



Prestige Brands

RETAIL & LOGISTICS

GUIDANCE FOR BRAND PARTNERS

Minimum advertised price *policy.*

How to write a MAP policy that holds up, how to monitor it without drowning in it, and what we do on our side of the shelf.

Price is part of the *product*.

A customer who watches your item fall from \$34.99 to \$22.40 over six weeks does not conclude that they found a bargain. They conclude that \$34.99 was never the real price. Once that happens, the discount is not a promotion any more. It is the new ceiling.

What the drift actually costs you

- ◆ **Margin, everywhere at once.** Marketplace pricing is public. A price cut on one channel is a price cut on all of them within days.
- ◆ **Your good retailers.** The partners who merchandise properly, hold stock and answer the phone are the ones a discounter free rides on. They notice, and eventually they stop reordering.
- ◆ **The buy box, to the wrong seller.** Whoever is cheapest usually wins it. That is often the seller with no inventory investment, no service and no interest in your brand next year.
- ◆ **Your own negotiating position.** It is difficult to hold a wholesale price when the street price has already collapsed.

THE CORE IDEA

A MAP policy does not set the price anybody sells at. It sets the lowest price a reseller may **advertise** publicly. Resellers stay free to sell at whatever price they choose, and to discuss lower prices privately, in cart or by quote. That distinction is the whole reason the mechanism works.

What a policy will not fix

MAP is a pricing discipline, not a distribution strategy. If your product reaches the market through channels you never approved, the policy gives you a reason to act but it does not close the leak. Diversion is a separate problem and it is usually solved further upstream, at the distributor or the account that is transshipping.

It also will not do anything on its own. A policy that is written, published and never enforced is worse than none at all, because it establishes on the record that you tolerate violations.

Policy, not *agreement*.

This is the single most important structural point, and it is where most homemade policies go wrong.

A MAP policy is normally structured as a **unilateral policy**. You announce the terms, and you decide independently whether to keep selling to a reseller who does not follow them. What you avoid is negotiating, bargaining or reaching any mutual understanding with a reseller about the price they will advertise.

The moment a policy becomes a two way agreement about price, it moves into materially riskier legal territory. That is why the language matters as much as the substance.

LANGUAGE THAT FITS A POLICY

- ◆ "Prestige announces the following policy."
- ◆ "We will decide unilaterally whether to continue supply."
- ◆ "No agreement or acknowledgement is requested."
- ◆ "This policy may be modified or withdrawn at any time."

LANGUAGE THAT UNDERMINES ONE

- ◆ "Reseller agrees to maintain pricing at..."
- ◆ "Sign and return to confirm acceptance."
- ◆ "We will discuss exceptions case by case."
- ◆ "In consideration of the discount, you will..."

Antitrust treatment of resale pricing is fact specific and varies by state. Several states apply stricter rules than federal law. Have counsel review your policy before you publish it, and again before you act on a repeat violation. This document is practical guidance from a reseller's point of view, not legal advice.

Keep enforcement one sided in practice too

Route every violation through one person or one inbox. Give the same notice, on the same schedule, for the same conduct, and write down what you did. A policy applied consistently is defensible. A policy applied to the accounts you are annoyed with is not.

What a workable policy *contains*.

Nine elements. If yours has all nine and you follow them, you are ahead of most of the brands we buy from.

- 01 **Scope.** Which products, which SKUs, which regions and which channels. Name them. "All products" ages badly the moment you add a line.
- 02 **The MAP price itself.** A published figure per SKU, held in a dated schedule that is versioned rather than edited in place.
- 03 **What counts as advertising.** Marketplace listing pages, your resellers' own sites, search and social ads, email, print, in store signage, comparison engines. Say explicitly whether in cart and add to cart pricing is out of scope. Most policies exempt it, and that exemption is what keeps resellers free to compete.
- 04 **Notice period.** How much warning before a price change takes effect. Thirty days is normal and gives resellers time to reprice.
- 05 **Promotional windows.** When MAP is temporarily lowered, for how long, and who is eligible. Announce these on a calendar rather than ad hoc.
- 06 **Bundles and multipacks.** How MAP is calculated when the item is sold as part of a set. Ambiguity here is the most common honest violation.
- 07 **Free shipping and coupons.** Whether a stacked coupon or a shipping credit that takes the effective advertised price below MAP counts as a violation. Decide, then say so.
- 08 **Consequences.** The specific steps you take, in order, and the timeframe for each.
- 09 **Administration.** The single contact for questions, the effective date, and a version number.

The mistakes we see most

- ◆ No SKU schedule, so nobody can tell what the MAP price actually is
- ◆ Silence on bundles, which every reseller then interprets in their own favor
- ◆ Consequences written as "up to and including termination" and never used
- ◆ A policy published once in 2019 and never versioned since
- ◆ Exceptions granted informally by a salesperson, which quietly turns the policy into an agreement

Monitoring and *enforcement.*

Enforcement is a records problem before it is a legal one. What decides the outcome is whether you can show what was advertised, by whom, at what price, on what date.

What to capture on every violation

FIELD	WHY IT MATTERS
Seller identity	Storefront name, seller ID, and the legal entity behind it where you can get it
Listing and channel	The exact URL or listing identifier, not a description of it
Advertised price	Including shipping and any coupon that changes the effective advertised figure
Timestamp	Date and time observed, with a screenshot that shows both
Duration	How long the price held. A single scrape proves far less than a trend
Supply route	Where the goods most plausibly came from, if it can be established

A workable cadence

Daily automated checks on your top twenty SKUs, weekly across the rest, and a monthly summary that shows direction rather than incidents. Chasing every observation individually is how brands abandon MAP programs. Watching the trend and acting on the persistent offenders is how they keep them.

AN ENFORCEMENT LADDER THAT GETS USED

- ◆ **First observation.** Written notice with the evidence attached and a short correction window, usually 48 to 72 hours.
- ◆ **Second.** Notice plus a hold on open orders until the listing is corrected.
- ◆ **Third.** Supply suspended for a defined period.
- ◆ **Persistent.** Account closed, and the authorized seller listing updated to reflect it.
- ◆ **Unauthorized seller.** A different track entirely. Identify the leak, and take it up with the account that supplied them.

Publish the ladder and follow it in order. Skipping rungs for one account and not another undermines the whole program.

What we do on *our side*.

We are a reseller, not a consultant. Everything above is the standard we ask you to hold us to.

Our commitment as your reseller

- ◆ We advertise at or above your MAP on every channel we sell through, and we do not use shipping credits or stacked coupons to get around it.
- ◆ We buy inventory outright and pay upfront. We are not clearing someone else's stock, and we have no reason to race to the bottom on price.
- ◆ We never return orders once purchased, so a MAP correction never turns into a chargeback for you.
- ◆ We correct a listing within one business day of being told it is out of line, without arguing about it first.
- ◆ We report unauthorized sellers we encounter, with the evidence set out on page 05, asked or not.
- ◆ We tell you when we think a MAP price is wrong for the market rather than quietly ignoring it.

If you do not have a policy yet

That is common and it is not a barrier to working together. We will tell you what we see happening to your pricing across the channels we operate in, and you can decide what to do about it. Several brands we carry wrote their first policy after seeing that picture.

Where to start

STEP	WHAT IT LOOKS LIKE
Weeks 1 to 2	Pull current advertised pricing across every channel your product appears on. Establish the baseline first.
Weeks 3 to 4	Draft the policy against the nine elements, set MAP per SKU, and have counsel review it.
Weeks 5 to 6	Publish with a thirty day notice period. Send it to every account, including the ones you assume are fine.
Week 7 onward	Monitor on the cadence above. Act on the first violation. Judged by what you do that week.

Not legal advice, and not a substitute for review by your own counsel, particularly on the antitrust points on page 03. Questions: purchasing@prestigebrands.us or (617) 657-9067.