Every light has its shadow. Most people, though, prefer the sunny and bright side over shades and darkness, and so do most marketers, according to our experience. Typically, brand building is associated with big opportunities, higher returns, and increased shareholder value – the sunny side. This is what brand managers are trained for and talk about. But opportunities do not come without risks, and marketing as a discipline has tended to leave the focus on this darker side to finance and accounting control. But ignoring or facing brand-related risks too late can entail a loss of revenues, cash flow decline and volatility, brand equity erosion, and lower shareholder value. Only recently have marketers entered the risk conversation. Our position is that if markets want to proactively manage the specific risks that brand management decisions involve, they need to understand the nature, sources and dynamics of these risks.

To encourage marketers to actively incorporate risk considerations into their branding strategies, we dedicate this issue to the potential dark sides of building strong brands. We live in a social media-driven world that is clouded with fake news and all matter of new forms of risk. The popular strategy of using real persons and celebrities to promote brands as namesakes or endorsers can be very rewarding – or a death warrant. Not every extension is good for the brands that birth them, and brand cannibalization or brand dilution can turn out to be real threats. Even the long-held wisdom that only no news is bad news turns out to be a risky assumption when messages travel in uncontrollable ways and at unprecedented speed.

We invite you to find out more about recent findings on brand risk, get ready to face the darker side of brand management, and implement a more balanced approach for managing brands in the 21st century.

Happy reading!

A handwritten signature in cursive script that reads "Susan Fournier".

Susan Fournier

A handwritten signature in cursive script that reads "Shuba Srinivasan".

Shuba Srinivasan

Boston, December 2017