

An ebook by

TrackStreet



HOW TO
DRAFT AND
ENFORCE A
SUCCESSFUL
RESELLER
PRICING POLICY



Important Disclaimer

Drafting and enforcing a pricing policy carries legal and other business risks. While TrackStreet has consulted with experts in U.S trade law in creating the contents of this free eBook, the reader should in no way interpret any of this book as a valid substitute for obtaining professional legal advice. A lawyer factoring in all applicable laws related to your Industry, in your State, Country or International Trading body should be employed whenever necessary. TrackStreet does not warrant the information in this free eBook and the reader assumes all risk with its use.

© 2017, TrackStreet, Inc. TrackStreet is a registered trademark of TrackStreet, Inc. All other trademarks are the property of their respective owners.

Why You Need This Book

You must act as the protector of your brand's value

If you manufacture and sell a physical product where brand value is a key determinant of the price a customer will pay for your goods, and you are selling through a resale channel, this book is for you. That's because you likely have a major problem.

Manufacturers that sell through online resellers and that fail to effectively protect their brands are stuck in a vicious cycle and a 'race to the bottom' on price. The ubiquity of the Internet means that price differences between online sellers and brick-and-mortar retailers are instantly obvious to consumers, and as a result, can cost companies millions in reduced profit margins and disrupt sales channels.

Many brands have responded to eroding margins by drafting and enforcing price policies designed to preserve brand value and protect authorized dealers. If that job has fallen to you, you're in the right place.

The challenge is two-fold. Drafting and enforcing a pricing policy has legal and business implications that can be tricky. Effective enforcement requires constantly combing the vastness of the Internet – including major marketplaces like Amazon and eBay – to detect policy violations and to enforce policies with non-compliant, and, in some cases, anonymous online resellers. These "Rotten Resellers" often employ a range of dirty tactics that can devastate your brand's value over time.

Your Brand is Under Siege

Although the Internet has been a boon to most businesses, providing brand owners like you with reach and access to potential customers unparalleled in history, it also creates problems for brands, such as:

- **Channel conflict** — the ubiquity of pricing information on the Internet means that your end-customers and resellers are immediately aware of any differences in price between long-established Brick and Mortar resale partners and low-cost online sellers.
- **A price war among your resellers**, driving your products' prices and margins downward in a "race to the bottom."
- **Loss of shelf space** with your key retail partners as a result of such a price war, or simply because they see their competitors unfairly underselling them and your company not protecting them.
- An **erosion of your brand's perceived value** over time, as customers see the prices of your products continue to fall.
- Inaccurate and unprofessional marketing of your products from **unauthorized resellers or counterfeiters**

And more...

Why You Need a Brand Protection Plan

Online brand protection isn't about randomly checking a handful of your resellers' websites once in a while to make sure they're not selling your products below your pricing guidelines.

Strategic brand protection is about having a well-formulated plan — a systematic method for defining the brand guidelines you expect your resellers to honor, articulating those guidelines (and, sometimes, the consequences for violating them) to your resale channel, monitoring your products on the web for policy violations, and knowing exactly how to deal with offenders without landing you in legal trouble.

This book will help you draft and enforce your own pricing policy, as part of that larger brand protection plan.

We'll help you identify the right reseller pricing policy type for your company. (Yes — there is more than one type.)

We'll help you understand how to develop the policy's language, using best practices and avoiding the common pitfalls.

We'll also show you how to keep your policy on the right side of federal antitrust law. (Yes — that's a thing.)

And we'll give you some expert tips on enforcing the policy you draft.

What is the TrackStreet Plan?

When a company comes to TrackStreet looking to protect their brand online, we deploy our intelligent software platform to discover their products – everywhere they are being sold across the Internet. TrackStreet’s platform arms Brand Protectors with an almost omniscient view of where and how their products are being sold on the Internet – from major marketplaces like Amazon, eBay, Walmart.com to smaller eCommerce sites.

Next, we take our customer’s brand guidelines — or, if they have none, we help them develop a set of guidelines, including reseller pricing policies — and we instruct our artificial intelligence platform to use those guidelines to identify brand violations.

Finally, we offer the brand owner a series of automation to help them enforce their branding and pricing policies at scale. And we offer analytics and other modules to help our customers more effectively and affordably manage their resale channel.

However, it all starts with being willing to tackle the problems that stem from branding violations and starting the process of drafting and successfully enforcing a pricing policy. Which can stall at the question: which type of policy should I put into place?

Which Policy is Right for You?

First - let’s start by defining MAP.

Minimum Advertised Price policy — “MAP” — has become a catchall term used to describe any type of reseller policy. But the truth is, there are several forms of pricing policies available to manufacturers and brands, and MAP might not be the right one for you. Let’s review the two primary reseller policy types — MAP and UPP — to give you a better understanding why.

Minimum Advertised Price (MAP) Policy

As its name suggests, Minimum Advertised Price (“MAP”) is a policy written to let resellers know the lowest prices a manufacturer will allow those resellers to advertise its products. Here’s what you need to know about the typical MAP policy.

A MAP policy’s key characteristics:

- It sets limits only on the prices resellers may advertise a brand’s products. Resellers remain free to actually sell the products at whatever prices they choose.
- It has traditionally been structured as a bilateral agreement. In fact, MAP policies are often written as contracts, signed by both the manufacturer and reseller.
- MAP policies are typically used when the manufacturer is offering cooperative advertising dollars to retailers, and those ad dollars can be tied in part to the retailer adhering to the manufacturer’s MAP pricing.
- Because MAP policies are traditionally based on cooperative advertising funds, the manufacturer’s only recourse for dealing with violations — the only consequence they have historically been able to include in the policy’s language — is to withhold some of their ad money from a retailer who advertises products below the MAP-approved levels.

Why a MAP policy might not be right for your company.

As you can see, a MAP policy is limited in several ways and will, therefore, may only be the right policy for certain manufacturers and brands.

For example, if your company does not offer cooperative advertising dollars to your resale channel, MAP might not be the policy for you.

Additionally, if you have identified resale-price erosion as your major issue with resellers — meaning the actual prices they’re selling your products, as opposed to how they’re advertising them — then you might find a MAP policy too limited for your company. MAP policy won’t, after all, allow you to dictate in any way the prices your retailers actually sell your products — only how they advertise those products.

Also, U.S. law tends to view advertising as stopping at a store’s front door. Any reference to pricing within that store’s walls — signage, price tags, even discount announcements blaring over the PA system — all constitute “resale price,” not advertising. Once the customer has stepped into a retailer’s store, the thinking goes, that retailer is no longer advertising to the customer — they’re in the act of selling to him or her.

But this distinction creates a lot of confusion on the Internet, where a store’s “front door” might well be an eCommerce site’s home page. You can draft your MAP policy to prohibit a retailer from tactics like offering “Add to cart for lowest price,” where they’ll display below-MAP pricing, but you’re not guaranteed that such a clause will stand up to a legal challenge.

And finally, drafting a MAP policy in its traditional form — as a bilateral agreement that you'll ask your resellers to sign — also poses some legal risk. Any agreement between brand and reseller could be deemed a violation of antitrust law. Generally speaking, as long as your MAP policy follows best practices and you enlist the help of experts in drafting and enforcing it, you will likely remain on the right side of the law. But you'll never know for sure until your policy is challenged.

This is why, based on our experience, and our extensive work with antitrust legal experts, we believe that in most cases the best strategy will not be a MAP policy. It will be a **Unilateral Price Policy**.

Unilateral Price Policy (UPP)

A Unilateral Price Policy (UPP) differs from a MAP policy in two key ways.

First, unlike MAP agreements, a UPP is always a one-way policy. That's why it is called unilateral: The policy does not constitute an agreement between the manufacturer and reseller. Both the manufacturer and reseller are independent actors under this policy, both free to do what they want. We'll discuss this in more detail in the legal section below.

The second way a UPP differs from a MAP policy is that applies to both advertising and resale pricing. With a UPP, the manufacturer sets out — unilaterally, without any discussion or negotiation with its resale channel — the prices it will allow resellers to advertise and sell its products.

Because the UPP covers everything, the manufacturer doesn't need to worry as much about specifying exactly what it considers advertising versus resale pricing (e.g., "Click here for best price"). The minimum prices listed in the UPP represent the minimum prices a reseller may list those products anywhere — on its sales pages, in online marketplaces like Amazon, in the cart and out of the cart, in its physical stores, in magazine ads, etc.

Finally, the third distinction from MAP policies is that a UPP may give the manufacturer a broader range of legal options for enforcing consequences. Whereas with MAP the brand is often limited to withholding cooperative ad funds, a UPP can include all manner of consequences for violators — up to and including refusing to supply that reseller with inventory going forward.

To recap, here's an overview of the important details of a UPP.

A Unilateral Price Policy's key characteristics:

- It is written as a one-way policy — not an agreement. Both manufacturer and reseller are independent actors. This makes a UPP much safer legally because by definition it is a one-way statement and therefore far less likely to raise any antitrust red flags.
- It covers both resellers' advertised prices as well as their actual resale prices. This can eliminate a lot of confusion about where manufacturers will draw the line in terms of what constitutes an advertised price and what constitutes resale price.
- Because it is unilateral, and cannot include any negotiations or agreements with resellers, a UPP should not include escalating punishments for the same violator — such as a "3 Strikes and You're Out" approach that you might see in a MAP policy. This could be deemed as building an agreement into the statement, which could expose the policy to antitrust risk.

So, which policy should you choose?

Confused? We understand: This stuff can get murky in a hurry. Many businesses ask for a MAP policy when what they need is something else. Some companies simply copy a MAP agreement from the Internet, call it a Unilateral Price Policy, and then publish a pricing statement that is on-its-face a violation of federal antitrust law.

Here's a quick checklist you can run through to gain a better sense of which policy makes sense for you.

1. My company offers cooperative advertising funds to our resale partners. **(MAP)**
2. We've identified the real problem as a price war over our products in online advertising. **(MAP)**
3. We're uncomfortable putting any pricing policy into agreement form because we are very averse to legal risk. **(UPP)**
4. We want the freedom to change our pricing policy as often as we want — and without having to update our agreements with resellers every time we do. **(UPP)**
5. We want to protect our brand from the erosion of both advertised and resale prices. **(UPP)**

**Schedule a live demo with a
TrackStreet Brand Protection Expert**
www.trackstreet.com/demo

TrackStreet

Protect and Grow Your Brand™

Why Publishing Reseller Pricing Policies May Be Good for Business

Your published pricing policy sends a positive signal to existing and new resellers

Manufacturers and brands rarely consider this aspect of their reseller pricing policies, but having such a policy — assuming you're enforcing it successfully — can help you strengthen relationships with your existing resellers, and can even help you attract new partners to your channel.

Think about it: When a reseller sees your expertly written (and consistently enforced) Pricing Policy, they know you are taking steps to protect their interests and their margins. This means they can feel more confident in continuing to focus their own limited resources on selling your products.

In the Internet era, when retailers often fear that they will invest in selling a brand only to be undersold by a fly-by-night online operator, your well-publicized reseller pricing policy is a signal to all of your resellers that they will be able to continue enjoying attractive margins on your products and can focus their efforts on differentiating themselves in ways other than price — such as creating a better customer experience — to lure more customers.



Benefits of a well-drafted successfully-enforced Pricing Policy:

Large, reputable online retailers will feel more confident buying your inventory.

Brick-and-mortar stores will be more willing to invest in in-store displays, product inventory, and product training for their sales force.

Prospective retailers researching your company will be more likely to sign on to represent your product lines — because they'll view your pricing policy as an indicator that you are a partner-centric company that will look out for their interests.

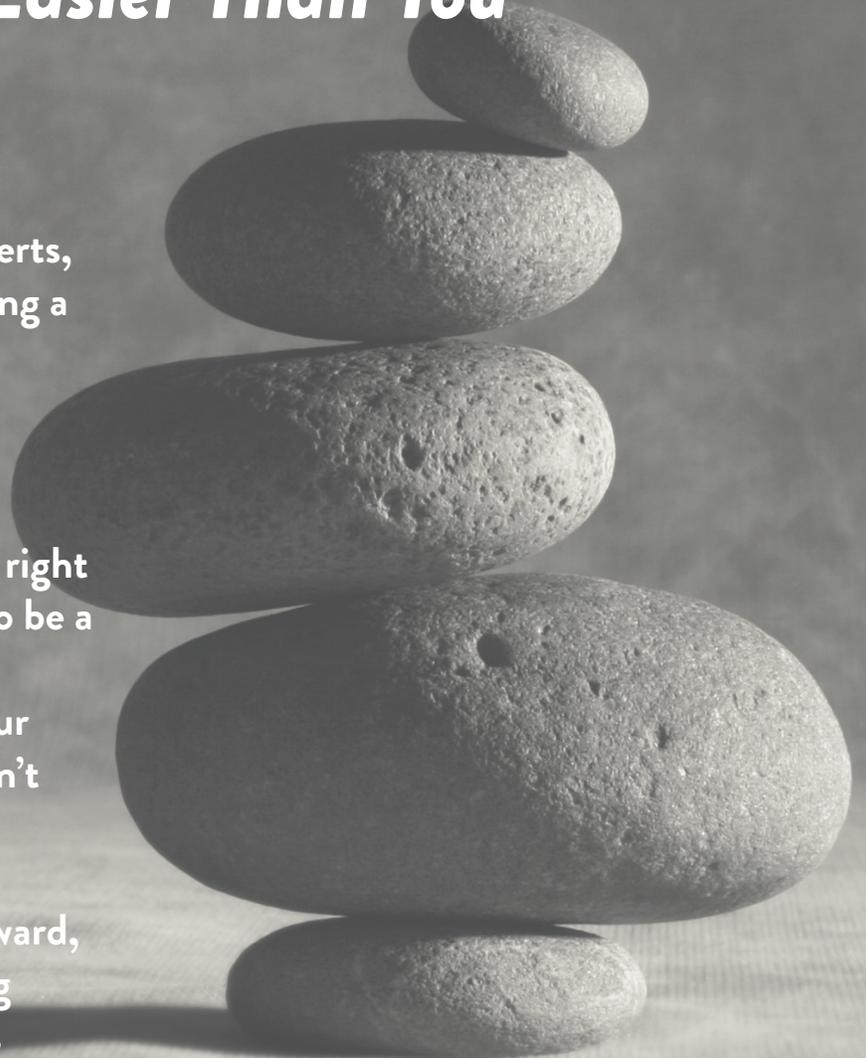


Overwhelmed? Relax *Getting from Where You Are to Effective Price-Policy Enforcement is Easier Than You Think*

Does all of this talk of policy language, brand protection experts, and antitrust law have you feeling a little overwhelmed?

Let's take a moment to dispel a few myths that might have you wondering if implementing the right reseller pricing policy is going to be a complicated and time-consuming process for your company. (Bottom line: It doesn't have to be.)

Then we'll discuss a straightforward, step-by-step process for getting from wherever your company is today regarding pricing and brand protection — even if you have not yet written your policies — to have an effective, smooth-running enforcement strategy in place.





Myth #1: Drafting an effective and legally safe pricing policy is difficult and will take a long time.

Reality: Untrue.

If you work with the right team, drafting an effective reseller pricing policy doesn't need to be the least bit difficult. Your team will need to describe how your resale channel works, where you want to draw the line in terms of how your resellers are able to advertise and sell your products, and how you want to address the consequences for violations.

With that information, experts at companies like TrackStreet should be able to help you draft a short, one- or two-page policy. Your pricing policy doesn't have to look like a mortgage contract. It can be just a page or two.

And as for the drafting process taking a long time, let's just say that once you've engaged our services, you can expect to go from blank page to fully drafted price policy in a matter of days.

Myth #2: There's no getting around the fact that enforcing a reseller price policy is going to consume a lot of in-house resources.

Reality: Wrong again.

True, if you try to manage your reseller pricing program internally using manual effort, it will consume a lot of resources. You'll likely need dedicated personnel working in shifts to monitor your entire resale channel for violations and unauthorized resellers at all hours. Many shady retailers will intentionally lower their prices of your products during off-hours precisely because they know these are times when your employees won't be working and are therefore less likely to spot the violation.

But if you set up the right automated price monitoring and enforcement platform, you'll be effectively outsourcing the vast majority of this function to intelligent software. All your team will have to do is instruct the platform how to handle enforcement.

When you leverage a platform like TrackStreet for tracking your products across the Internet and taking immediate, automated action against offenders — your reseller price monitoring will take far less time and resources than it does today.

Developing a Comprehensive Program for Protecting Your Products' Pricing in 3 Easy Steps

Next up: TrackStreet's recommended 3-step process for building a comprehensive program for pricing and brand protection.

STEP 1 Create an Authorized Dealer Program

1

If your company is already facing reseller price erosion, your first step probably shouldn't be to draft a reseller price policy. It should be to create a reseller program that limits the companies allowed to resell your products. Once you know exactly who your legitimate distributors, wholesalers, and retailers are — because you've welcomed those companies into your official resale network — you will have a much easier time identifying (and taking action against) those resellers who are not authorized to sell your products.

How does an Authorized Dealer Program work?

When you establish an Authorized Dealer Program, you essentially create an application process under which any company that wants to represent your products must proactively ask to join your network. You'll review and vet the company and — assume you find they are honorable, stable and have a good track record with their customers — you'll allow them to join your dealer network.

Under the terms of this program, you as the manufacturer or brand owner will have agreements in place with your distributors and wholesalers that state these companies are allowed to sell your products only to your authorized dealers. In turn, your program will state that these dealers are allowed to sell your products only to end-user customers (not to other wholesalers, distributors or retailers).

If all goes according to plan, your leaks to grey-market retailers should end with the implementation of this Authorized Dealer Program — because your wholesalers will be selling only to these dealers, who in turn will sell only to end users. No unauthorized third-party sellers will be able to get their hands on your products to then undersell every other company in your authorized network.

It's worth pointing out here that an Authorized Dealer Program should include an agreement, drafted by your company, which both you and the dealer sign. This agreement should include clauses and rules set by your company. If a dealer violates these, it could result in their removal from your program.

(**Note:** TrackStreet can also help you draft your Authorized Dealer Program agreement.)

Common clauses in Authorized Dealer Programs include:

- “Dealer may sell our products only in their original packaging.”
- “Dealer may sell to retail end-user customers only, and may not sell in bulk to other retailers, wholesalers, etc.”
- “Dealer must provide levels of customer and sales support that reflect industry best practices.”
- “Dealer must adhere to our brand policies in all sales and advertising materials.”
- “Dealer must include appropriate trademarks and other intellectual-property symbols in all advertising and sales materials.”
- “Dealer is expected to sell our products only in locations approved by our company, which includes not selling on any third-party eCommerce sites without permission.”

The trust icon: A powerful way to make your Authorized Dealer Program more effective

A great way to help your authorized dealers distinguish themselves from unauthorized retailers (and even counterfeiters, if that’s a problem in your industry) is to include trust icons or trust badges as part of the program. Using these trust icons on their sites, your authorized dealers can signal to shoppers that a reseller is either a part of the manufacturer’s select group of approved resellers or they are not.

Just as important, your Authorized Dealer Program’s trust icons should be clickable and should pop open a separate window verifying that the retailer is indeed endorsed by your company as a trustworthy retailer and is allowed to resell your products.

Note: As part of our support for our customers’ Authorized Dealer Programs, TrackStreet’s automated brand protection platform includes these live, clickable trust icons.

STEP Identify and Aggressively Pursue Unauthorized Sellers

2

Now that you've established an Authorized Dealer Program, you have essentially restricted any company from retailing your products unless and until you've formally accepted them into the program.

And if you've drafted your agreement properly, you've also limited which resellers are allowed to advertise your products online — because your Authorized Dealer Program requires any reseller to get your company's approval before they offer your products anywhere on the Internet.

This makes it much easier to identify resellers not authorized to represent your products. Simply check any seller you find online against your Authorized Dealer Program list and voilà.

Even better: Because all of your authorized dealers had to apply to join your resale network, they now know they could lose the right to participate if they violate the terms of your program.

And when it's time to pursue a company not authorized to resell your products — whether they are underselling your authorized dealers or not — having your Authorized Dealer Program in place will give you much more legal freedom. This is because your enforcement against unauthorized retailers would not be deemed a price issue by antitrust law. It's an authorization issue: They simply aren't authorized to sell your products at any price.

Next, it's time to focus on the authorized members of your resale network. And for those companies, your reseller pricing policy will be the key deterrent and enforcement mechanism.

Draft, Publicize and Enforce Your Reseller Pricing Policy

STEP

3

It's important to understand that whichever policy you draft and publish — MAP or UPP — that policy will really affect only those companies already authorized to resell your products. The grey-market sellers, the companies with no relationship with your company and who are not supposed to be selling your products,

typically won't respect your pricing policy.

This is why, based on our experience and expertise, you should first take Steps 1 and 2 to clear away as much of the grey-market shenanigans as you can.

Only after you've figured out which retailers have no business selling your products in the first place — and after you've taken action to get those companies to stop — should you start focusing on your legitimate resale network. And typically, you'll find issues there as well.

We will discuss all of the steps that comprise a comprehensive brand protection program — drafting, publicizing, monitoring and enforcing your pricing policy — in detail soon.

First, though, let's address a question almost every manufacturer that has ever approached TrackStreet for brand protection help has asked us: *How do we know our policy will be legal?*

Are These Policies Even Legal?

Short answer: Sometimes yes, sometimes no.

This is why it's so important to work with experts — either antitrust lawyers or brand protection experts or both — in drafting any reseller price policy. The good news is that as long as you follow some simple guidelines and avoid a few basic pitfalls, your pricing policy should keep your company on the right side of antitrust law.

Let's review the standard policies — MAP and UPP — and the legal issues surrounding both.

Historically, MAP has been the reseller pricing policy of choice for manufacturers that support their resellers with cooperative advertising dollars.

Because MAP policies are often drafted as agreements — signed by both parties — you might wonder how such a policy wouldn't violate The Sherman Antitrust Act (a federal law that restricts illegal price fixing.)

How can a manufacturer work directly with one of its resellers to set a price for its products? Isn't that by definition price fixing? Actually, no, not in this case, for two reasons:

The legal justifications for MAP policies:

1. A MAP policy limits only how a reseller may advertise the price of a product. That reseller is free to actually sell the product for any price it chooses. In this sense, the manufacturer and reseller are not technically price fixing; they are agreeing only on the price a product will be advertised.
2. Because the manufacturer is offering cooperative advertising funds to resellers that adhere to its MAP policy, the manufacturer can assert that it has a legal right to influence how those ad dollars will be spent. As long as the manufacturer doesn't use the MAP policy in any other way to attempt to fix prices with its reseller (or restrain the trade of that reseller's competitors), there should be no antitrust issues.

Unilateral Price Policies: the legal story

Dating back to a 1919 Supreme Court Case — the *US v. Colgate* — the Unilateral Price Policy (sometimes called a “Colgate Policy”) is a one-way statement in which a manufacturer sets the prices at which it is willing to allow resellers to advertise and actually resell its products.

What the Supreme Court did in the *Colgate* case was consider the separate rights of both manufacturer and reseller. Viewing each “independent actor” as exercising its own rights, the Court determined that such a pricing policy — as long as it remains unilateral — would be entirely legal. Here was their reasoning.

The legal justifications for Unilateral Price Policies:

1. The product manufacturer has a legal right to unilaterally determine which companies they will do business with, and under what circumstances.
2. The reseller has a right to decide unilaterally at what price it will advertise and sell products.
3. If a reseller advertises or sells a manufacturer's products below the prices written in its unilateral policy, that manufacturer also has the right to unilaterally refuse to continue doing business with that reseller.
4. In short, as long as both parties are free to behave and make unilateral decisions as “independent actors” — without agreements, negotiations, or other types of collusion that could be deemed price fixing — a Unilateral Price Policy does not violate the law.

In other words, a Unilateral Price Policy is completely legal as long as it is drafted and enforced as a one-way policy. The manufacturer unilaterally sets its pricing as it sees fit. The reseller, also acting unilaterally, advertises and sells those products at whatever prices it sees fit. And then the manufacturer unilaterally decides whether it wants to keep doing business with the reseller or not.

Warning signs that your reseller price policies may land you in legal trouble

A MAP policy can get uncomfortably close to the antitrust line if:

- The manufacturer and reseller are negotiating or agreeing on actual resale price, as opposed to just the advertised price, of a product.
- The “MAP policy” is actually closer to a Unilateral Price Policy — where no cooperative advertising dollars are in play, and the policy also discusses resale price — but the manufacturer has drafted it as an agreement which both parties must sign.

A Unilateral Price Policy can get uncomfortably close to the antitrust line if:

- It reads more like an agreement than a unilateral statement.
- It appears coercive, where the manufacturer demands certain actions or concessions from resellers in exchange for continuing to supply them with inventory.
- The policy becomes undermined by the manufacturer’s employees (salespeople, product managers, etc.) having conversations or exchanging emails with resellers about price. Even if these conversations are innocent, they could still be construed as a bilateral agreement and, therefore, possibly illegal price fixing.

A silhouette of a person riding a bicycle against a sunset background. The person is wearing a helmet and a backpack. The bicycle has a basket on the front. The sun is low on the horizon, creating a warm orange and yellow glow. The sky is a mix of blue and orange.

Drafting Your Reseller Policy: Must-Haves

Okay, you're ready to start hammering out your policy's language. Or you're planning to contact a team of brand protection experts like TrackStreet to help you with the actual drafting, but you want a better sense of the specific language that goes into these policies.

Here are some items to include in any reseller pricing policy.

To save time, we'll assume you've chosen to go with a Unilateral Price Policy, although many of these best practices and common pitfalls will apply to any type of reseller policy.

7 must-haves to include in your policy's language

1. A statement explaining this is a unilateral policy and does not constitute an agreement.

Remember, one of the keys to keeping your Unilateral Price Policy clear of any antitrust issues is that the policy is written unilaterally — as a one-way statement that your resellers are free to follow or ignore.

With that in mind, your policy should include language — as close to the top as possible, perhaps even among the first sentences — clearly stating that it was drafted as a unilateral policy and does not constitute an agreement between the parties. You might even want to go a little further and state that your dealers and other resellers are free to exercise their own discretion and either abide or not abide by the policy's guidelines.

2. Language stating your company will not discuss or negotiate any of the policy's terms.

This might seem like overkill. After all, you just stated this is a unilateral policy. But you can't be too careful when it comes to reinforcing that your policy in no way comes close to crossing the price-fixing line.

So it's also worth a sentence or two explaining that none of the terms in the policy are open for negotiation and that your company will not even discuss them with any reseller.

3. A positively worded statement about how the policy will actually help your resellers.

One of the primary reasons for establishing a pricing policy is to help your legitimate resellers protect their margins and their interests. Why not say so?

The policy doesn't have to read entirely like a legal document designed to scare potential partners. It can and should make clear to them that having such a policy in place is one way to help ensure that their competitors can't cheat the system and unfairly undersell them. We recommend you make a statement in the introduction that you've drafted this policy in large part to help your honorable resellers continue to offer the high-quality service they're known for when representing your products — and to help protect them against unfair competition from free-riding resellers.

4. A current list of all products (and their approved prices) covered under the policy.

You'd be surprised how many manufacturers draft and publish pricing policies and then fail to list their approved pricing — or who publish those prices but then forget to continue to update them, when, for example, a new product is released and should be added to the list.

You can create a separate page with all of your products (by name, SKU or whatever product identifiers you choose) along with your up-to-date UPP-approved pricing for each. If your company regularly creates new SKUs, you should build into your process a step to add that SKU, along with your reseller-approving pricing, to your published UPP list as soon as the product becomes generally available to your resale channel.

5. A clear explanation of your UPP's rules for advertising and resale.

Will your company allow “Add to cart for best pricing” if that in-cart amount takes the price below your UPP-approved level? If not, you need to clearly state that in your policy.

In fact, you need to think through all of the ways a reseller might offer your products that your company would deem policy violations — and then describe every one of those rules.

Just as important, you should describe those things a reseller might do that you would not consider a violation — such as offering free shipping or product financing. If these resellers strategies are okay with your company, say so in your policy.

6. A clear explanation of the consequences for violating your policy.

Leaving a reseller unsure of how you will handle violations can in many cases serve as the opposite of a deterrent, instead of creating an actual invitation for a shady retailer to violate your policy, just to see if your enforcement strategy has any sting.

Make it clear in your policy what your company will do (or reserves the right to do) to offenders. You might state, for example, that at your own discretion you could decide without warning to simply stop shipping inventory to a reseller that violates your policy.

7. A statement letting resellers know your company's employees have no right to modify or make exceptions to the policy.

Don't give your resellers any reason to test your policy's teeth by going directly to a sales rep or someone on your marketing staff — and asking them to adjust the terms, just this once.

Write it directly into your policy's language that any such negotiations will still be considered cheating — and could still get the violator kicked out of your resale network.

Publicizing Your Reseller Policy: Best Practices

Now that you've drafted your reseller price policy, it's time to let your resale channel — as well as prospective partners who might be interested in joining your authorized dealer network — know about it.

Many manufacturers draft a Unilateral Price Policy or a Minimum Advertised Price policy — and then simply post it on a standalone page on their website, which resellers might not even be able to find.

Bad idea. When you've gone to the effort to develop a reseller pricing policy, you want to publicize that statement as widely as you can.

Up next: 5 tips to get the word out about your reseller policy.

TrackStreet Automates Your Enforcement



- ✓ Fully automate violation detection and enforcement of your policies
- ✓ Monitor brand violations on marketplaces and websites
- ✓ Visibly reduce violations and protect your dealers
- ✓ Identify unknown sellers and expand your market

**Schedule a live demo with a
TrackStreet Brand Protection Expert**
www.trackstreet.com/demo

TrackStreet

Protect and Grow Your Brand™

5 tips to get the word out about your reseller price policy

1. Send out a message to your entire resale network

When you have a new price policy in effect, your first order of business should be to let your existing resale network know.

The wholesalers, distributors, retailers or authorized dealers you already work with should be the first to learn about your new policy. Moreover, you want to make sure your resellers hear about the program from you directly, not from a news article.

A major driving force for implementing such a policy in the first place should be to help protect your resellers' interests and to strengthen your relationships with those companies. Don't undermine the positive aspects of your new policy by letting your resellers find out about it from someone else.

It's also important to think through the tone of your message about the new policy. It should be positive, even enthusiastic, and it should explain to resellers exactly how you envision the policy protecting their margins as well as the image of your brand.

2. Issue a press release about the new pricing policy.

After you've let all of your existing resellers know about the new policy, it's time to let the rest of your industry know as well.

Issue an upbeat press release announcing the new policy — ideally explaining how it will help your resellers continue to provide outstanding service to their customers when offering your products. This press release should go out to the major magazines, newsletters, and websites covering your industry, and possibly, to the wider business press.

3. Contact your industry's journalists and opinion writers about interviewing someone at your company for a piece discussing the value of reseller pricing policies.

When you send out your press release, it might also be worth contacting your industry's key opinion writers, reporters, editors, major bloggers — about a piece discussing the win-win aspects of reseller pricing policies like the one you've implemented.

Such a piece, featuring a spokesperson at your company as well as references to your new reseller pricing policy, could expand your resale channel, because it might introduce your company to new retailers who appreciate program benefits, like improved margins.

4. Publish your pricing policy prominently on your company's website.

When a potential reseller visits your website and clicks on your “Partner,” “Reseller” or “Dealer Program” page, they should see a prominent message letting them know your brand will protect them against being undercut if they join your resale channel.

Consider adding a “WE PROTECT OUR AUTHORIZED RESELLERS” headline with a “Read our Unilateral Price Policy” link below it.

Whatever specific language you choose, you want to convey to a prospective reseller that you treat your channel partners with respect and care. The more prominently you can present this message, the better.

5. Send reports to your channel about your ongoing pricing-enforcement efforts.

Communicate regularly with your resale channel and show them how your company is aggressively policing your products across the Internet — in other words, how you're protecting them against unauthorized resellers unfairly undercutting them.

Whereas the first four tips can help you get word out about your reseller price policy when you first publish the policy, this final tip can help you remind your resellers of the program's value to their businesses — again and again.

TrackStreet's platform includes analytics showing the volume of pricing policy violations detected. If you can show your channel of authorized resellers how your monitoring system is having significant success in reducing pricing violations, and how you are quickly shutting down those violations, this can go a long way toward increasing confidence among your resellers, and their trust in your brand.

Monitoring and Enforcing Your Reseller Policy: How to Do It Right

At this point, you've drafted your reseller price policy. You've gotten out the word about it and its benefits.

Next, you must 1) actively monitor your products' presence across the Internet, 2) be able to catch and document violations at all times, and 3) take swift action enforcement action against offenders of the policy.

Always keep this in mind: Publishing a reseller price policy and then not consistently enforcing it is worse than not publishing a policy at all. And as we hope this book has already made clear, not publishing a policy at all is a very bad idea.

With that in mind, here are some best practices to use when considering how to setup your price monitoring and enforcement program.

1. Compile all of the data — product names, SKUs, a list of authorized resellers, etc. — that you'll want to track.

Your first step in setting up an effective reseller price monitoring program will be to make sure you have all of the products and product-related data that you'll want to monitor.

That list could include a combination of product identifiers such as SKU numbers, ASINs (for Amazon products), ePIDs (for product sold on eBay), GTINs, UPCs, your own serial numbers, or any other identifiers you use to label and track your products.

You might also have specific trademarked text, proprietary images or videos, or other product-related intellectual property that helps you quickly spot your products represented in an advertisement or on a reseller's sales page.

And speaking of resellers, perhaps you also have a list of authorized dealers or retailers. Those resellers will obviously represent the first sets of websites (their own eCommerce pages and any online marketplaces where they have a presence) that you'll want to begin regularly monitoring.

2. Make sure your monitoring system covers as much of the Internet as possible.

If your products are being sold by dozens of retailers, and each of those retailers has an online presence across not only their own sites but also dozens or perhaps hundreds of third-party sites and marketplaces, it's plausible that your products might at any given moment be appearing in ads and on sales pages across thousands of websites.

That's a lot of ground to cover in your price monitoring process. And even if you could review all of those ads and sales listings manually, how often would you do it? When would you do it? Remember, some retailers will intentionally drop their advertised prices below your policy's approved levels during off-hours — when they're hoping your company won't notice.

What all of this means is that you can't simply instruct your team to randomly type in the names of a handful of your products or a few ASINs into a search engine and hope to have a meaningful impact on reducing reseller pricing violations. That process would be neither systematic nor effective.

Instead, you'll need to adopt a strategy that allows you to monitor as much of the Internet as possible, as often as possible, to give your company the best chance of catching pricing-policy violations. A platform like TrackStreet can help, by monitoring hundreds of millions of websites, including major marketplaces, several times a day.

3. Make sure your price monitoring process is designed to catch every type of violation specified in your policy.

Your company will have to determine whether or not you are willing to allow some of your resellers' to pursue certain strategies for selling your products

For example, will you let a reseller include an "Add to cart for best price" offer if that in-cart price will ultimately be lower than your policy's approved amount?

If you don't want to allow that sort of thing, then your price monitoring program will also need to account for this. That means if your process will consist of employees manually scanning the Internet for violations, they will also have to stop on each sales page to make sure the reseller isn't offering a policy-violating price in their shopping carts.

As you can imagine, this will slow down your already-slow manual monitoring process even further. Which is yet another reason to opt instead for an automated price monitoring and enforcement platform like that offered by TrackStreet.

.....

4. Establish a process for documenting violations.

Whichever way you choose to set up your price-monitoring process — an in-house manual operation or an automated platform — you'll need to determine how you want to document each violation.

Regardless of what your enforcement strategy entails, you will always want to document violations. This documentation will come in handy if you need to approach the offender directly and demand they remove the policy-violating page, if you approach the marketplace (such as Amazon) where the violation is occurring to ask for their help in halting unauthorized seller behavior, or if you must take future legal action against the offending reseller.

But what exactly will it mean for your company to document a violation? You'll need to develop a system, a set of guidelines, which might include:

- A screenshot and timestamp of the reseller's page showing the violating of your price policy. TrackStreet's platform automatically does this, when a violation is detected. The timestamp can prove helpful, particularly if you need to prove a pattern of repeated violations over time.
- The URL of the page (whether it's the reseller's own eCommerce site, an online marketplace, or another third-party web page).

You'll also need to establish a systematic process for what to do with this documentation:

- If an employee discovers a violation from a reseller, should that trigger an automatic and immediate review of all other sites and marketplaces where the reseller appears? After all, if you've caught a company violating your policy on one site, there's reason to believe they are committing the same violation elsewhere.
- Where will you store these documentation files for archiving and retrieval purposes?
- Will you establish an electronic filing convention, such as creating a new folder for each violation, with individual screenshots and supporting files saved in the folder?
- Will you have your employees generate and save multiple copies of these violation folders and files for backup redundancy? Where will the backup files go?

.....

5. Make sure you are monitoring the Internet for all types of violations.

When you are able to effectively monitor your products' presence across the Internet, you might find resellers inaccurately or inappropriately representing your products in ways other than simply offering them at prices below your policy's approved levels.

You might find, for example, a grey-market retailer listing your products on a marketplace like Amazon or eBay with incorrect product specs or misleading sales copy. You might also find a member of your Authorized Dealer Program advertising your products but failing to use your trademarks appropriately — a violation of one of the terms of the program.

If your team is looking only for price violations, you might miss these other issues, which collectively can have the effect over time of harming your brand's reputation. So any effective reseller-policy monitoring program should also include a plan to check regularly for these other, nonprice-related branding violations as well.

Best practices for reseller-policy enforcement

Assuming you've established an effective and efficient system for monitoring your products' presence across the Internet, your next question should be: What happens when we actually catch a violation?

1. Develop separate strategies for responding to authorized and unauthorized resellers.

One persistent myth in brand protection discussions is that manufacturers must respond identically to all offenders, or they risk appearing to favor certain companies over others, which could be deemed an antitrust violation.

While it is true that you cannot set up a pricing policy and then selectively enforce it — punishing certain resellers while allowing others to violate the policy — the truth is you will need to deal with different types of retailers in different ways.

For example, if you've set up some form of Authorized Dealer Program, that means that some resellers, the grey-market operators, will be selling your products without your permission. For these retailers, you can take aggressive action without fear of antitrust issues because by definition your issue with those companies will be a question of authorization, not price.

When you catch these unauthorized retailers selling your products, you can send cease-and-desist letters and other notices threatening legal action. You don't have to treat these companies the same way you'd treat an authorized dealer that runs afoul of your policy because they have no business selling your products in the first place.

With an authorized reseller, on the other hand, you'll need to be far more careful and deliberate in how you address a policy violation. You might want to simply remove such a company from your Authorized Dealer Program after their first violation. Or you might want to set up a graduated enforcement plan, where after one violation you'll institute certain consequences — say, suspending their inventory for 60 days — and then remove them from your authorized list only if they commit a violation a second time.

But you will need to enforce your consequences consistently for this subcategory of reseller.

The point here is that you do not — and should not — treat all reseller violations identically. Unauthorized resellers do not need the same antitrust consideration that your legitimate resale channel requires. However, when it comes to your authorized resellers, you will need to enforce your policy consistently.

2. Send formal enforcement notifications to violators — but do not discuss them.

Let's say your team catches a reseller offering your products on their website for a price below your UPP-approved price.

And let's further assume you've decided that your enforcement policy will be to immediately cut off such a reseller's access to future inventory and remove them from your authorized list. How do you actually execute on that enforcement strategy?

The best practice here is to simply send a formal notification to the company giving them the bad news. This notice should restate your policy's relevant guideline and the consequences for violating it (removal from your channel). It should also show evidence of where the reseller violated that guidelines (using the documentation you've compiled). And it should then state that the company is now officially removed from your authorized list and is no longer allowed to sell your products.

And that's it.

You should instruct your team not to speak with any representative of the reseller's company by phone, exchange emails with the company (even if only to reiterate the fact that they're being terminated from your network), or any other type of communication after the termination.

Why? If your reseller ever challenges you in court over this termination, you don't want to give them any ammunition to demonstrate that you are willing to discuss or negotiate your policy with a reseller.

Furthermore, if your company ever decides unilaterally to reinstate the reseller, you also need to be able to demonstrate that your decision was indeed unilateral — that you had no discussions, negotiations or communication of any type with this company regarding their termination.

Keep in mind also that if another reseller you've terminated for similar reasons ever decided to challenge your decision legally, they could subpoena communications from other resellers. Any communication you've ever had about your policy with another terminated reseller that was eventually reinstated could support their claim that you are playing favorites and possibly violating antitrust law.

3. Prepare as much of your enforcement material as possible beforehand: first warnings, cease-and-desist notices, termination letters, etc.

When your team catches a violation, you don't want them to have to guess what their next move should be. You don't want an employee drafting and sending off ad-hoc warning notices to every violator with different language, either.

You need to systematize as much of your enforcement process as possible. This means, for example:

- Drafting legally sound boilerplate language for your first warning notice (which you can lightly customize for the specific company, as long as the customization doesn't materially change the warning's language)
- Drafting legally sound boilerplate language for a cease-and-desist letter for unauthorized resellers (which you can lightly customize for the specific company, as long as the customization doesn't materially change the warning's language)
- Drafting legally sound boilerplate language for a removal-from-network letter to an authorized reseller you are terminating (which you can lightly customize for the specific company, as long as the customization doesn't materially change the warning's language)
- Drafting legally sound boilerplate language for a response to inquiries about your reseller policy — which should not discuss or offer additional information about the policy but should instead direct the inquirer to either an FAQ page about your policy or to your company's primary Reseller Price Policy contact person.

You will, of course, need to prepare more documents than this, and you will need to decide in advance who at your company will be responsible for reviewing each violation to determine which enforcement action to take.

But this should give you an idea of why it's so important to automate the process to whatever extent possible; the business and legal implications of incorrectly or inconsistently enforcing your pricing policy are potentially risky.

The 5 Most Common Mistakes Brands Make with Reseller Policies

We've discussed many of the must-have items for reseller pricing policies as well as some best practices for each aspect of a comprehensive brand protection strategy — from drafting to publicizing to monitoring and enforcing your policy.

Now let's look at where many brands step incorrectly and fall into traps when developing and managing their reseller policies.

1. Choosing the wrong policy.

As we pointed out earlier, manufacturers will often just pull another company's MAP policy off of the Internet — a MAP policy is what every manufacturer needs, they assume — and customize it to their business.

Or manufacturers will draft their own MAP policy when what their business really needs is a Unilateral Price Policy — either because resale price erosion is a greater problem, or because they don't use cooperative ad funds and therefore would benefit more from a UPP than a MAP policy.

The first step in developing your brand protection program is to identify exactly what type of policy you should be drafting and enforcing.

2. Drafting a unilateral policy that reads in places like an agreement.

From a legal standpoint, this could be the most serious error a manufacturer or brand can make.

To stay clear of antitrust issues of price fixing or illegal restraint of trade, a manufacturer's reseller price policy must not be written in such a way that any portion of the statement could be interpreted as an agreement.

The only exception to this will be in the case of a MAP policy that can, in fact, involve an agreement — because 1) the manufacturer is offering advertising money to resellers and has a legal right to assert how those dollars are spent, and 2) the primary clause in question is not resale price but advertising.

When a brand drafts a UPP, for example, and includes a "3 Strikes and You're Out" structure for its escalating consequences, this could in some cases be interpreted as a de facto agreement — where the manufacturer is implying that if its reseller follows Rule A or corrects Problem B, the manufacturer will reward the reseller with C.

3. Failing to take adequate action to successfully enforce the policy.

Even if a manufacturer develops and publishes a rock-solid, legally sound reseller policy, it will mean nothing if the manufacturer doesn't also continually monitor the entire resale landscape for violations.

As we noted earlier, publishing a price policy and then failing to catch and take action against violations is actually worse than not having any policy in place. When your honorable resellers discover that shady retailers are violating your policy — and getting away with it — they will question whether it makes sense to continue representing your product line.

4. Treating all violators as equal. (They aren't.)

Yes, there are legal risks to inconsistently enforcing your policy against authorized resellers (inflicting strict punishments on some while giving others a free pass.) However, all violations of your policy aren't necessarily equal, because your products' resellers don't all have equal standing with your company.

When one of your longtime retail partners violates your minimum price policy or a clause in your Authorized Dealer Program — publishing sales copy for one of your products without proper trademark attribution, for example — that is not the same as discovering a grey-market retailer selling your products on eBay without your authorization.

Many manufacturers incorrectly treat all of these violations the same — issuing a sternly worded cease-and-desist letter without first checking to see whether the retailer is actually a part of their official network and might have made an innocent mistake.

These one-size-fits-all approaches to enforcement can damage your reputation with honorable resellers and ultimately cost your company long-term revenue. TrackStreet easily allows the ability to customize violation notifications so that accounts needing special attention may be handled differently.

5. Failing to implement a comprehensive and effective solution for monitoring and enforcement (which typically requires automation).

Perhaps the biggest mistake we've seen is implementing a monitoring and enforcement process that, given the company's limited internal resources, simply can't catch all or even the majority of violations.

When a manufacturer tries to police its brand using an in-house team scanning the Internet as often as possible, they are almost certain to catch and be able to deal with far fewer violations than if they were to automate at least part of the process.

The eCommerce landscape is just too vast. Your resellers are offering your products on too many sites simultaneously: from their own online storefronts to marketplaces like Amazon, to other third-party sites, to pay-per-click and display ads... it is impossible for your team to effectively cover all of that ground at all times.

Case Study: What Can Happen to a Brand that Fails to Publish and Enforce a Reseller Pricing Policy?

Does this sound like it might be a lot of trouble? Sometimes it's tempting to contemplate not taking any action at all. What's the worst that could happen?

Let's say you don't draft and publish any sort of reseller pricing policy. Let's further assume you don't develop an invitation-only reseller network like an Authorized Dealer Program, so you have no quality-control checks on your channel, and no immediate way of identifying which sellers are allowed to retail your products, and to whom.

Next up: an overview of what could hypothetically happen to a manufacturer that has no guidelines or restrictions for its resale channel.

1 Grey-market sellers grab products from wholesalers or distributors and undercut the legitimate retail partners.

Grey-market retailers who have no relationship with the manufacturer, and no authorization to sell their products, nevertheless recognize that there's plenty of room to buy the manufacturer's products wholesale and then retail them online for less than other sellers. Heck, these grey-market retail companies often have virtually no overhead, so they can afford to sell at far lower prices than the company's established brick and mortar retailers.

And they do just that. They start undercutting the manufacturer's legitimate retailers.

2 Authorized retailers get into the act next — and a price war begins.

The manufacturer's authorized resale channel begins to spot the emergence of shady retailers selling these products at ridiculously low prices that these above-board sellers simply can't match. And because the manufacturer doesn't seem willing to do anything to stop these grey-market operators, many of these legitimate retailers start slashing their own prices to remain competitive.

Now a pricing war has begun. Authorized retailers begin to want to offload their inventory as quickly as they can, so they can recoup their investment on these products. Ultimately, many of them plan to stop selling the brand altogether, because the low margin isn't worth the effort or risk of losses.

3 The manufacturer's all-important brick-and-mortar retailers drop them.

The next round of awful news triggered by the online price war will be that the manufacturer's brick-and-mortar partners stop carrying their products.

After all, these companies might have invested heavily in representing these products: buying plenty of inventory to carry in the store, setting up in-store displays and signage, and possibly even training their sales teams on the benefits of the manufacturer's products. In short, these retail stores have too much overhead to compete against online-only retailers who are willing to violate the manufacturer's pricing policy and unfairly undercut them.

Retail store owners assume that if the manufacturer doesn't take action to stop these violations of its pricing policy, their stores will effectively become mere showrooms for shoppers who want to see the products in person before buying them cheaper online from an online grey market seller.

So now these brick-and-mortar retailers are out, too. And losing their shelf space and displays in these physical stores can significantly undermine the manufacturer. These same stores lent credibility to the manufacturer's brand, and also probably introduced the products to shoppers who might have never discovered them, otherwise.

All of that benefit — gone. And just because the manufacturer didn't have a mechanism in place to protect its legitimate resellers' margins.

And that's not even the end of the story.

4 The manufacturer's brand becomes irreversibly tarnished.

After a while, consumers catch on: The manufacturer's products are available across the Internet for lower prices than ever, and they just seem to keep getting cheaper.

Over time, this will have the effect of damaging the product line's reputation for high quality and the public's general brand perception as well as the company behind it. From this point forward, the company has now been marked as a "discount" brand.

5 The pipeline of new retail partners begins to slow rapidly.

For the same reason, legitimate retail partners are dropping the manufacturer's product line, the company is finding it more difficult than ever to sign on new retail partners to carry its products.

Prospective retailers are, after all, easily able to monitor what's happening to the products' pricing, and the margins of existing resellers and the trend they're observing has potential new resellers concerned that they won't be able to earn enough carrying those products.

Moreover, some of these retailers pride themselves on selling only premium brands, and the plummeting advertised prices of the manufacturer's products make those products less appealing for these premium-only retailers.

6 The lousy customer experience provided by the grey-market retailers further erodes the brand's good name.

In a final ongoing insult to the manufacturer's brand, the growing number of grey-market retailers selling the company's products means that more and more customers buying this brand online are actually working with shady sellers that have no relationship with the product manufacturer or brand owner.

That means many customers who call the retailer for support will receive none. Customers who try to return the product will find they cannot — because the manufacturer has no record they bought the product in the first place.

In some cases, customers will have been misled by inaccurate product specs and other details written by the grey-market retailer, and not approved by the manufacturer.

What this all results in, of course, is an ever-growing number of one-star product reviews and angry, permanent, unforgiving comments on Internet marketplaces like Amazon. The manufacturer's reputation is further tarnished as a result of these reviews, even though the real culprits are shady retailers who had no business selling their products in the first place.

Clearly, the risks of not drafting and enforcing a reseller policy are substantial.

Now let's discuss why the optimal solution — the only viable solution, truthfully — is an automated platform for online price monitoring and enforcement.

Why Automation is the Key to Successful Reseller Policy Enforcement

Short answer: It's simply not possible to effectively monitor the entire Internet landscape for all of the thousands of combined sales pages where your products are being advertised and sold every minute of every day. (Nights, too!)

Even if your company was inclined to keep this responsibility in-house, how would you know how frequently to check the retailers' eCommerce sites and online marketplaces collectively containing every reseller's current offers of your products?

The truth is, an internally managed enforcement program, where your team has to regularly set aside hours for reviewing websites, documenting violations and sending warning notices — isn't an optimal strategy in terms of either cost or effectiveness.

Why you really need to automate this process:

1 An automated program for reseller monitoring and enforcement can cover more ground and catch more violations than even the most diligent manual process.

Even if you make a good-faith effort and devote a significant amount of resources to monitoring all of your resellers across the Internet, at best you'll still be enforcing your policy inconsistently — because you simply can't catch and respond to every violation.

As we've discussed, many retailers change their advertised prices frequently, and some sellers will even advertise your products below your approved price levels at odd hours of the night, specifically so they can fly below your company's radar and undersell competitors without getting caught. If you miss enough of these violations, and they're allowed to continue, you risk losing some of your best retail partners.

An automated monitoring and enforcement system, by contrast, will continuously scour the Internet, 24/7/365, and catch all violations of your reseller policy.

2 An automated enforcement solution will cost far less than what you'll pay for managing the process manually.

When you set up a program to monitor and enforce your pricing policy using your in-house staff, you have a couple of options — neither of them optimal.

First, you can execute your monitoring and enforcement program in a half-hearted manner, setting aside a few hours a week for a couple of your employees to review a random set of reseller websites and marketplaces. You might think of this as “spot-checking” your resale channel's adherence to your policy. You won't see every advertised price, but it's a relatively cost-effective way to at least check a representative sample.

Of course, with this approach, you will likely miss most violations.

Your second option is to devote significant internal resources to monitoring and enforcement — maybe creating a full-time position (or several) for monitoring your products' presence across the Internet, documenting and compiling evidence of violations, contacting violators with an escalating series of warnings, and taking whatever other enforcement actions your program calls for.

This second approach will obviously place a significant cost burden on your company, and because it's a manual process, you're still likely to miss violations.

An automated enforcement solution allows you to enjoy both the robustness of a full-time staff monitoring your products across the Internet at all times and taking immediate and appropriate action against violators and the cost-savings of a system that doesn't require a lot of resources or man-power to operate.

3 An automated enforcement platform can introduce you to business opportunities.

As we've also noted in these pages, your reseller pricing policy isn't just a defensive move against shady retailers. It can also be a powerful business development asset.

An effective reseller policy, backed by an aggressive and consistent enforcement process, can help your company find new opportunities to expand your resale channel, sell new products to existing retail partners and even uncover new marketplaces for your product line that you hadn't discovered yet.

When you deploy an automated platform to monitor and enforce your reseller pricing policy, that platform will be continuously tracking your products everywhere they are sold online — from marketplaces like Amazon, to the eCommerce sites of individual retailers, to the ads your resellers post promoting your products.

If you're working with a best-in-class enforcement solution, the system will also compile all of this data and organize it into information-rich reports that can be accessed anytime. And these reports can contain business-development gold.

You might uncover a brand new marketplace where several of your retail partners are selling your products. There's an opportunity to discover other retailers also selling in that marketplace, and approach them about carrying your lines.

You might learn that one retailer is selling only a small a portion of your product line, and having a great deal of success. There's an opportunity to reach out to that retailer and let them know about your other products.

For these and other reasons, you can't truly realize the full benefit of your reseller pricing policy unless your system for monitoring and enforcing that policy is automated — and sees and documents *everything*.

Want to see how TrackStreet can help you?



Manage Your Online Prices

Market Visibility
MAP Enforcement



Manage Your Brand

Content Everywhere
Product Review Tracking



Manage Your Dealers

Authorized Dealer Badging
Management Portal
Where to Buy



Manage Amazon

Amazon Analytics

Schedule a live demo at:
www.trackstreet.com/demo

TrackStreet

Protect and Grow Your Brand

3 Things to Demand from Your Reseller- Policy Monitoring and Enforcement Software

If we've done our job correctly, we've convinced you that monitoring and enforcing your reseller pricing policy isn't an initiative you should attempt to undertake manually. To make your policy as effective as it can be, you need to automate as much of the process as possible.

But not all price monitoring and enforcement applications are created equal. You need to select a platform built and supported by brand protection experts, and the platform needs to have certain functionality — which many don't — for it to be as effective as it can be.

With that in mind, here three things to consider before committing to any price monitoring and enforcement software.

1 Demand a comprehensive view of your products' presence across the Internet.

Many price monitoring tools focus all of their attention on the big marketplaces — Amazon, eBay, etc. — but stop there. That means if resellers are violating your price policy on smaller marketplaces or their own retail sites, there is a good chance your software will miss them.

When you invest in a price monitoring platform, you should expect it to automatically and continuously scour the Internet for your products — the entire Internet, from the major marketplaces, to every page featuring a pay-per-click ad for one of your products, to every mom-and-pop retail eCommerce site.

You don't want to have to supplement the software platform's efforts by manually looking for sites that you know it's missing. And you definitely don't want to miss violations altogether and leave them online for your customers and authorized resellers to find.

2 Demand automated price-policy enforcement.

Some price monitoring software applications promise an “enforcement” component to supplement the tool's monitoring features. But often that enforcement amounts only to send a single notification or warning message to a violator — no escalation plan, no follow-up of any kind. If that reseller ignores the message or persists in violating your policy, your price monitoring software can't offer much else to help protect your brand.

Moreover, many of these software tools advertise their systems as “automated,” but you need to know exactly what each provider means by that. Do they truly offer an automated solution that allows you to simply input your desired settings and leave the rest of the process to the platform? Or will you have to handle some of the work manually on an ongoing basis?

Here are a few related questions you should ask any provider offering price monitoring and enforcement software, to determine both how comprehensive and how truly “automated” their platform is:

- What will our company need to do manually on a daily or weekly basis to ensure the system is operating smoothly?
- Will your system work with the proprietary platforms of the big marketplaces like Amazon and eBay, or will we have to handle those communications in-house?

These are just some of the reasons you should scrutinize any price monitoring software to determine its true level of enforcement and automation. A best-in-class platform will:

- Automatically take screenshots of each violation, and timestamp every image.
- Store all violation screenshots in your account for anytime online retrieval, should you need this as evidence in any legal action.
- Send automatic violation notifications (including an escalating series of messages you choose, in the order and at the frequency you select).

3 Demand a Sales Intelligence Component

A significant value-add of a best-in-class platform for reseller-policy monitoring and enforcement is its ability to compile and organize a wealth of market intelligence relating to your product line. Such intelligence, which you and your team should be able to access anytime through the platform, could serve as a rich source of actionable sales discovery and warm leads.

Yet many price monitoring tools fail to gather this data and make it easily accessible for you to analyze online. Don't overlook these services when investigating software applications, and don't assume every application offers them all.

A best-in-class platform should be able to:

- Provide you up-to-the-minute information about who's selling your products, as well as which products in your line those resellers aren't carrying, so you can approach them and offer those additional products.
- Provide contact and identity information about the vendors you don't know.
- Schedule reports that are sent to you with the valuable information about your market, retailers, and violation status, on the timetables you define
- Track and present detailed sales information on each of the sites carrying your brand so you can analyze which products they are selling.
- Classify your retailers based on Authorized or Unauthorized status, and take automated enforcement action accordingly.
- Allow you to monitor all of your products' online reviews across platforms — from individual eCommerce sites to the big marketplaces like Amazon — so you can easily learn, through a single online location, what customers are saying about your products everywhere.
- Tie into your corporate information systems via data feeds or API integration.
- Take work off your plate and deliver actionable information that puts you in position to not just monitor but grow your Internet sales channel.

Additional Benefits of Deploying an Automated Software Platform for Price Monitoring and Brand Protection

As you might have noticed in the previous section, the right brand protection platform — like the one offered by TrackStreet — delivers your company a wealth of market intelligence that goes far beyond price monitoring.

Our solution can also help your company:

- Uncover sales opportunities with existing resellers. Are otherwise top resellers not carrying some of your best selling items?
- Uncover business-development opportunities with retailers selling your competitors' products but not yours.
- Learn how your products are priced relative to your competitors, so your team can make intelligent pricing and packaging decisions.
- Keep track of how customers are reviewing your products across the Internet, from marketplaces to individual eCommerce websites, and quickly discover and respond to issues, by setting up alerts for one-star reviews or words like “broken” or “doesn't work”, for example.
- Set up alerts customer-review for words like “Excellent” to quickly and easily find product advocates that could be leveraged in case studies or promotions.

Okay, you're convinced: TrackStreet offers the industry's best automated platform for price monitoring and online brand protection. Now what?

TrackStreet's Brand Protection Platform

Getting your company set up with a fully automated program for monitoring and enforcing your reseller policy is fast and easy. Here's what to do next:

STEP 1 Select the right program(s) for your business

The first step is to work with a TrackStreet Brand Protection Expert and, based on your company's unique challenges and needs, identify the right program (or combination of programs) from our solutions, which include:

- Reseller Price Monitoring and Compliance Enforcement
- Market Visibility
- Review Tracking
- TrackStreet Content Everywhere™
- Dealer Management Portal
- Where to Buy
- Authorized Dealer Badging
- Amazon Analytics

If our offerings don't fully address your company's unique situation, we'll customize a program for you.

STEP 2 Send us your product materials

Next, you'll provide us with as much product information as you can, such as:

- Your full product catalog
- As many product attributes as you have — UPCs, keywords, etc.
- Any proprietary product images

The more detail you provide, the more comprehensively we can monitor your brand.

We build your customizable brand protection platform

STEP 3

When we've uploaded your product information into TrackStreet's brand protection system, we'll begin scouring the Internet to get a sense of who's selling your products, and where.

Then we'll build your team a fully customizable online dashboard — where you can monitor your products' presence across the Internet, generate reports anytime regarding your products and even your competitors' products, and establish your own enforcement rules.

We'll host brand-protection training call for your team

STEP 4

Now that we have your fully customizable platform set up, we'll conduct a training call for your team, and walk through how to use the platform. On this call, we'll show you how to:

- Set up rules for alerts triggered if the TrackStreet system catches a violation
- Upload your own notifications for warning notices to violators
- Use part or all of TrackStreet's notice templates, if your team has not drafted its own
- Establish your rules for how frequently the system will send notices to violators
- Set up rules for dealing with third-party marketplaces like Amazon and eBay

Finally: Just flip the switch to activate your brand protection program

When you've made the adjustments to your TrackStreet platform's settings and rules, and your team is ready, all you have to do is flip the "On" switch — and your TrackStreet reseller monitoring and enforcement system goes into effect.

That's it! When you activate your TrackStreet service, you will have the industry's most powerful automated brand protection solution working 24/7/365 to safeguard your brand.

**Want to see how TrackStreet
can help you?**

**We help some of the best brands in the world
to detect policy violations and automate their
enforcement.**

**Schedule a live demo with a
TrackStreet Brand Protection Expert
www.trackstreet.com/demo**

TrackStreet

Protect and Grow Your Brand