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Communications With Distributors, Customers Key to Enforcement Program

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As stated in a [recent post](#), we recommend that companies adopt a three-step approach to tackle unauthorized online sales.

Step one is to revise company policies, procedures and agreements. Step two is to implement a graduated enforcement system designed to actually crack down on and stop the unauthorized sales.

Finally, step three—the focus of this post—is to create and implement a communications strategy targeting both authorized distributors and customers.

Communications with authorized distributors

For companies actively working to stop unauthorized online sales, it is generally beneficial to be candid with their authorized distributors about their enforcement efforts.

Obviously one of the main issues with unauthorized sellers is that they cut into authorized distributors' sales. However, they can also upset the authorized distributors such that the authorized sellers might try to negotiate lower prices and/or ignore MAP policies.

Thus, it is likely in the best interests of a company to communicate to its authorized distributors that (and how) the company is actively working to protect them.

Companies can reiterate their commitment to aggressively identifying, stopping and removing unauthorized sellers. This might include providing specifics of the enforcement actions they are taking to stop these sellers and protect their own authorized distributors.

It is also helpful to share data (i.e. measurable results) from the enforcement program. For example, successes in removing unauthorized sellers.

A company can also demonstrate that a small number of one-off sellers are not materially impacting sales.

Communications with customers

Beyond authorized distributors, there is a lot of benefit to communicating to the actual customers the issues associated with buying products from unauthorized sellers.

Specifically, it is important to communicate that going through unauthorized sellers is simply not a reliable method of purchasing the company's products:

The products might not come with certain services and benefits. They likely lack quality controls. And any products purchased through unauthorized sellers could very well be damaged, expired, altered, counterfeit or possibly dangerous (depending, of course, on the type product).

Communications—whether to distributors, customers or both—can take on a variety of forms. For example: press releases, emails, presentations at distributor meetings, videos, talking points for sales representatives or guarantees or anti-diversion policies published on a company's website.

In sum, a company that invests the time and money to aggressively stop unauthorized sales should not overlook this key step of communicating its efforts to both authorized distributors and customers.

While it is important to educate both groups, it is particularly key for a company to ensure that it is **keeping its authorized distributors happy** and aware of the steps the company is taking to protect them.

For more information, contact Vorys' Illegal Online Seller Enforcement team at 877.545.6905. Read more about the practice at [services-648.html](#) and follow Whitney on Twitter ([@WhitneyCGibson](#)).