

Book Reviews

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by J.L. Zaichkowsky (Mahwah, NJ: Lawrence Erlbaum Associates, 2006, 305 pp., \$28)

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by V. Kasturi Rangan with Marie Bell (Boston: Harvard Business School Publishing, 2006, 288 pp., \$35)

The Psychology Behind Trademark Infringement and Counterfeiting

by J.L. Zaichkowsky (Mahwah, NJ: Lawrence Erlbaum Associates, 2006, 305 pp. \$28)

Trademark infringement and counterfeiting (hereinafter, TIC) is a menace, and TIC-related trade is estimated to have surpassed \$500 billion. Examples of companies routinely dealing with TIC problems at the global level include Proctor & Gamble, Gillette, Yamaha, Nike, Microsoft, Anheuser-Busch, Honda, Toyota, Daimler-Chrysler, Pfizer, Louis Vuitton, and ACDelco, among hundreds of other firms. Trademark infringement and counterfeiting cannot be neglected, because of the associated tangible and intangible losses; not a day goes by without problems of TIC being discussed by aggrieved parties in the business world because of substandard products, quality issues, and corporate reputations (e.g., Belk, Devinney, and Eckhardt 2005; Boyle 2006; Fairclough 2006; *Financial Times* 2006; Gutierrez et al. 2006; Jaffe and Lerner 2006; Khouja and Smith 2007). As Balfour (2005, p. 54) correctly observes, "The global counterfeit business is out of control, targeting everything from computer chips to life-saving medicines. It's so bad that even China may need to crack down."

In this context, Zaichkowsky's book elaborates on TIC issues that are faced by business and law enforcement agencies worldwide. The book contains nine lucid and well-researched chapters that build a foundation on which to understand and address trademark infringement and counterfeiting infractions. The nine chapters are full of tables, charts, and figures that incorporate consumer behavior-related research, and the book is an amalgamation of marketing theories, legal citations (of 150 cases), and practitioner-oriented literature, which are all critical to understanding the various facets of TIC.

The target audience for the book is diverse, including academicians, practitioners, and legal experts; it is for anyone who wants to be acquainted with TIC in marketing. Zichkowsky begins by noting (p. 1), "The equity of successful brands is routinely stolen because it is a cheap effective way to make short-term economic gains." From there, the author systematically builds the theoretical foundation for understanding and addressing TIC and takes the reader on a journey that is neither boring nor simplistic.

In Chapter 1, Zichkowsky sorts out the issues of TIC in layman's terms to build the foundation for theory. Chapter 2 highlights key aspects of consumer behavior, and Chapter 3 discusses consumer perceptions of imitation brands and the underlying psychological principles. Chapter 4 focuses on legal cases in which consumers' confusion (over the real and the imitated) played a key role and expounds on imitation related to brand name, shape, symbols, color, and gestalt

over competing brands and related/unrelated product categories.

Combating TIC and its associated problems is well elaborated and illustrated with useful charts and figures in Chapter 5. In Chapter 6, Zaichkowsky systematically discusses data and techniques of brand imitation research; this content is particularly relevant to readers who are interested in demonstrating (e.g., in a legal context) the impact of any alleged infraction. Chapter 7 discusses the ongoing issues of cyberspace and its infringement domains. This covers domain names, online trademark infringement techniques, "cybersquatting" (intentionally registering a domain name and selling it back to the original owner), and "typosquatting" (targeting a Web site that generates a good traffic by coming up as the domain name with typographical errors and misspellings to attract visitors). This chapter also discusses the changing consumer behavior on the Internet by using the Web as a complaint medium.

Chapter 8 analyzes TIC-related issues in the Chinese market. Of particular interest is Zaichkowsky's comparison of trademark laws and legal environments of China, Hong Kong Special Administrative Region, and Taiwan. This chapter also presents the author's views on seven possible factors that can influence the purchase of imitations in China and, consequently, encourage piracy and counterfeiting. The seven factors encompass consumer behavior perspectives and are labeled as follows: "confusion," "utility," "social influence," "cultural influence," "ethical perceptions," "risk perceptions," and "local interests." Zaichkowsky concludes the book in Chapter 9 by providing some of the trends and forthcoming changes in TIC. In addition, Appendix 1 compares and contrasts trademark definitions in the United States, Canada, and the European Union, followed by 150 citations of well-researched legal cases (grouped into 18 categories).

What does the reader take away from *The Psychology Behind Trademark Infringement and Counterfeiting*? There is benefit on two dimensions. First, Zaichkowsky correctly argues that today's brands are more than words, objects, ideas, and subjects, so it is critical to understand the issues of TIC from the consumer perspective. Second, traditional firms and information technology companies need to be aware of TIC-related abuse because of lost revenues, negative publicity, and corporate reputations (Skibell and Kazemi 2005), and they should develop suitable strategies to counter the abuse. This book develops an appreciation of both dimensions without alienating the reader.

Although the book is fascinating in its content, coverage, and delivery, it could benefit from a broader global perspective. Revisions of the book should consider including a well-researched chapter on the issues of global TIC. There is a need to examine countries and markets that remain at the helm of the TIC issues, particularly because of enforcement issues and legal jurisdictions.

Some of the TIC issues have been previously discussed in the marketing literature (e.g., Gillespie, Krishna, and Jarvis 2002; Givon, Mahajon, and Muller 1995; Paradise 1999) and continue to attract researchers because of the wide-ranging implications of market imperfections (e.g., Antia et al. 2006; Chaudhry 2006; Chellappa 2005; Dunning 2006; Goode and Cruise 2006; Greene 2006; Khouja and Smith 2007). Regardless of the issues of gray products (Antia et al. 2006) and dominant designs (Sirinivasan, Lilien, and Rangaswamy 2006), companies' intellectual property assets, firm-specific advantages, and TIC will continue to pose challenges to firms worldwide (Hafner 2006; Hopkins, Kontnik, and Turnage 2003; Rufino 2006; Varian 2005).

Therefore, this book is an excellent addition to the current literature on TIC and will prove attractive to a wide array of audiences. In an era of changing markets and corporate frustrations with TIC, Zaichkowsky's work is expected to have a long shelf life. Marketers need to read this informative book, and it is a "must read" for those grappling with TIC issues.

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Transforming Your Go-to-Market Strategy

by V. Kasturi Rangan with Marie Bell (Boston: Harvard Business School Publishing, 2006, 288 pp., \$35)

The design and management of effective and efficient distribution channels provides opportunities for firms to develop strategic advantages. These opportunities arise because distribution channels' activities frequently add more value to products and services than manufacturing activities, and thus there are significant opportunities for firms to reduce costs and/or increase product differentiation. As this book illustrates, a cornerstone for the success of many firms, such as Dell, Cisco Systems, Atlas Copco, Zara, and Wal-Mart, rests on their go-to-market-strategies.

Although distribution issues play a central role in both firms' performance and society in general, the treatment of the "place" element in the marketing mix has not received commensurate interest in the trade press, academic research, or business education. For example, the number of undergraduate and graduate students enrolled in channel management courses is far less than the enrollment in other marketing courses, such as advertising, personal selling, and sales management. This lack of attention is particularly troublesome in light of the revolutionary changes in distribution channels—specifically, the consolidation and growth in power of channel intermediaries, the use of information and supply chain systems to coordinate channel members, and the growing importance of the Internet as a facilitating mechanism and an alternative channel. Thus, this book addresses important business issues that deserve more attention.

The central premise of the book is that firms need to become stewards of their go-to-market strategies; stewardship is defined (p. 12) as "constantly guiding and directing changes in channel design and management to align the channel with customer needs while driving profits for all channel partners." A steward for the channel can be either a supplier/manufacturer or an intermediary (retailer or industrial distributor), but there can be only one steward for a given channel. The concept of a channel steward is similar to the concept of a channel captain (Mallen

1964).

The unique contribution of this book is that it goes beyond advocating channel stewardship to present a framework for developing a stewardship strategy. The three "disciplines" in this framework are (1) mapping the industry channel structure, (2) building and editing the channel value chain, and (3) aligning and influencing the channel value chain. Each of these disciplines is discussed in a chapter with a detailed illustration of an application of the discipline. For example, Chapter 2 addresses the mapping discipline. It provides a set of questions and issues that a steward needs to consider when identifying the forces that shape the industry channel structure and potential evolution, such as end user and intermediary needs, competitive actions, channel power, and channel capabilities and costs. The chapter concludes with an interesting and thought-provoking mapping of the automobile channel.

A strength of this book is the extensive use of examples to illustrate the stewardship framework. These examples draw on Harvard Business School cases researched by the authors and other faculty members. For example, Dell and Atlas (a disguised industrial equipment manufacturer selling through value-added reseller) are used as examples of building and editing disciplines in Chapters 3 and 4, and the Foot Locker–Nike relationship is used to illustrate the aligning and influencing discipline in Chapters 5 and 6. Following the discussions of each discipline, Chapters 7 and 8 provide integrative channel stewardship examples using case studies of Zara, Atlas Copco, and Wal-Mart.

Although these cases are insightful, they were probably not written with the author's framework in mind; consequently, in some situations, the cases do not effectively illustrate the concept. For example, the Dell case, which is intended to illustrate the building and editing process, is really a unique situation of a late entrant, without easy access to conventional business-to-consumer channels; Dell developed an innovative design/manufacturing process for a product that could be easily modularized and customized. It now appears that the appeal of mass customization of personal computers is declining as microprocessor and memory costs drop to the point that standardized personal computers stocked in retail outlets can economically meet the needs of most consumers.

A critical aspect of the stewardship framework is the aligning and influencing discipline. Vertical integration is one approach for aligning the goals of organizations that perform channel activities. However, vertical integration typically leads to inefficiencies by having firms engage in activities beyond their core competencies and governing the coordination through bureaucratic processes. Thus, the trend is to have channel activities performed by independent firms. However, as the authors indicate, coordination problems arise in these channels because the independent channel members can have different and conflicting goals.

Power and trust are two approaches discussed in the book for aligning the goals of independent channel members, reducing conflict, and improving coordination. Most of the discussion of aligning methods is directed toward the use of power—a position consistent with the view that there can be only one steward for a channel. However, with the consolidation of intermediaries, the significant channel relationships for many firms are between two high-power parties. These parties work together to build long-term partnering relationships among channel members—relationships based on mutual trust that provide a win-win outcome for all parties (e.g., Heide 1994)—rather than one party adopting the role of steward and the other party hoping the steward is benevolent.

This book focuses on strategic channel management issues and thus does not address some important implementation issues, such as firms with which a company should partner, how a firm builds and maintains a partner relationship with channel members, and what encourages firms to make idiosyncratic investments in the relationship to gain strategic advantage over competitors?

The final chapters address two more tactical issues: the management of multiple channels and the role of the Internet in channel management. These chapters provide specific suggestions for managing the conflicts that can arise when firms go to market through multiple channels and for considering the various uses of the Internet and its impact on channel structure.

In conclusion, *Transforming Your Go-to-Market Strategy* addresses a set of critical opportunities and threats that firms face. It offers many worthwhile insights and examples in channel management and provides a useful framework for developing a channel management strategy.

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