecosystem that gets richer every time you get more desperate.

This is the Broken Game. And here's the part that really stings: **It was designed this way.**

It was designed this way.

The Casino That Doesn't Look Like a Casino

In 2023, Mark Zuckerberg's Meta Platforms generated **\$131.9 billion in revenue**. Virtually all of it — 97.8% — came from advertising.

Let that sink in. Meta doesn't make money when you succeed. Meta makes money when you spend. Whether your campaign converts or crashes, whether your ROAS is 5x or 0.5x, whether you acquire a customer or waste every dollar — **Meta gets paid**.

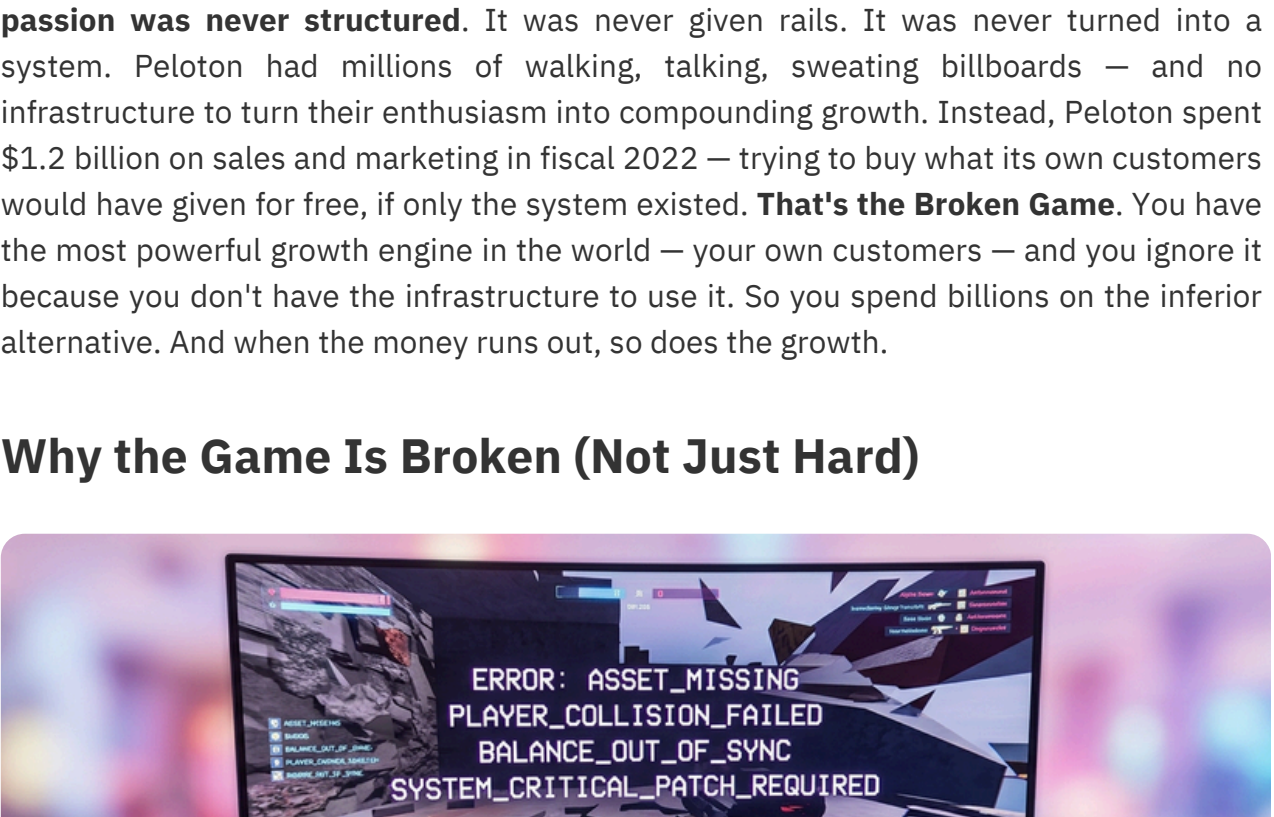
Google? Same. **\$307.4 billion in revenue in 2023**. 77% from advertising. TikTok? ByteDance generated an estimated **\$120 billion in 2023**. Advertising is the engine.

These aren't technology companies. **They're attention brokers**. They aggregate human attention, slice it into targetable segments, and auction it to the highest bidder. Every time you "optimize" a campaign, you're not beating the system. You're participating in the system — and the system is designed so that the house always wins.

The house edge in digital advertising isn't 2% like blackjack. It's 100%. The platform gets paid on every impression, every click, every view — regardless of your outcome. You bear all the risk. They bear none.

And unlike a casino, where the odds are posted on the wall and everyone knows the game is rigged — in digital advertising, the rigging is hidden behind dashboards that make you feel like you're in control. ROAS. CTR. CPC. CPM. Conversion rate. Numbers going up. Charts trending right. **It feels like winning**. Until you zoom out and realize: the only entity that consistently wins, quarter after quarter, year after year, is the platform.

The Story of Dollar Shave Club (And What Nobody Learned From It)



In 2012, Michael Dubin uploaded a video to YouTube. "Our Blades Are F***ing Great." It cost \$4,500 to produce. It went viral. 12,000 orders in the first 48 hours. Within five years, Unilever acquired Dollar Shave Club for **\$1 billion**.

The business world went insane. "See? Content marketing works! Viral is the strategy! Just make great content and the customers will come!"

What nobody talked about was what happened after the acquisition. By 2019, Dollar Shave Club was **losing money**. Unilever had to write down the value of the acquisition. The viral magic had faded. Customer acquisition costs had skyrocketed. Harry's — a competitor — had entered the market with the same playbook. Gillette had launched its own DTC subscription. The "disruption" had been absorbed by the market.

The viral moment was real. The sustainable growth engine was not. Because Dollar Shave Club's growth was built on the same broken architecture as everyone else's: **acquire customers through external channels, hope they stick, spend again when they don't**.

The video was brilliant. The business model underneath it was the same treadmill everyone else was running on.

Now imagine a different version of that story. Imagine if every one of those 12,000 first customers — the ones who were so excited they ordered razors from a YouTube video — had been given infrastructure to share. Not just a referral code. Not just "tell a friend." But a system where their enthusiasm became a chain. Where every person they brought in could bring in more people. Where the viral energy of that moment didn't dissipate in 48 hours but compounded over 48 months. **That's not what happened. Because that infrastructure didn't exist.** But now it does.

Peloton is the perfect case study of the Broken Game at scale.

The Peloton Parable

Peloton is the perfect case study of the Broken Game at scale.

2020: The pandemic hits. Everyone's stuck at home. Peloton's revenue explodes — **\$1.8 billion** in fiscal 2020, up 100% year-over-year. The stock price hits \$171. John Foley, the CEO, is on the cover of magazines. Peloton is the future of fitness.

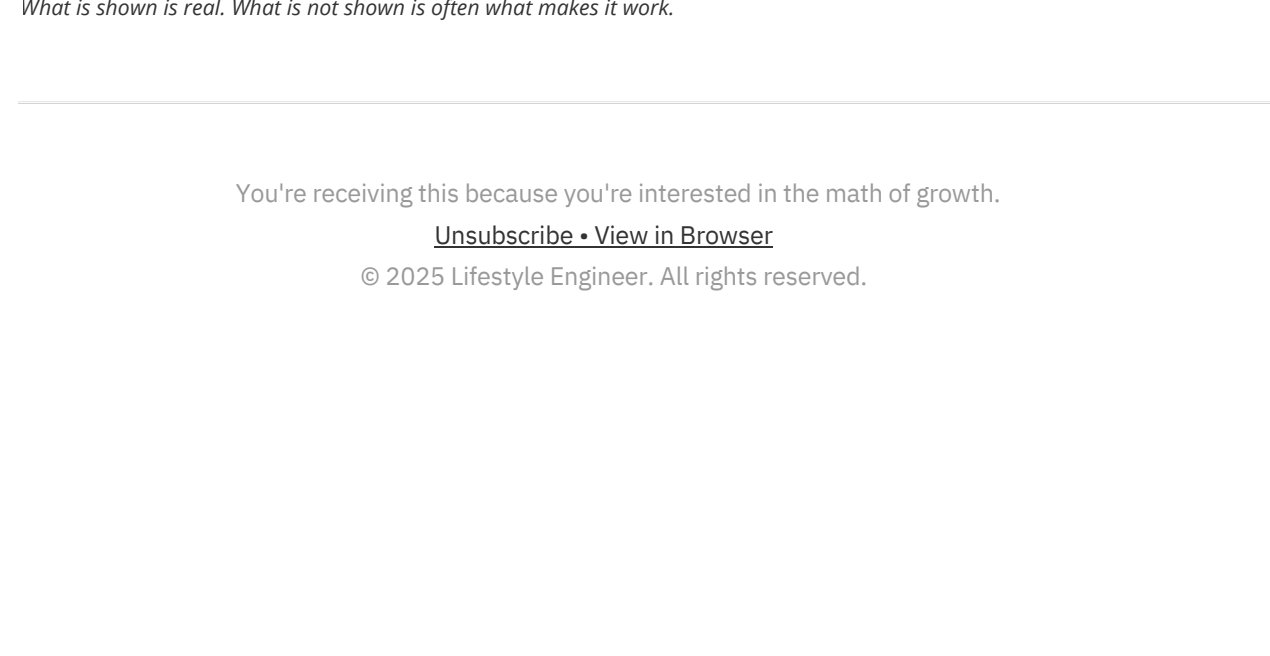
2021: Revenue peaks at **\$4 billion**. But customer acquisition costs are climbing. The easy pandemic customers are gone. Now Peloton has to find new customers — through ads, through promotions, through partnerships. The machine that grew effortlessly during lockdown now requires constant feeding.

2022: The stock crashes to \$8. Foley is fired. Peloton lays off 2,800 employees. The company reports a **\$2.8 billion net loss**. Not because the product got worse — the product was still excellent. Not because customers didn't love it — NPS scores remained high. But because **the growth engine** was external. It depended on conditions Peloton didn't own (paid advertising, retail partnerships).

2023-2024: Peloton pivots to a subscription model, cuts hardware prices, partners with Amazon and Dick's Sporting Goods. Survival mode. The company that was worth \$50 billion is now worth \$2 billion.

Here's the tragedy: **Peloton had the most passionate customer base in fitness**. These people loved their Pelotons. They posted about them. They evangelized them. They formed communities. They had leaderboard names and hashtags and group rides. **That passion was never structured**. It was never given rails. It was never turned into a system. Peloton had millions of walking, talking, sweating leaderboards — and no infrastructure to turn their enthusiasm into compounding growth. Instead, Peloton spent \$1.2 billion on sales and marketing in fiscal 2022 — trying to buy what its own customers would have given for free, if only the system existed. **That's the Broken Game**. You have the most powerful growth engine in the world — your own customers — and you ignore it because you don't have the infrastructure to use it. So you spend billions on the inferior alternative. And when the money runs out, so does the growth.

Why the Game Is Broken (Not Just Hard)



There's an important distinction here. A hard game is one where the rules are fair but the competition is fierce. Chess is hard. Marathon running is hard. Building a great product is hard. **A broken game is one where the rules themselves prevent you from winning — no matter how well you play.**

The digital advertising game is broken because of three structural features that cannot be optimized away:

- The Auction Escalation:** Every major ad platform runs on an auction model. You're not buying attention at a fixed price — you're bidding for it against every other advertiser targeting the same audience. As more advertisers enter the auction, prices rise. Not because attention became more valuable — but because competition for the same finite attention increased. Global digital ad spend in 2015: \$170 billion. In 2025: \$740 billion. That's a 335% increase in a decade. But the global population only grew 10%. The amount of human attention didn't increase 335%. The price of accessing that attention did. You're not paying for value. You're paying for scarcity in an increasingly crowded auction.

- The Platform's Misaligned Incentive:** The platform's revenue increases when you spend more. The platform's algorithm is optimized for its revenue, not yours. When Meta shows you a "recommended budget" or Google suggests "expanding your keywords" — they're not optimizing for your business. They're optimizing for theirs. This isn't conspiracy. It's incentive structure. A casino doesn't need to cheat. It just needs to set the odds in its favor and let volume do the rest.

- The Reset Problem:** Every campaign starts from zero. Every dollar spent produces a result — and then the dollar is gone. The result doesn't generate more results. There is no compounding. There is no memory. There is no accumulation. You can run the most brilliant campaign in history — and next month, you start over. From scratch. With a fresh budget. Against competitors who are also starting over with fresh budgets. **That's not a growth system. That's a hamster wheel with better analytics.**

The Moment Everything Shifts

Now here's where the story changes. Because the Broken Game only stays broken if you accept its rules. What if you didn't?

What if instead of paying platforms to find customers — you built infrastructure that let customers find each other? What if instead of resetting every month — you built a system where every customer you ever acquired continued generating value, month after month, year after year? What if instead of competing in an auction where prices only go up — you built a network where costs only go down? That's not a fantasy. That's a structural shift. From linear acquisition to compounding propagation. From renting attention to owning movement. From feeding the platform to feeding your own ecosystem.

Mei Lin — the coffee shop owner in Bangsar — doesn't need a bigger ad budget. She needs a system where her 1,200 five-star reviewers, her loyal regulars, her TikTok fans become nodes in a living network. Where every latte they recommend generates a chain. Where every chain generates more chains. Where her \$42,000 marketing budget becomes \$4,200 — and her customer base grows faster. That system is BLAZZ. Not because BLAZZ is better marketing. But because BLAZZ isn't marketing at all. It's infrastructure. And infrastructure doesn't reset. Infrastructure compounds.

The game was always broken. The question was never "how do I play better?" The question was "why am I still playing?"

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Also read: ["No More Burning" — The practical system that replaces the casino.](#)

Go deeper: ["The Compound World" — The mathematical proof that investing in value routing compounds — and gambling on ads doesn't.](#)

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