White Paper: Minimum Advertised Price (MAP) Policies and Unauthorized Sales

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Minimum advertised price policies, or "MAP" policies, restrict the price at which products can be advertised. In other words, they set the lowest price at which a retailer is allowed to advertise a manufacturer's products—including for internet sales—regardless of the price at which the products might actually be sold.

Thus, by way of example, an authorized distributor of a high-end skin care product might agree not to advertise the product for less than $100, or whatever price the manufacturer sets.

MAP policies are generally effective for keeping authorized distributors from advertising discounts. According to a recent study from Northwestern's Kellogg School of Management, just 15 percent of authorized retailers violate these policies, in contrast to 53 percent of unauthorized sellers.

Sales in violation of a company's MAP policy can cause a number of problems, including the following:

- harming the company's earning potential;
- interfering with its ability to attract and keep its legitimate distributors happy; and
- tarnishing its trademarks and goodwill/reputation.

It is, therefore, important that companies with MAP policies actually enforce them, requiring both monitoring of authorized distributors to ensure compliance, and also to stop unauthorized sellers who divert their products.

In our recently published white paper we discuss strategies for efficiently and effectively combatting unauthorized sales, including the violation of MAP policies.

For more information, contact Vorys eControl team at 877.545.6905. Read more about the practice at services-648.html.