competition or negative publicity (see Cohen and Areni 1991; Erevelles 1998). The notion that brand management is more "a battle for people's minds," as opposed to "a battle between products" requires that we have an in-depth knowledge of the battlefield. This *theoretical* understanding of consumers' minds could *practically* be extremely useful to marketers.

In summary, however, Aaker and Joachimsthaler's *Brand Leadership* is an excellent, interesting, insightful and thought-provoking book that significantly extends the boundaries of what we know about managing brands. The authors are adventurous in their thinking, insightful in their conclusions, and sophisticated in simplifying the presentation of their ideas. If you are involved in creating a strategic marketing direction for your organization, are studying branding or other consumer decision phenomena, or are more than just fascinated by the role brands play in your life, I would recommend, in a minute, that you buy *Brand Leadership* and read it!!

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Specialty Retailers—Marketing Triumphs and Blunders

By Ronal D. Michman and Edward M. Mazze
Westport, CT: Quorum Books, 2001, 227 pages, $65.00

Specialty Retailers—Marketing Triumphs and Blunders documents the successes and failures of specialty and limited-line stores in nine categories: drugstores, apparel, furniture, home improvement, shoes, electronics, toys, books, and automotive. The book focuses on national chains, profiling the evolution and growth of the most successful and the decline and demise of others. The book does not discuss the independent specialty stores and regional chains that continue to be formidable competitors within their markets.

The book provides a good overview of the current retail environment. For each of the nine classifications, the authors detail strategies for success and mistakes that led to failure. The mistakes cited range from "poor location" to "lack of control over the stores in the voluntary chain" in drugstores to "unappealing merchandise" in apparel, "lack of proactive strategies" in furniture, and "slow reactions to discounters and superstore formats" by bookstores. Factors that contributed to success in one category may not be successful in another. The underlying cause for failure across classifications is concluded to be the inability or unwillingness to react to the changing environment. To what extent does failure to react to change merely validate the "retail accordion," "wheel of retailing," or product life-cycle theories of retail evolution? As the shopping environment is continually changing, will the factors that led to success in today's chains be transferable to tomorrow?

Consumer buying motives differ across categories, as do the nature and structure of the industries that produce the products. With the exception that all retailers sell directly to consumers, there are substantive differences across product categories. While a discounting strategy contributed to success in bookstores and toys, it could not be applied in the same way in the fashion industries. Apparel manufacturers, to protect their image, sell their brands to selected retailers. Thus, discount retailers are unable to procure merchandise intended for the department/specialty store market. Furthermore, consumers generally do not engage in cross shopping between department stores and mass merchandisers or discount stores when buying fashion goods (Donnellan 1996). Sales and markdowns have always been attractive to the fashion customer, but this appears to change with time. Loehmann's, a leading off-price merchant enjoyed 90 years of success selling designer and name brands for less. Both Loehmann's and Filene's Basement, two premier off-pricers filed Chapter 11 bankruptcy in 1999 (Clark 2000).

Discounting has enabled many chains to capture market share and gain power over the manufacturers; however, it is generally conceded to be a temporary strategy that can easily be copied. Once the major competitors are all discounting, the discounted price becomes the reference price. Discounting has been somewhat successful for prescription drugs in drug stores,[1] for brand name athletic shoes in the shoe market, and home improvement centers through use of the warehouse concept. In essence, discounting works when consumers desire a standardized product whose prices can easily be compared and risks of buying an inferior product are not high. Porter's theory identifies cost leadership as an important element of success. Cost leadership in retailing can be attained by developing private-label goods, by adopting Electronic Data Interchange (EDI), by extracting concessions from manufacturers, or a myriad of other strategies to drive costs down.

The development of private-label merchandise has been a successful strategy for retailers who have inspired confidence in their customers. Across all categories, private-label goods currently account for 26 percent of retail sales (Shannon 2001). The leveling of product quality, the overall improvement in the quality of private-label goods, and the growth of chain specialty stores with sufficient volume to support their production have fueled the growth of private-label goods. Walgreens and CVS have more than 1,000 private-label, over-the-counter health and beauty aids (pp. 34 and 38). In the drugstore industry, a combination of discounting prescriptions and private label has proven successful.

Private label has been a route to profitability in categories where unstandard, slightly differentiated goods are desirable. Fashion apparel can be distinguished from other goods in that apparel purchase decisions are nearly always high involvement. Apparel is purchased largely on the dimensions of color, line, and style/design, and other aesthetic considerations. Leading apparel specialty retailers have built strong private brands. Ann Taylor, Casual Corner, the Gap, and the Limited have identifiable styling and appeal to distinct segments of the population. They sell private-label merchandise exclusively. Moreover, private-label apparel cannot be compared across stores as branded items can.

The retail landscape is continually changing. Scrambled merchandise, a successful strategy of the drugstores, has permeated the offerings of many retailers, thus blurring the lines between store types. It is difficult to distinguish between a drugstore and a convenience store or between a home furnishings retailer and a furniture store. Wal-Mart has become the largest grocery retailer and the largest seller of toys. Toys "R" Us has become a major force in selling apparel, furnishings, and supplies for infants and toddlers. As the authors of *Specialty Retailers—Marketing Triumphs and Blunders* have suggested, it is important to innovate, to respond to the changing tastes and preferences of customers, and to remain focused to be successful.

Michman and Mazze have put together an excellent overview of specialty retailers as they evolved to their present form. The book should appeal to all students of retailing—academicians, practitioners, students, and those whose avocation is retailing. The book is both interesting and informative. The evolution of specialty retailing to its domination by "category killers" and large chains is fully explored. In the introduction, the authors set out the theories of retail evolution. Throughout the book, theories of buyer and seller behavior enhance the descriptions of the evolution of specialty retailers. This text provides a guide to future success for those who are willing to take risks, to innovate, and to follow the management fundamentals set forth.

NOTE

1. Currently, 81 percent of all prescription drugs are paid for by third-party payers, thus discount pricing is no longer important to consumers. (National Association of Chain Drug Stores [NACDS] at http://www.nacds.org, November 19, 2001).

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ValueSpace: Winning the Battle for Market Leadership

By Banwari Mittal and Jagdish Sheth
New York: McGraw-Hill, 2001, 265 pages, $27.95 (hardcover)

Into what should an organization's marketing energy and resources be channeled to become a market leader? To what ends should the organization deploy its core competencies? What values do its customers seek in the marketplace or really want in their products and services? How do they want businesses to operate? How do they want to be treated? And, how much sacrifice are they willing to make in return? In other words, what is their ValueSpace—the space where true across-the-board market value is created for customers, employees, and shareholders, alike?

In the opinions of the authors, these are the questions that need to be answered to achieve market leadership. To support this premise, Banwari Mittal and Jagdish Sheth, both accomplished marketing academics and consultants, develop a blueprint for how they believe companies can build enduring ValueSpace for their customers. Their ValueSpace blueprint is based on two efforts.

First, the authors undertook interview-based research into the market-leading practices and processes of 11 companies that consistently ranked highly in *Fortune* magazine ratings. Case studies and executive interviews were undertaken with AutoNation (automotive retailing), American Express (travel, financial and network services), Caterpillar (heavy equipment manufacturing and leasing), 3M (industrial and consumer products and applications), Xerox (document management services), UPS (consumer and business package shipping), PPG (special chemicals), Hilton (hotels and tourism), SYSCO (food services and distribution), Rosenbluth International (travel management services), and Fossil (fashion accessories and watches).

Second, the authors reviewed the customer-oriented findings (and oversights) in six successful marketing books: *In Search of Excellence* (Thomas J. Peters and Robert H. Waterman, Harper & Row, 1982), *Competitive Strategy* (Michael Porter, Free Press, 1982), *Built to Last* (James C. Collins and Jerry I. Porras, Harper Business, 1994), *Competing for the Future* (Gary Hamel and C. K. Prahalad, Harvard Business School Press, 1994), *The Discipline of Market Leaders* (Michael Treacy and Fred Wiersma, Addison-Wesley, 1995), and *The Innovator's Dilemma* (Clayton M. Christensen, Harvard Business School Press, 1998).

As a result of their research with the 11 companies, plus their book analysis, Mittal and Sheth invent their customer ValueSpace model. This model is based on what is termed *customer centeredness* (i.e., ongoing, rigorous, consumer market research). Using numerous examples of a wide variety consumer research projects and case studies, the authors contend that the best customer ValueSpace consists of three variables: performance, price, and personalization (i.e., the three P's)—all developed based on the outcomes of the customer-centered marketing research.