



eCONTROL

**For Nutritional
Supplement Brands**

eControl [noun]

e | con·trol | ē\ kən-'trōl

The process through which brands exert control over their online sales to ensure high-quality distribution and protect brand equity.

Vorys eControl

Integrates multi-disciplinary services including business and legal strategy, investigation, enforcement, technology, data insights, and implementation support to provide comprehensive online sales control solutions that protect brand equity and support long term growth in the eCommerce age.

Recipient of Global Innovation Award from the College of Law Practice Management for our one-of-a-kind, innovative, holistic approach.



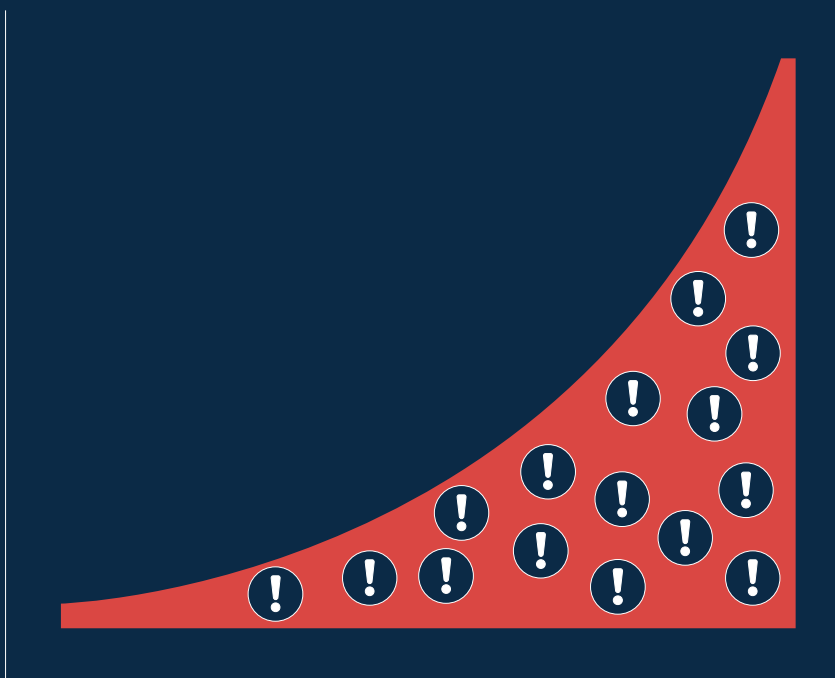
Provides online sales control solutions for over 500 companies in the US and internationally.



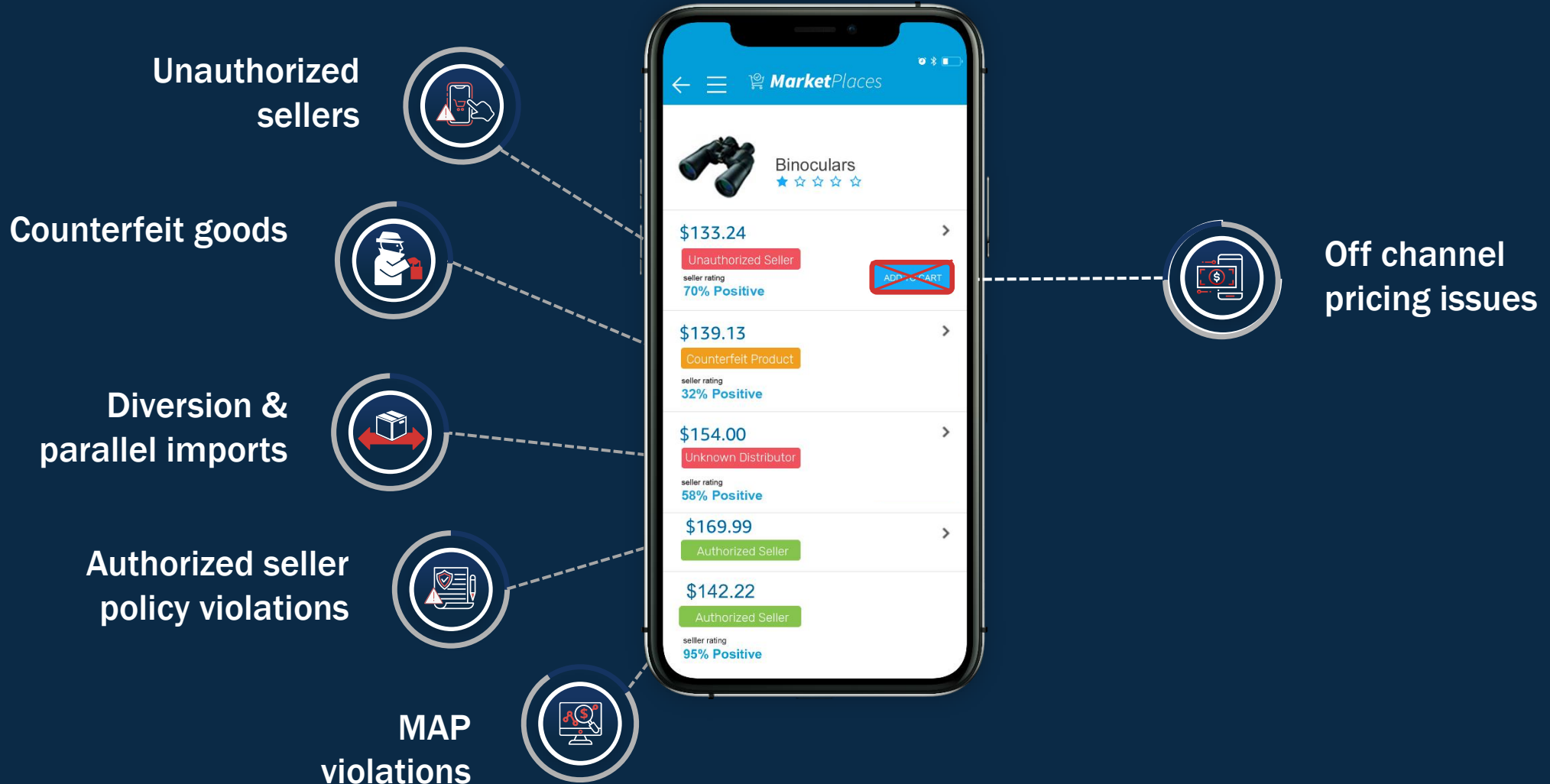
Exponential Ecommerce Growth



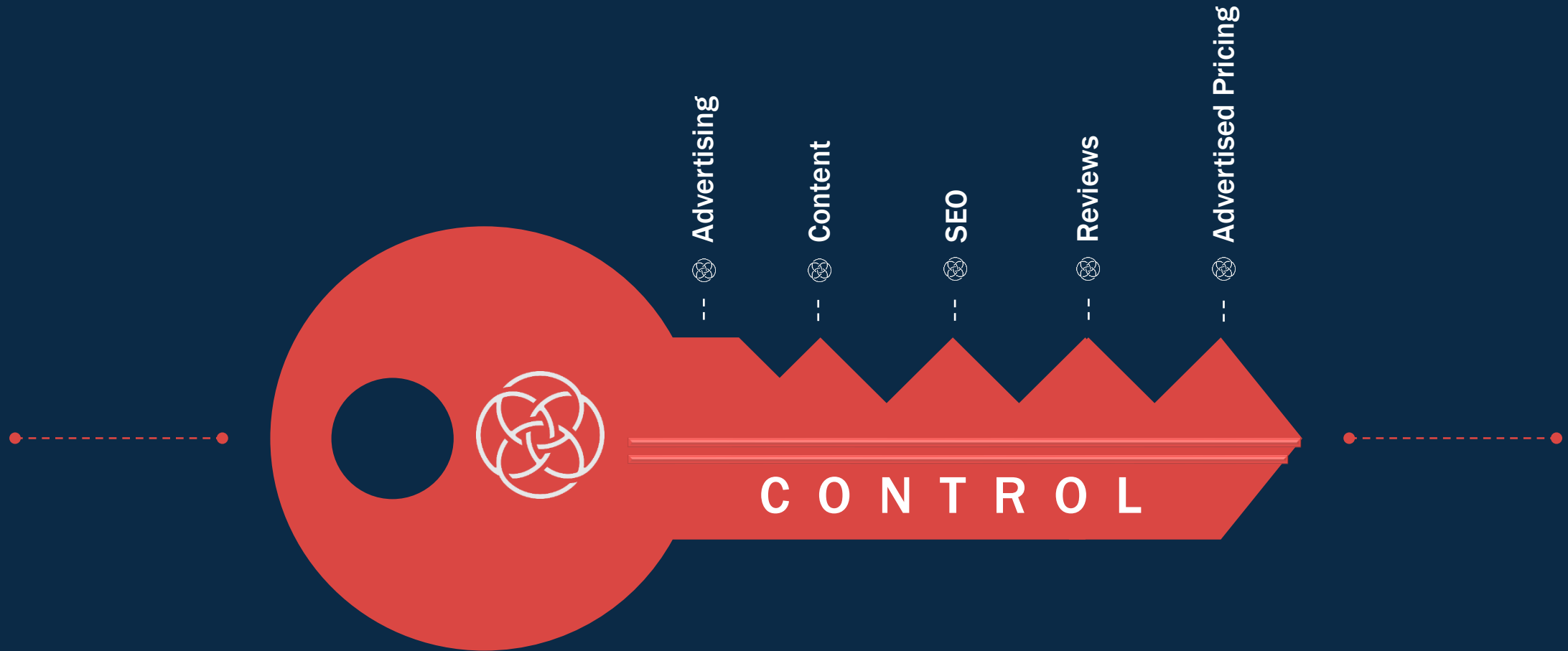
Overwhelming
Number of
Violations Disrupting
Sales & Brand
Value



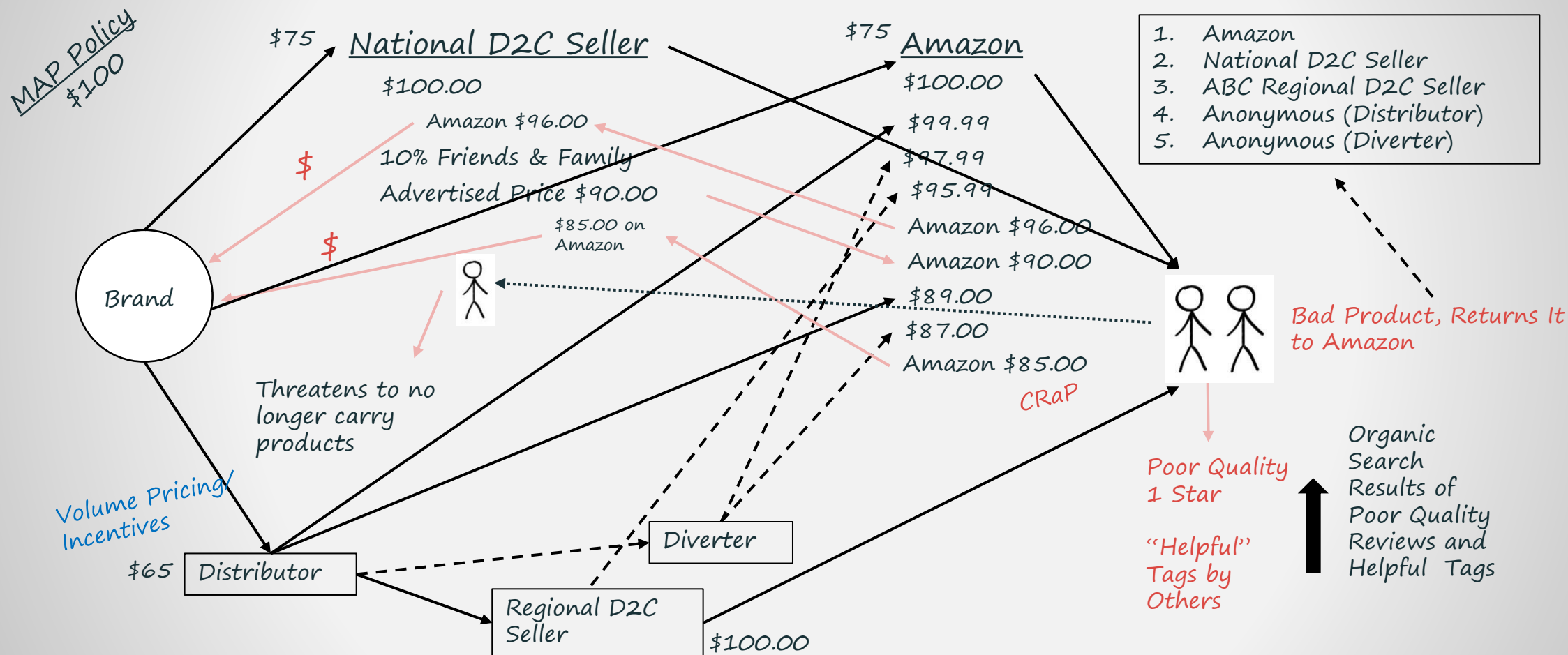
These Violations Are Always Changing



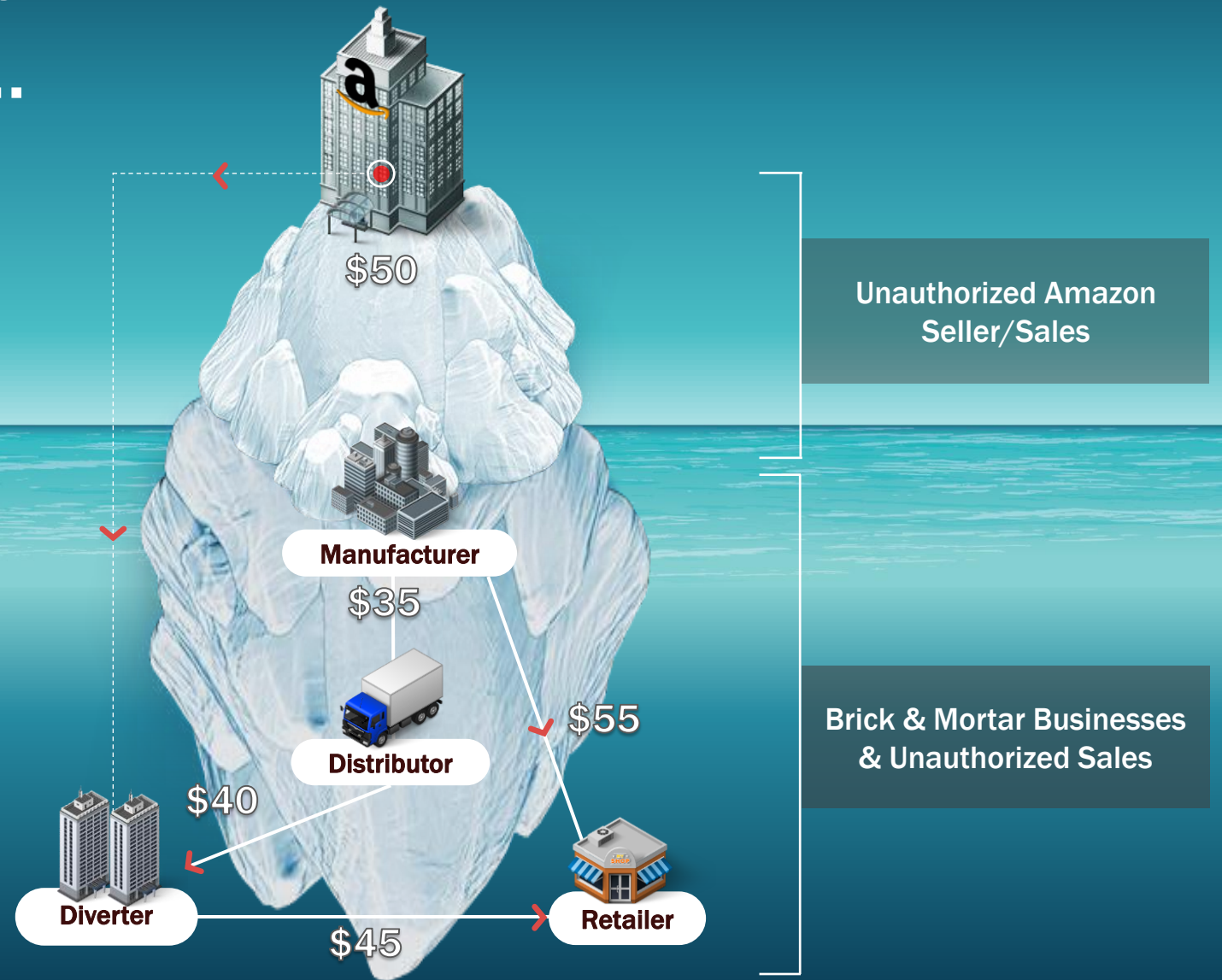
Control is Key to Optimal Marketplace Sales



...And Is Also Key To Preventing Omni-Channel Disruption



Brands Must Approach Problem Holistically...



The Nutritional Supplement Category is Susceptible to Online Disruption



BRAND

image,
brand quality &
consumer experience
are critical



COMPETITION

is fierce



RISKS

Significant
diversion risks
•
Small package sizes
•
Higher price points



DISTRIBUTORS

Major distributors
supply professional
eCommerce sellers



The Category Faces Threats From Many Different Types of Violators...



**Professional
grey market
sellers**



**Retailers/
distributors
dumping excess
inventory**



Hobby sellers



**People buying
liquidated
products and
reselling**



One-off resellers



**Authorized
sellers selling in
unauthorized
locations**



Counterfeiters



**Amazon
sourcing from
unknown place**



Criminals



**MAP violators,
and on, and on...**

These Violators All Have Varying Impacts on Brands...



Some take a lot of
sales, others very
little



Some cause
serious price
disruption, others
very little



Some sell products
low quality that
harm review scores,
others don't



Some cause
negative reviews
that harm brand
score, others don't

How Do I Fix Brand Erosion & Problems From Unauthorized Sales on Marketplaces?





**If the only tool you have is a hammer,
you tend to see every problem as a nail.**

Abraham Maslow (1908-1970)



There is a limited amount of

BUDGET & TIME

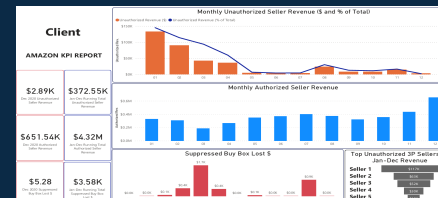


that brands can spend addressing
online violations

Precision eControl



Analytics,
Science
Algorithms



Precision eControl Data & Insights

eControl Industry Specialist



Team of Experts



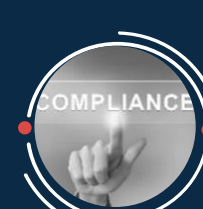
Legal foundation team



Channel management



Investigators



Enforcement center



Ecosystem of global partners

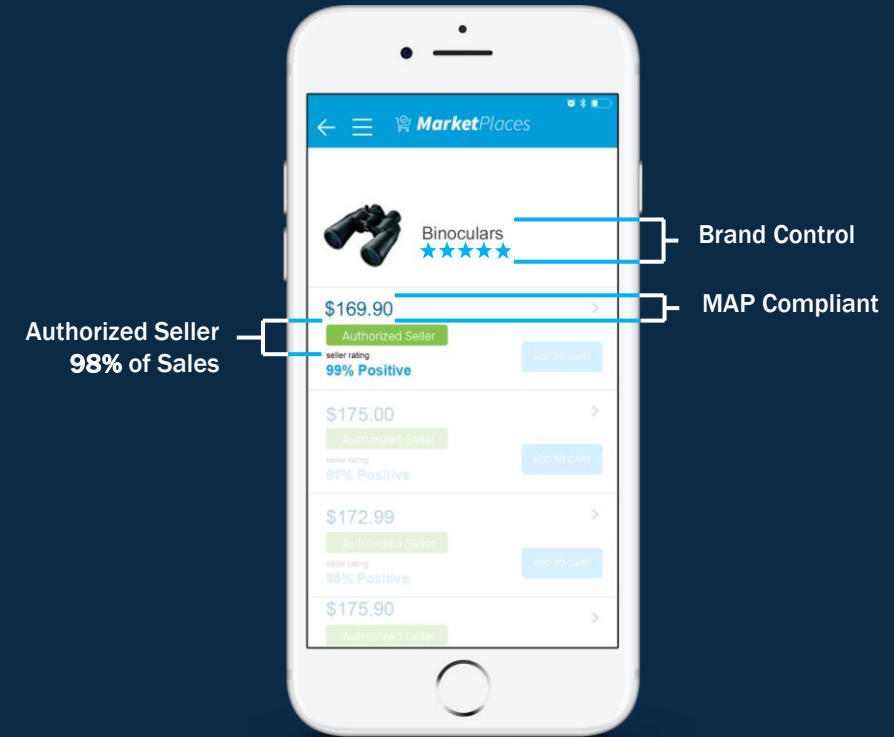
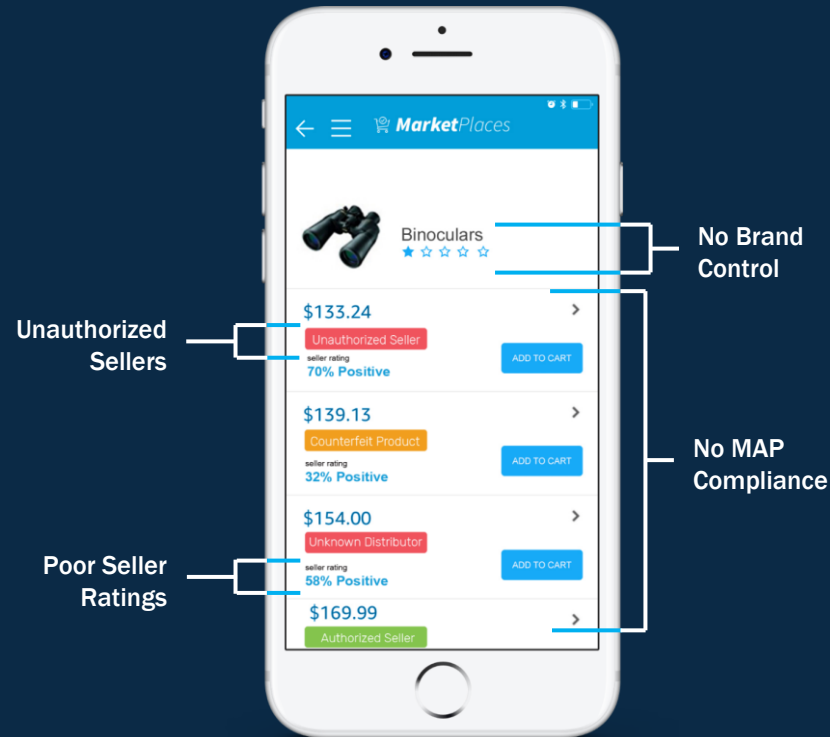
Enables Custom & Holistic Precision eControl Solutions





Define KPIs & Go-to-Market Strategy

Optimal Marketplace KPIs



Brand Equity
Erosion



Upset
Channels



Lost
Sales



Negative
Reviews



Increased
eCommerce Sales



Protect Brand
Value



Eliminate
Channel Conflict



Stop Unauthorized
Sales

Develop Online Marketplace Sales Strategy

Key Considerations

Product Strategy



- Entire catalog?
 - Only portions of catalog?
-

Sales Strategy



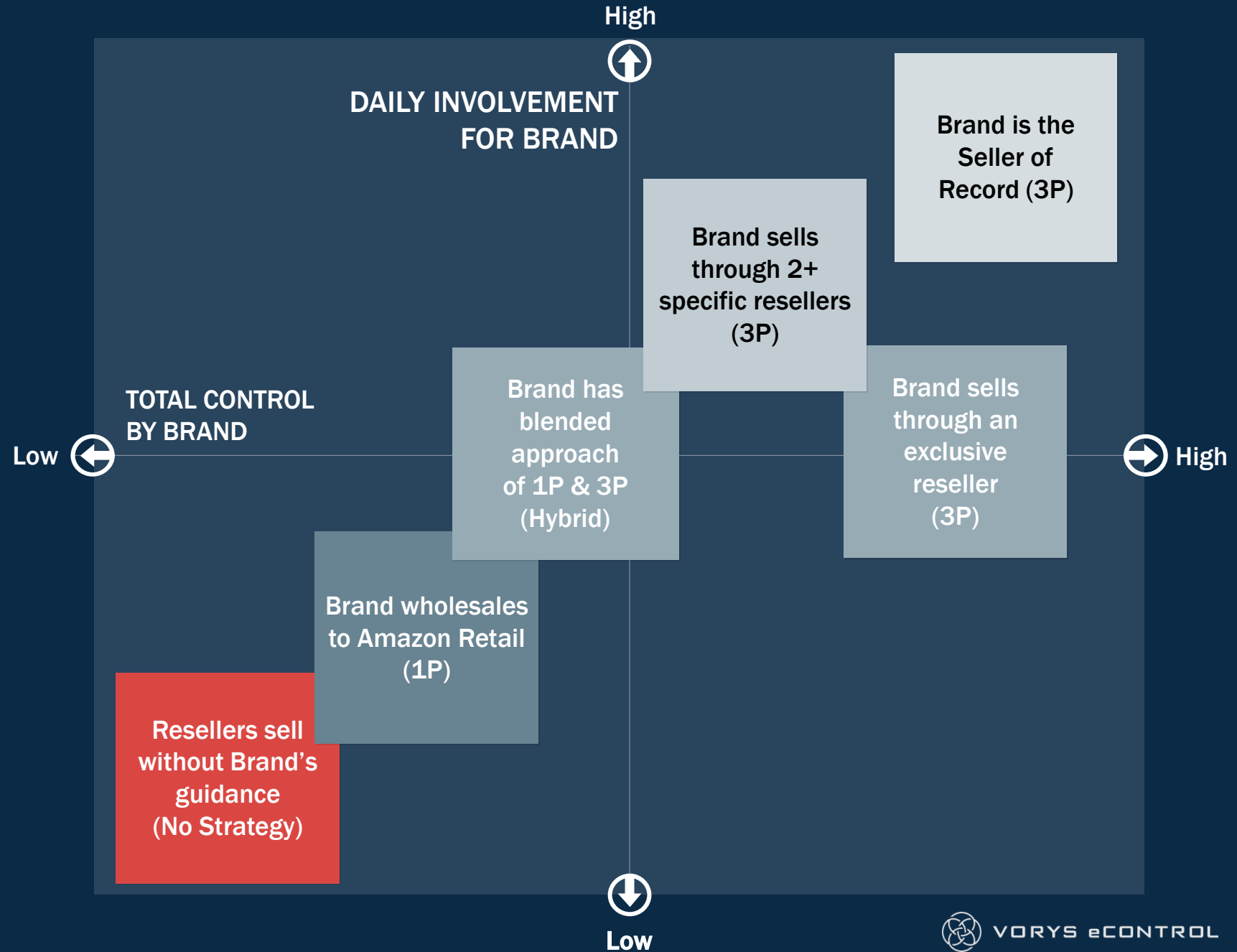
- Multiple marketplaces?
 - Unique sellers aligned to distinctly unique assortments?
-

Seller



- Amazon 1P or
- Brand 3P storefront or
- Expert 3P seller

Determine The Level Of Desired Marketplace Selling Control



Obtain Key Stakeholder Alignment





**Authorized Reseller
Program**

Authorized Reseller Program



Provides means to
identify and manage
authorized sellers
those who buy products from
Brand or Authorized Distributor

Policies/agreements must cover
all sales channels and all levels of distribution

Policies/agreements will:

- ✓ Establish **channel controls** – the rules regarding where, how and to whom products may be sold
- ✓ Serve as vehicle for conveying **quality controls and customer services expectations**

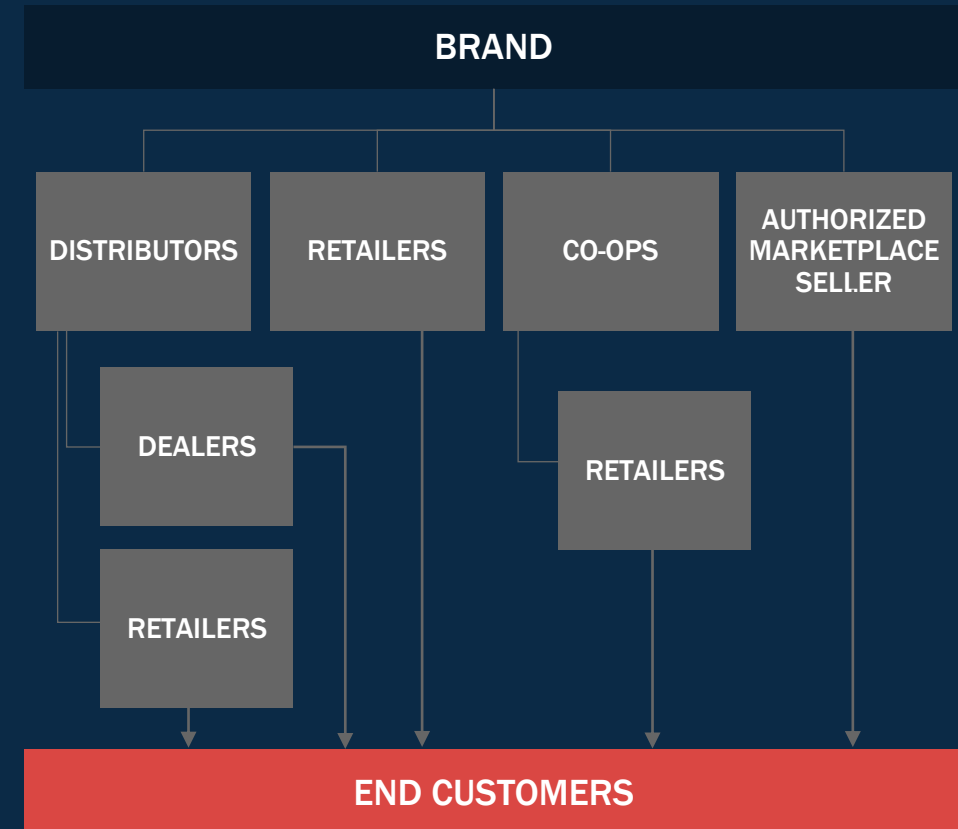
Authorized Reseller Program Enables a Deliberate Channel Strategy



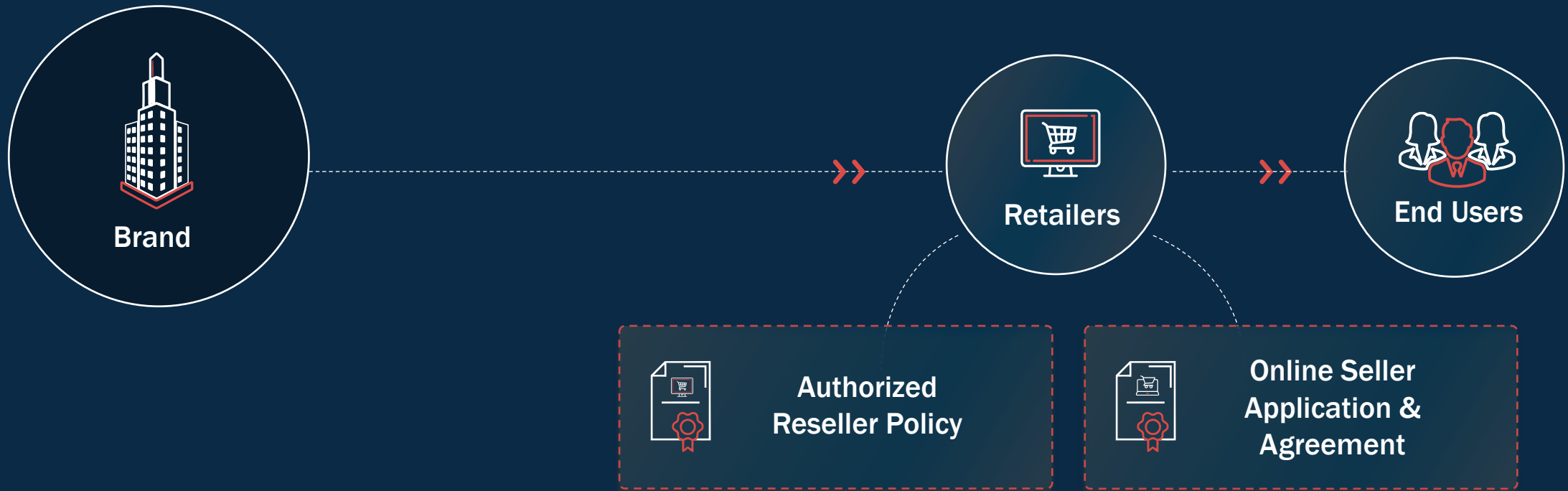
FROM THIS....



TO THIS...



Direct-To-Retailer Channel Example



Authorized Retailer Policy

KEY PROVISIONS



Recipients

- All retailers



Implementation

- No signature required
- Brand provides directly to the retailer



Permissible Customers

- Sell only to End Users
- No sales to any person or entity for purposes of resale
- Territory - U.S. only



Online Sales

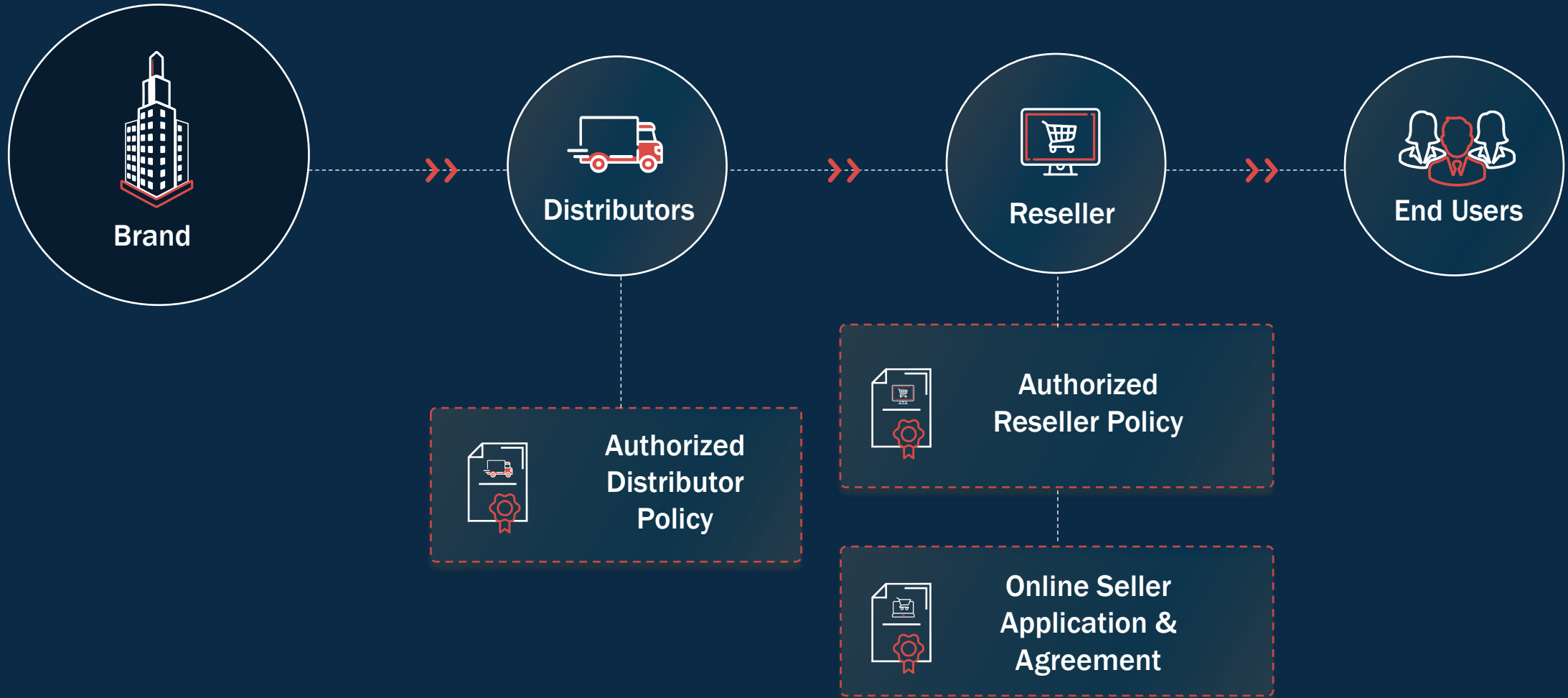
- Sell on own proprietary website (ABC Retailer operates www.ABCretailer.com)
- No sales as third-party sellers on marketplace websites without Brand's consent through Online Marketplace Seller Agreement



Quality Controls & Customer Service Requirements

- Baseline Product Quality Controls applicable to all sales
- Online Sales Quality Controls applicable to proprietary website sales

Two-Step Distribution Channel Example



Authorized Distributor Policy

KEY PROVISIONS



Recipients

- All Distributors



Implementation

- No signature required



Permissible Customers

- Sell only to Authorized Resellers
- No sales to End Users
- No sub-distribution without consent
- No sales to entities that operate online marketplaces (e.g., Amazon)
- Territory – U.S. only



Online Sales

- No sales on publicly accessible websites (websites intended to transact with ultimate consumers)
- May sell to Authorized Resellers through online order portal (no product pricing info displayed without logging in)



Quality Controls & Customer Service Requirements

- Baseline Product Quality Controls applicable to all sales



Other

- Provide applicable policies/info to Authorized Resellers

Authorized Reseller Policy

KEY PROVISIONS



Recipients

- All Resellers (customers of distributors)



Implementation

- No signature required
- Distributor provides to the Reseller



Permissible Customers

- Sell only to End Users
- No sales to any person or entity for purposes of resale
- Territory - U.S. only



Online Sales

- No online sales without Brand's consent through Online Seller
- Application and Agreement



Quality Controls & Customer Service Requirements

- Baseline Product Quality Controls applicable to all sales

Online Seller Application And Agreement

KEY PROVISIONS



Recipients

- Only Resellers (customers of distributors) that wish to sell online



Implementation

- Signature required
- Reseller requests Application from the Brand/Online Application



Application

- Seller provides business information (fulfilment, operating history, sources)
- Seller identifies requested websites/marketplace storefronts
- Brand evaluates seller and websites and decides whether to authorize



Agreement

- Identifies approved websites/storefronts
- Seller agrees to sell only on approved websites' storefronts
- Seller agrees to follow Online Sales Guidelines
- If applicable, Seller agrees to follow Online Marketplace-Specific Quality Controls

Online Marketplace Seller Agreement

KEY PROVISIONS



Recipients

- Only Retailers who Brand authorizes to sell on third-party online marketplaces



Implementation

- Signature required



Authorization

- Identifies approved marketplaces and storefront names



Quality Controls & Customer Service Requirements

- Specifies Online Marketplace-Specific Quality Controls and Customer Service Requirements

Key Practices for Category Brands

Strong anti-diversion provisions

Careful oversight of order volumes
/ impose quantity limits on new accounts

KEY PRACTICES



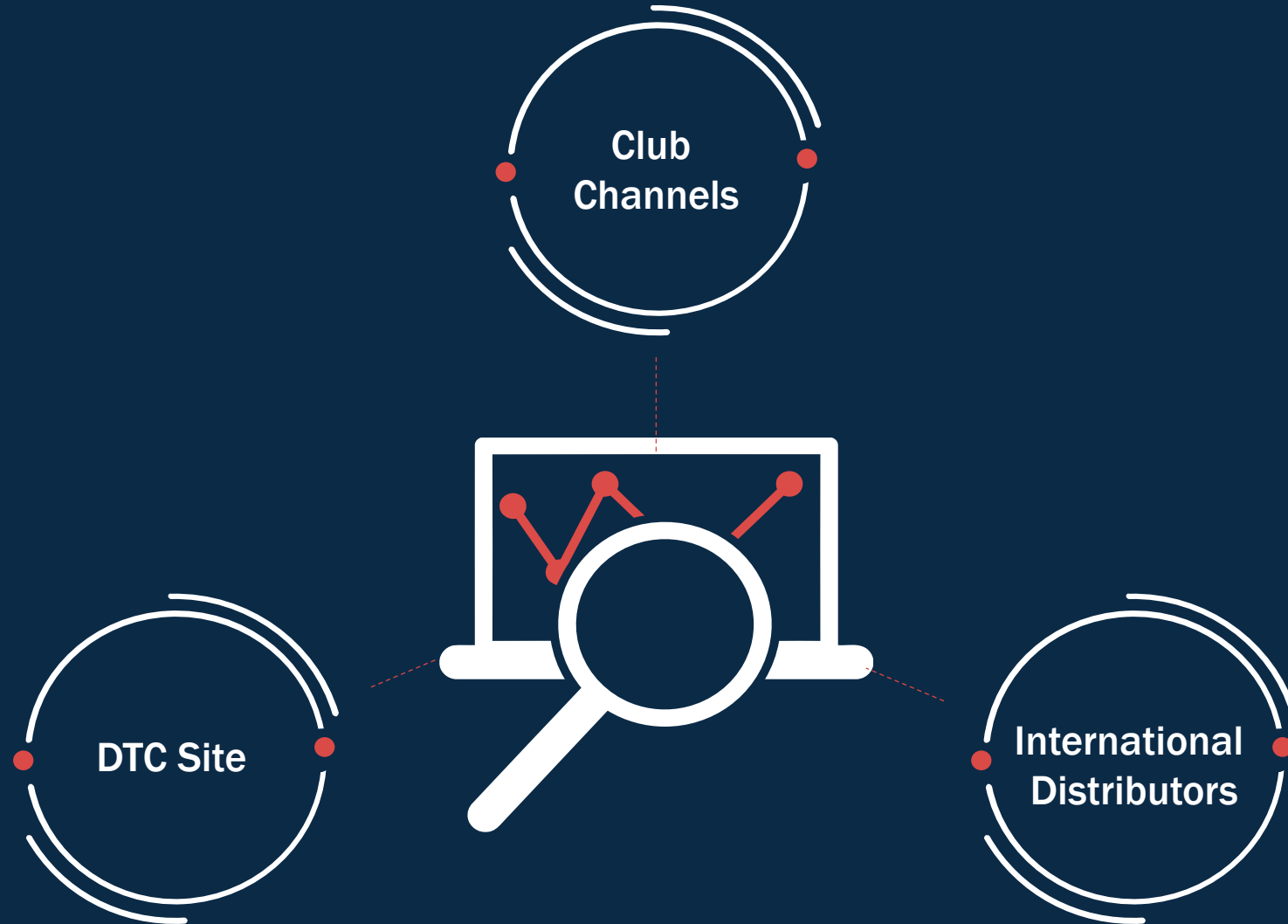
Condition rebates / incentives on sell-through data

Careful vetting of new accounts
(particularly professional and direct sales brands)

For direct sales brands

- prohibit marketplace sales -
- prohibit sales to known resellers -
- require periodic sell through data -
- inventory buybacks for terminated consultants -

Pay Close Attention to Other Potential Problem Areas:





MAP Policies & Programs

Implement Effective MAP Policy



MAP Policy is a Tool,
Not a Strategy

Complements foundation established by Authorized Reseller Program and grey-market controls

Design a MAP Policy that:

- ✓ Complies with law
- ✓ Covers appropriate products and advertising
- ✓ Brand is willing to enforce consistently

Implement at the right time

Implement Effective MAP Policy



**MAP Not Appropriate
for All Products**

Focus on:

- ✓ **Products at higher price points**
- ✓ **Products that differentiate brand in the market (innovative, new)**
- ✓ **Products with strong brand value or a premium image that brand wishes to protect**

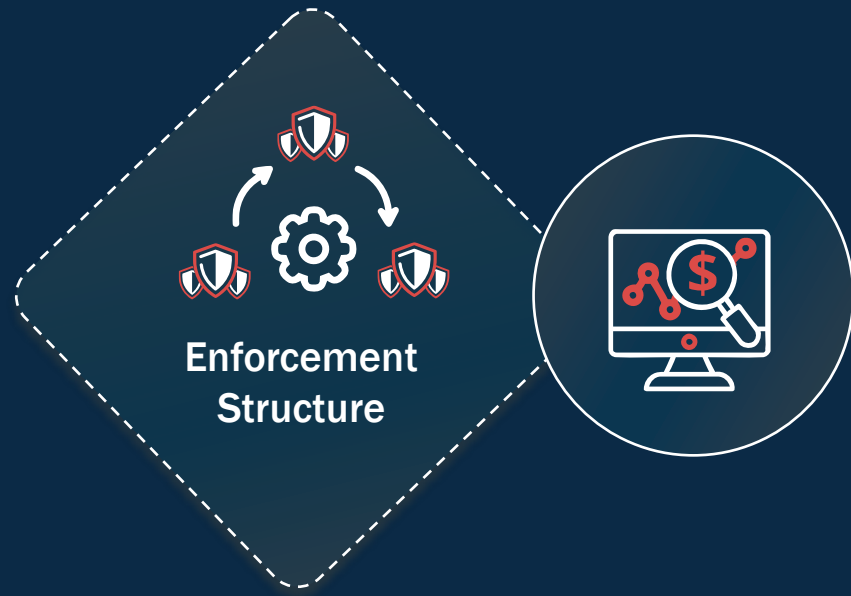
Implement Effective MAP Policy



Mitigate risk under federal and state antitrust laws by:

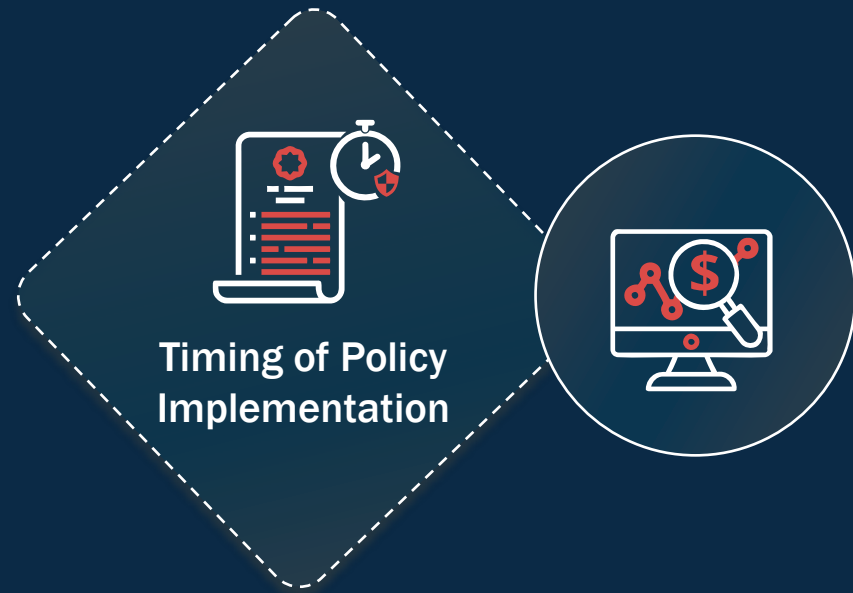
- ✓ Making all decisions unilaterally
- ✓ Training sales team and MAP Administrator
 - MAP Administrator handles all MAP-related communications
 - No discussions with channel partners regarding compliance
- ✓ Avoiding agreements

Implement Effective MAP Policy



- ✓ Consequences should be applied consistently, regardless of violator or egregiousness of violation
- ✓ Consequences must be applicable to both direct customers and indirect customers
 - Indirect through “Do Not Sell” List
- ✓ Avoid consequences that could be deemed coercive (e.g., loss of discounts)
- ✓ Avoid “menu” approach

Implement Effective MAP Policy



- ✓ Consider suspending MAP or delaying implementation until *after* channel clean-up
- ✓ Premature implementation penalizes authorized retailers that are matching unauthorized sellers
- ✓ Align MAP Holidays to Common Promotional Periods



**Unauthorized Seller
Legal Foundation**

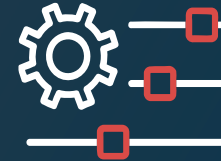
First Sale Doctrine

It is legal to buy and resell
legitimate products without
repercussion in the United States

Exceptions to The First Sale Doctrine



Material Differences
Exception



Quality Control
Exception

Material Differences



Subtle differences most
easily confuse customers.

One difference is sufficient.

Material Differences Don't Have to be Physical



Warranty



Satisfaction Guarantee



Packaging



Product Tracking



Loyalty Program Benefits



Instructions



Customer Service Information



Promotion Codes

Warranty/Satisfaction Guarantee

- Well-recognized by courts as strong material difference
- Limit warranty or guarantee for products purchased from Authorized Sellers
- Implement internal policies/procedures to effectuate limitation in practice
- Train customer service reps on questions to ask and how to handle exceptions to policy
- Ensure compliance with all applicable laws

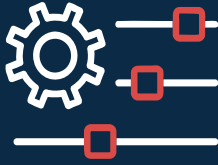
**Magnuson-Moss
Warranty Act**

**FTC Advertising
Regulations**

**Consumer
Protection Laws**

**New York General
Business Law 369-B**

Quality Control Exception

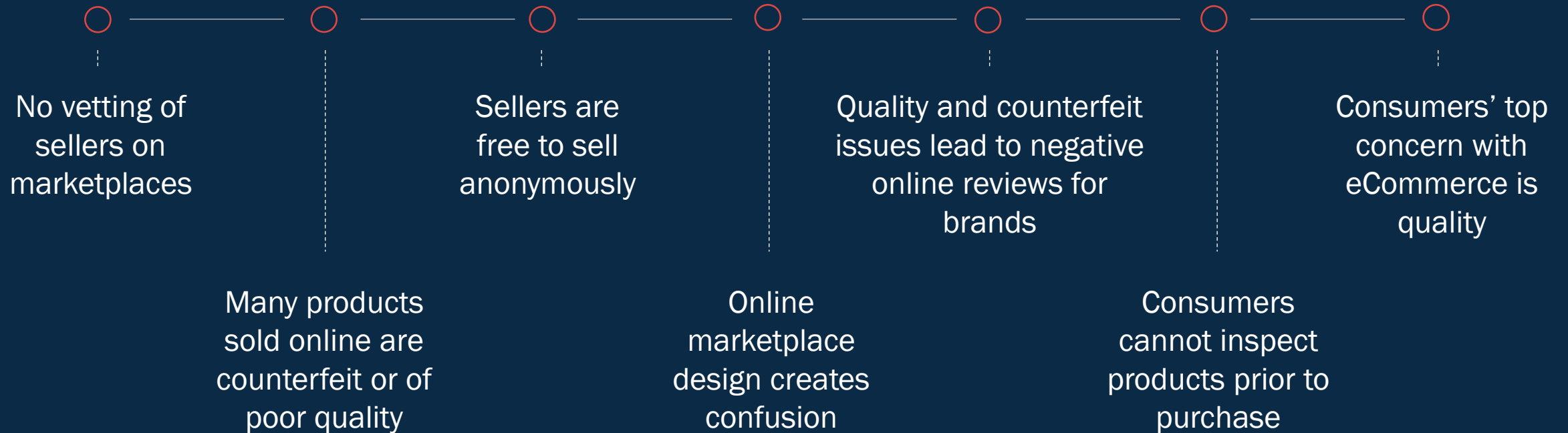


The first sale doctrine does not apply when products being resold are not subject to a company's quality controls

For This Exception To Apply

- ✓ A company must have quality controls that are legitimate, substantial, and not pretextual;
- ✓ The company must follow its quality control procedures; and
- It must be shown that sales of products that do not abide by the quality controls will create a likelihood of confusion and diminish the value of the company's trademark(s);
- ✓ Courts hold that, like with material difference exception, a likelihood of confusion is presumed if a seller is selling products that are not subject to a company's legitimate quality controls.

Age of eCommerce Calls For Heightened Quality Controls



Quality Control Program



Baseline Quality
Control Standards

All Authorized Sellers of a Brand's Products must:

- Inspect products for damage/defect
- Adhere to recommended storage guidelines
- Maintain product freshness/expiration standards
- Not repackage products or alter product labels or packaging
- Cooperate with Brand in event of a recall
- Possess product knowledge requirements
- Promptly respond to customer inquiries
- Assist Brand in investigating quality issues associated with seller's sales

Quality Control Program



Heightened Quality Control
Standards for Online Sellers

All Authorized Online Sellers must:

- Not sell anonymously - approved websites must identify seller and provide contact information
- Maintain accurate, up-to-date product descriptions/images
- Gain approval for any use of third-party fulfilment services
- Respond to customer inquiries within 24 hours
- Deliver fast, reliable shipping
- Adhere to special packaging or handling requirements
- Cooperate in resolving negative reviews
- Adhere to data security, privacy, accessibility laws and industry standards

Quality Control Program



Additional Quality Control
Standards for Online
Marketplace Sellers

All Authorized Online Marketplace Sellers must:

- Ensure no commingling of inventory
- Opt out of Amazon refurbishment programs
- List products only on approved ASINs (Amazon)
- Report seller performance metric data to Brand each month
- Maintain acceptable seller feedback score
- Purchase products only from the Brand

Quality Control Program



Ensure Compliance Through
Quality Control Auditing
Programs

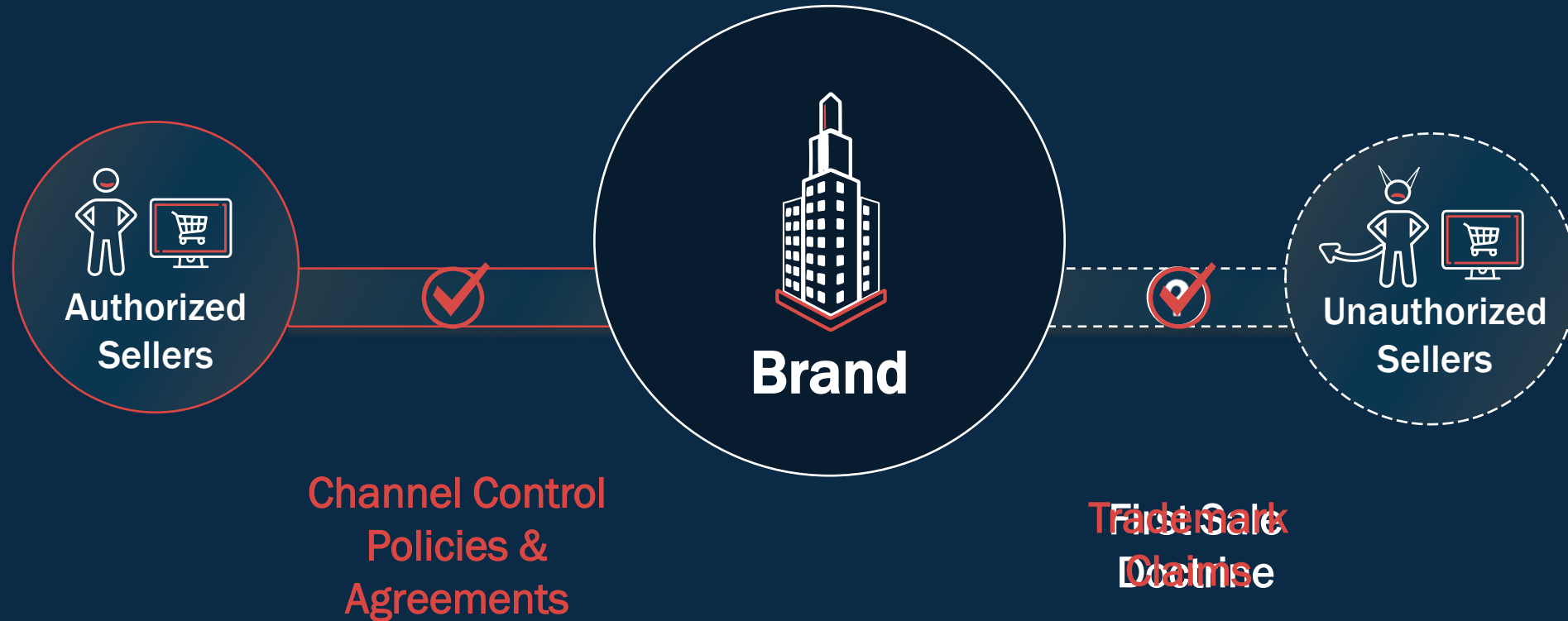
Online Quality Control Audits:

- Monitor product and seller reviews
- Test purchases from authorized sellers
- Review websites for compliance with content requirements

Brick-and-mortar Quality Control Audits:

- Inspections by sales team members or third-party vendor

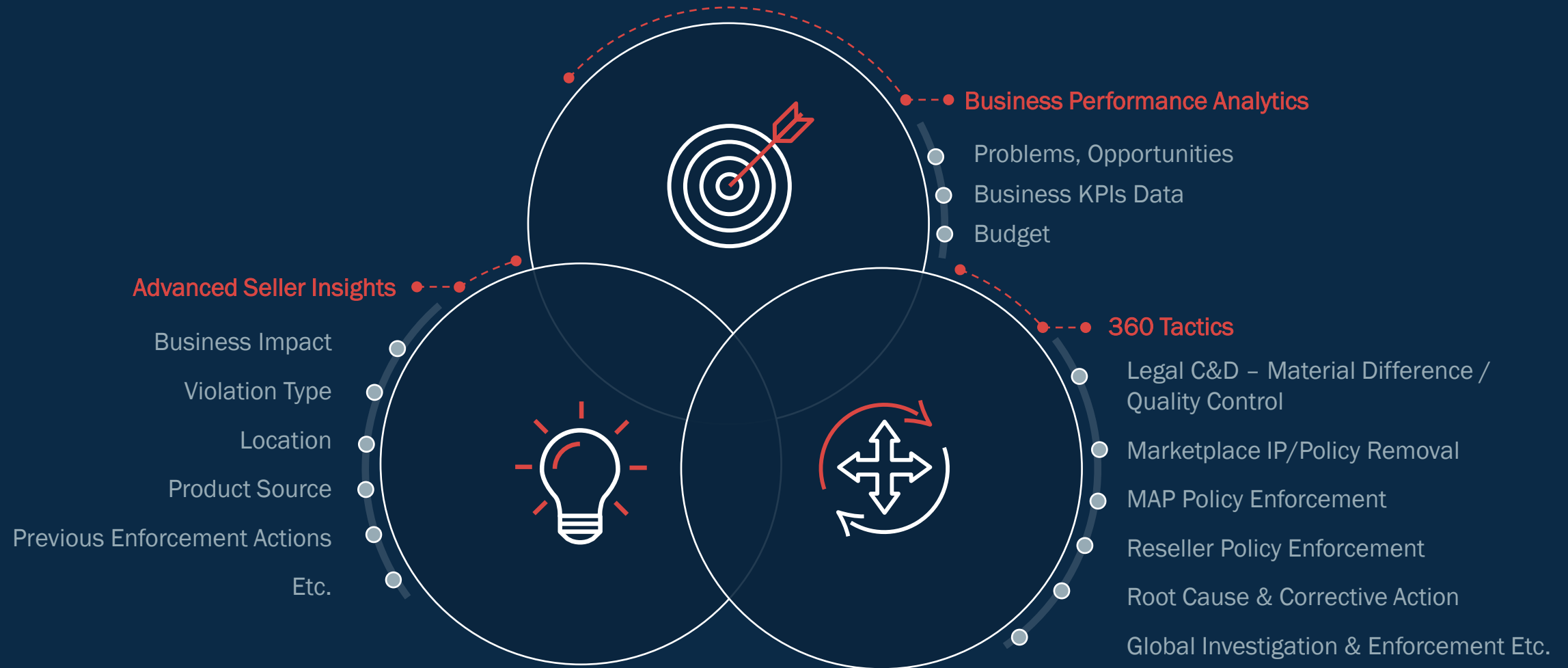
Controlling Online Sales





Data-Driven Precision Enforcement

Precision eControl



Optimal eControl Performance



Our Team of Experts is Obsessed with Surfacing Data-Driven Insights for Our Clients

We have invested deeply in Data, Science, Technology and Process Design to create and continually evolve a comprehensive end-to-end solution for our clients



Meera Butler

Director of Data
Science & Analytics



Denise Zmuda

COO & Channel
Management Expert



Jennifer Yeazel

CIO



Amanda Day

Portfolio Manager &
Lean 6 Sigma Expert

Precision eControl: Insight Generation



**Data
Aggregation**



**Analytics, Science
Algorithms**



**Key
Insights**

Marketplace Sales Data

Seller Intelligence

Client Account Data

Pricing Data

Performance Data

Review Data

Etc

Amazon Buy Box %

**Amazon Sales & Price Disruption Score
for Each Seller**

Suspect Counterfeit

Source of Sellers Products

Enforcement Intelligence

Amazon 3P Sales & Profit Estimates

Vorys eControl's Unique Volume & Scope of Aggregated Data

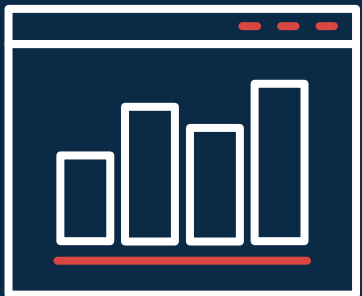


960,000+ Seller & Diverter IDs

60,000+ enforcement actions

330,000 sellers + 350,000 Products Actively monitored up to 96 times per day across 100+ marketplaces/Websites.

Business Performance Analytics



Client

AMAZON KPI REPORT

\$2.89K

Dec 2020 Unauthorized
Seller Revenue

\$372.55K

Jan-Dec Running Total
Unauthorized Seller
Revenue

\$651.54K

Dec 2020 Authorized
Seller Revenue

\$4.32M

Jan-Dec Running Total
Authorized Seller
Revenue

\$5.28

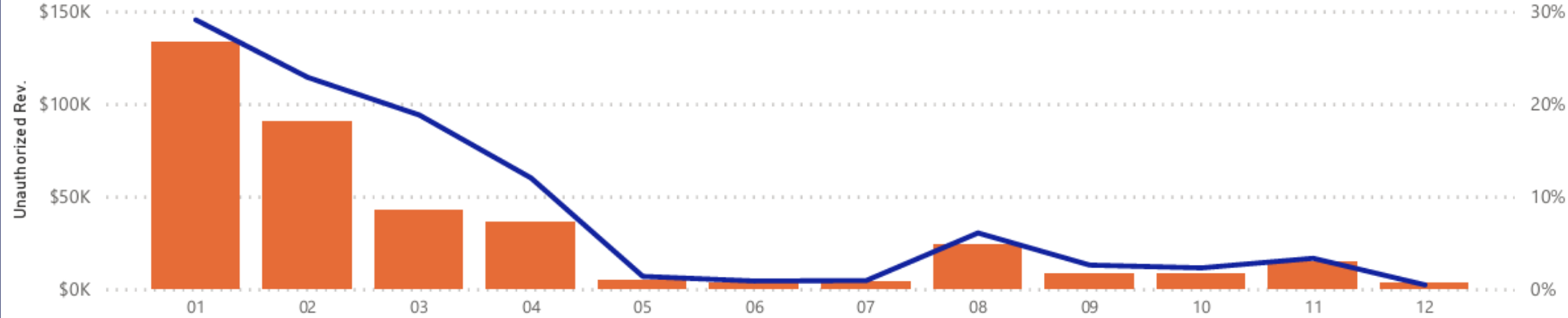
Dec 2020 Suppressed
Buy Box Lost \$

\$3.58K

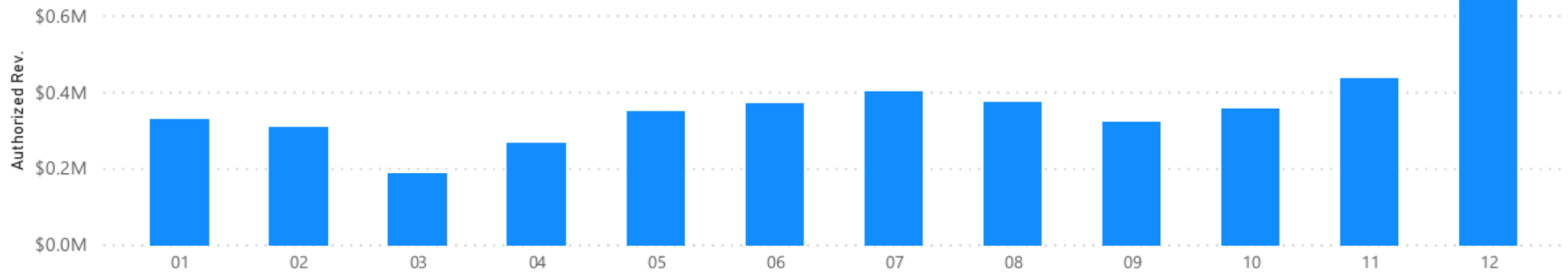
Jan-Dec Running Total
Suppressed Buy Box
Lost \$

Monthly Unauthorized Seller Revenue (\$ and % of Total)

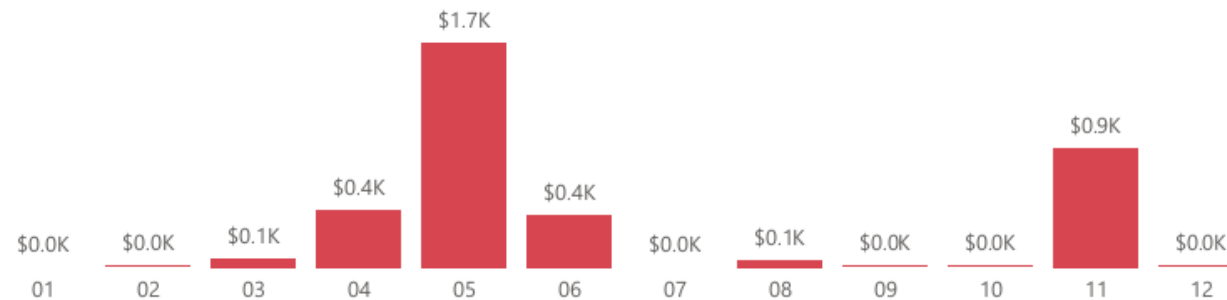
Unauthorized Revenue (\$) Unauthorized Revenue (% of Total)



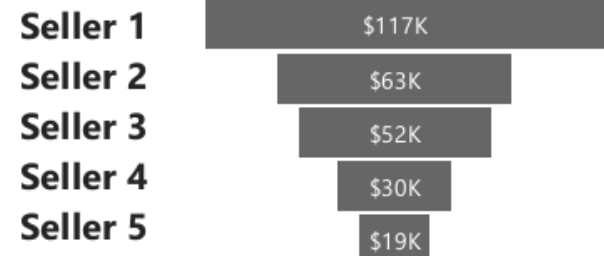
Monthly Authorized Seller Revenue



Suppressed Buy Box Lost \$



Top Unauthorized 3P Sellers by Jan-Dec Revenue



\$0.17

Dec 2020 Average Difference
Between MAP and Sale Price
for MAP ASINs

\$0.12

Jan-Dec Average Difference
Between MAP and Sale Price
for MAP ASINs

\$15.23

Dec 2020 ASP Across All
Tracked Products

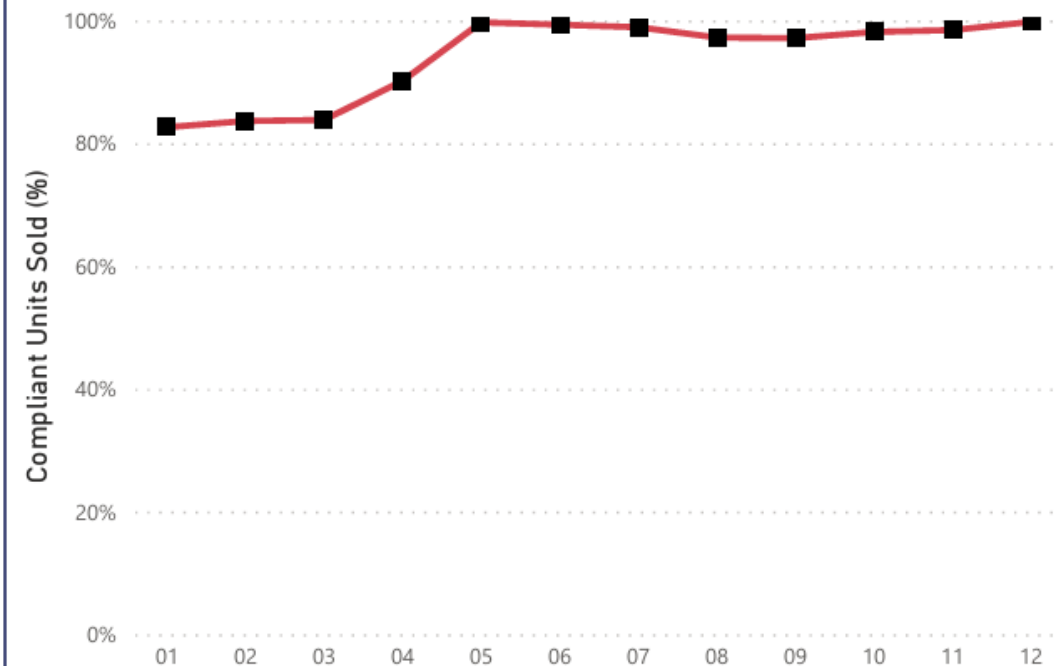
\$15.24

Jan-Dec ASP Across All
Tracked Products

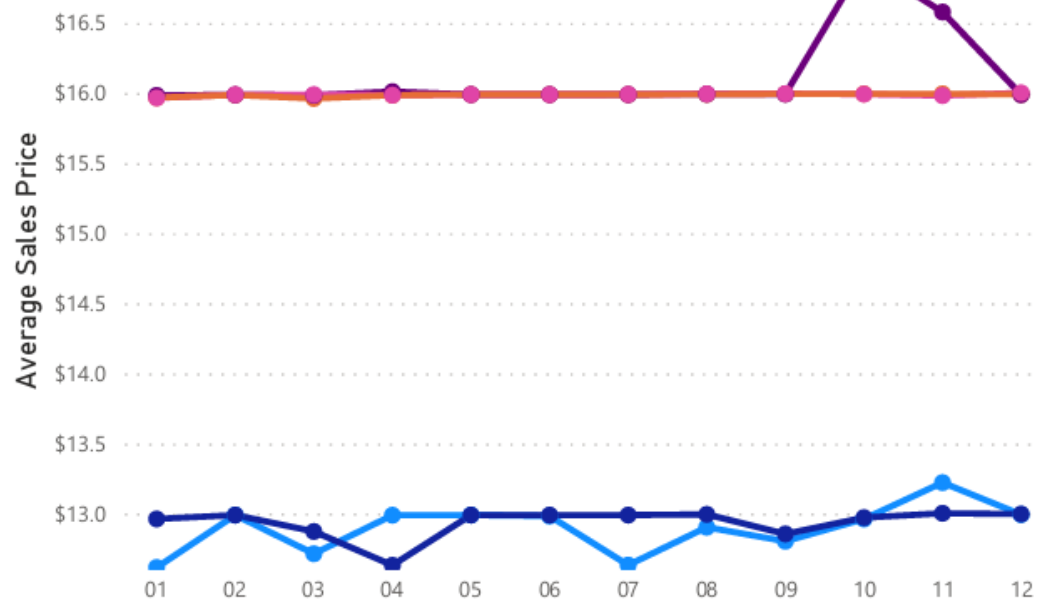
Avg. Difference Between MAP and Sale Price for MAP ASINs (Negative = Sale Price Below MAP)



Monthly MAP Compliant Units Sold % of All Units



Average Sales Price for Top Selling Products



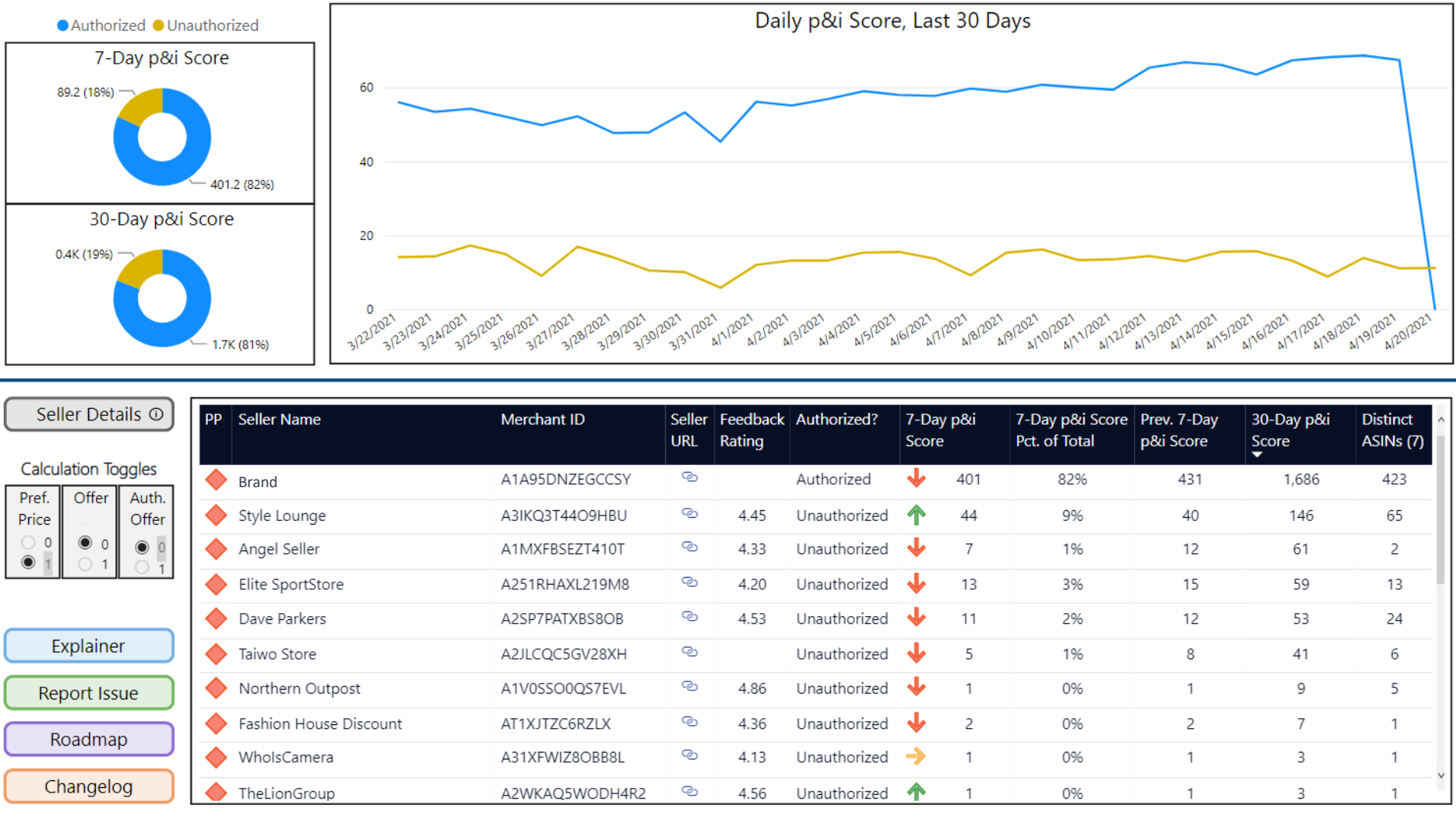
Top Selling Products ASIN and Name

ASIN	Product Name
ASIN 1	Product Title 1
ASIN 2	Product Title 2
ASIN 3	Product Title 3
ASIN 4	Product Title 4
ASIN 5	Product Title 5

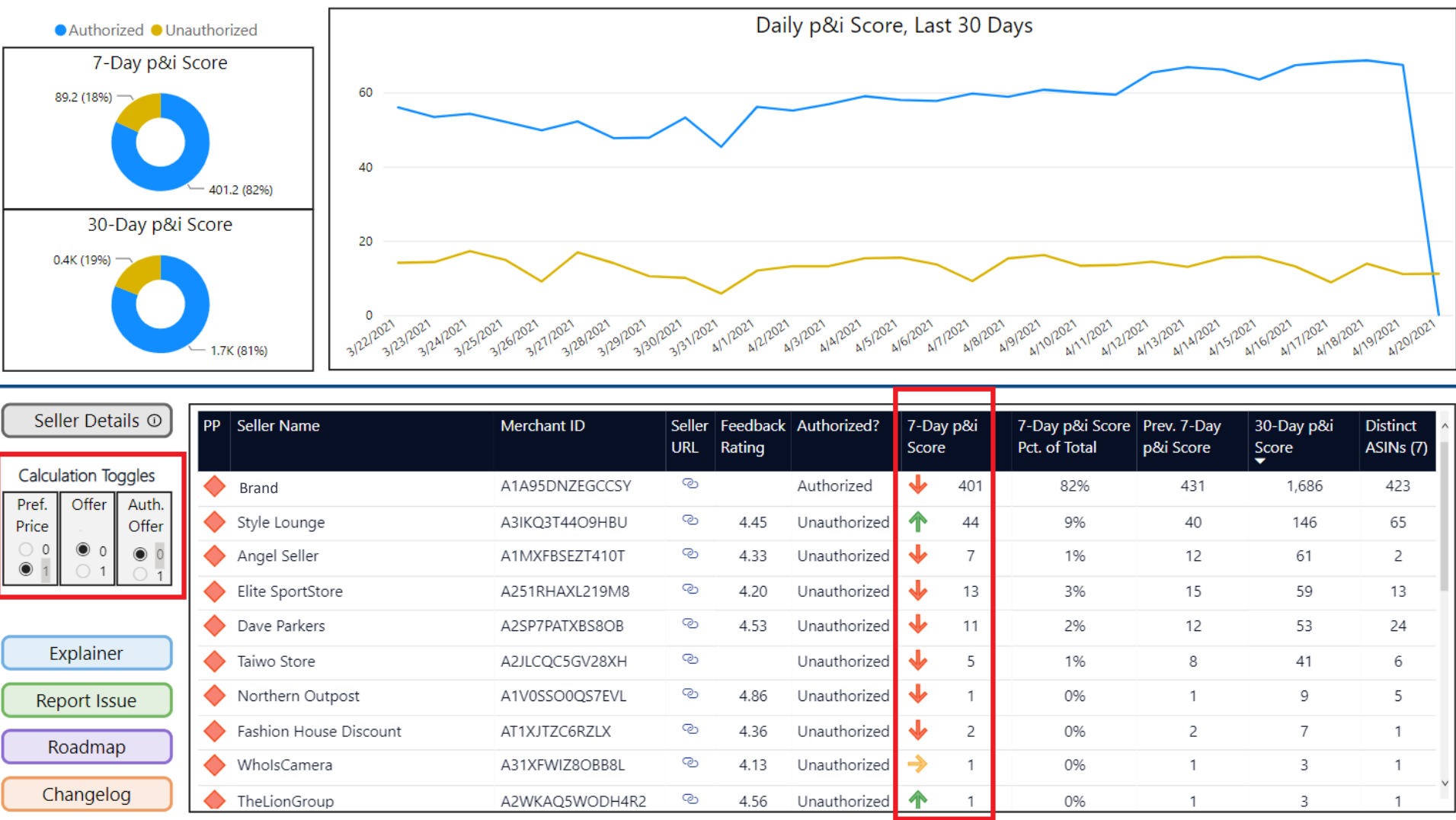
Advanced Seller Insights:

Inform Enforcement Decisions

Disruption Score



Disruption Score



Seller Details ⓘ

Calculation Toggles

Pref. Price

0 1

Offer

0 1

Auth. Offer

0 1

Explainer

Report Issue

Roadmap

Changelog

Proprietary Revenue Estimates

Four Week Stats

3/21/2021
- 4/17/2021

Source: Estimates based on Amazon Vendor Central Account for ASINs monitored by Pattern and ASINs sold 1P available through EDI

Current Seller Name	Amazon Seller Identifier	Authorized	Estimated Revenue	Time in Buy Box %	# of ASINs Listed	# of Non-Compliant ASINs Listed	# of ASINs with Buy Box	# of Non-Compliant ASINs with Buy Box
Amazon.com	AMAZON	Unauthorized	\$280,929	83%	24	11	23	11
Royal Meds	A32AZZZEEH80U	Unauthorized	\$2,286	3%	12	6	5	3
Supply Cosmo	A1ETJAXA0X00Z7	Unauthorized	\$1,685	3%	1		1	
Avila	A2MII774KJ8M56	Unauthorized	\$1,389	0%	1		1	
Pharmapacks	ASEVS99O6F573	Unauthorized	\$1,063	1%	4	2	3	2
		Unauthorized	\$1,016	1%	3		2	
OTCRx4u	A3KGCU4HM6EAVD	Unauthorized	\$482	1%	1	1	1	1
blumed	AKGQ69TTJ5VEW	Unauthorized	\$387	0%	3	2	2	1
Rock Ridge Sales, Inc	A39HSYH5TCDA32	Unauthorized	\$194	1%	5	3	4	1
Trusted Online Superstore	A3RARV1SSL9R1Q	Unauthorized	\$175	0%	2		2	
Baqir Distribution	A30O4NH5B8POU5	Unauthorized	\$124	0%	1		1	

ASIN and Seller Detail by Week

Week Beginning	Current Seller Name	ASIN	Product Title	% of Total Buy Box for ASIN for Week	Estimated Revenue	Average List Price for Week	PP
4/11/2021	Amazon.com	ASIN 1	Product Name 1	100%	\$309	\$5.77	\$6.73
4/11/2021	Honest Medical	ASIN 2	Product Name 2	0%	\$0	\$7.25	\$6.73
4/11/2021	Qwik Goods	ASIN 3	Product Name 3	0%	\$0	\$8.16	\$6.73
4/11/2021	Royal Meds	ASIN 4	Product Name 4	0%	\$0	\$7.83	\$6.73
4/11/2021	Amazon.com	ASIN 5	Product Name 5	24%	\$170	\$6.66	\$6.41

Enforcement Intelligence:

Identifies Actions To Take For Most Effective,
Efficient Results.

Seller ID & Address Location

Enforcement Insights: Active Amazon Sellers

Most Recent Status Change	All Enforcement Actions	Notes	All Contact Information	Amazon Storefront URL	PDD URL	PDD Related Sellers
	Physical C&D - 2018-09-28; Draft Complaint - 2020-04-15	; Delivery failure to 18228 Middlebelt Rd., Apt. 103, moved	313-208-6630; Crystal Smith 11533 Deering St., Livonia, MI 48150	Link	Link	Crystal Smith
2019-02-28	Physical C&D - 2018-09-28; Follow-up Letter - 2019-01-07; Draft Complaint - 2019-02-18	;;	Deborah Ayers 45149 Horseshoe Cir., Canton, MI 48187-5040	Link	Link	Deborah Ayers
	Standard eC&D - 2018-01-31	Sent By: Vorys	Jason Kleiner 10472 Stapeley Dr., Orlando, FL 32832; Jason Kleiner 14 N. Chatsworth, Apt. 4D Larchmont, NY 10538; Jason Kleiner 150 W 74th St., Apt. 1D New York, NY 10023; Jason Kleiner 6846 Cavatina Ave., Las Vegas, NV 89139; Amy Kleiner 10472 Stapeley Dr. Orlando, FL 32832;	Link	Link	Amy Kleiner; Jason Kleiner



This map illustrates the geographic distribution of 100 restaurants across the Philadelphia metropolitan area. The restaurants are represented by orange circles, where the size of each circle corresponds to the number of restaurants at that location. A large yellow circle is prominently displayed in the center of the city, indicating a high concentration of restaurants. The map also shows major roads, rivers, and city names, providing a clear context for the restaurant locations.

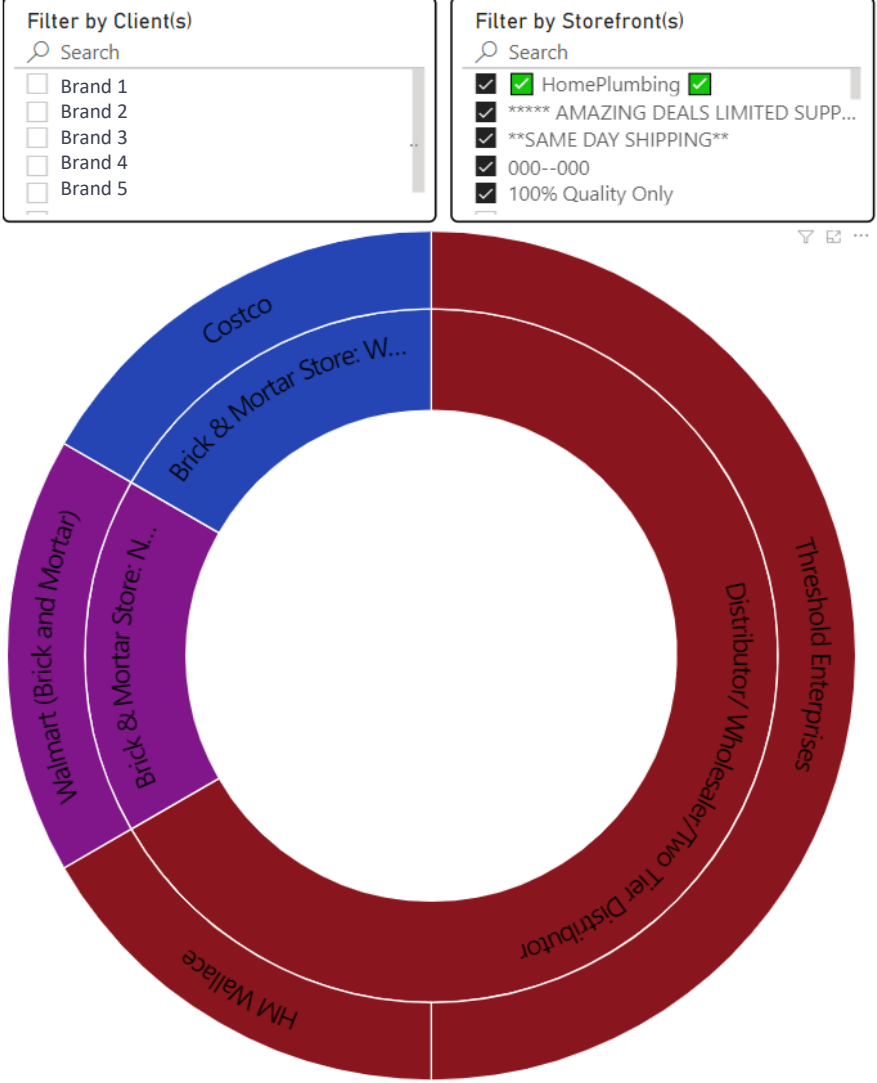
Behavioral Insights

Enforcement Insights: Active Amazon Sellers

Most Recent Status Change	All Enforcement Actions	Notes	All Contact Information	Amazon Storefront URL	PDD URL	PDD Related Sellers
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	Standard eC&D - 2018-01-31	Sent By: Vorys	Jason Kleiner 10472 Stapeley Dr., Orlando, FL 32832; Jason Kleiner 14 N. Chatsworth, Apt. 4D Larchmont, NY 10538;	🔗	🔗	Amy Kleiner; Jason Kleiner

Seller Source Intelligence

Client Name	Storefront Name	Source	Source Type
Brand 1	100% Quality Only	Threshold Enterprises	Distributor/ Wholesaler/Two Tier Distributor
Brand 2	***** AMAZING DEALS LIMITED SUPPLIES *****	Costco	Brick & Mortar Store: Warehouse Club (i.e. Sam's Club/Costco)
Brand 3	HomePlumbing	HM Wallace	Distributor/ Wholesaler/Two Tier Distributor
Brand 4	**SAME DAY SHIPPING**	Threshold Enterprises	Distributor/ Wholesaler/Two Tier Distributor
Brand 5	100% Quality Only	Threshold Enterprises	Distributor/ Wholesaler/Two Tier Distributor
Brand 6	000--000	Walmart (Brick and Mortar)	Brick & Mortar Store: National Chain (not Sam's Club/Costco/brand)



Seller Sales Trends

Enforcement Insights: Active Amazon Sellers

Seller Name	Merchant ID	Compliant Listing Count	Non-Compliant Listing Count	Total Listing Count	30-day % of Total Time in Buy Box	Previous 30-day % of Total Time in Buy Box	30-day Est. Revenue	Previous 30-day Est. Revenue	30-day Est. Volume	Previous 30-day Est. Volume	Enforcement Actions	Most Recent Enforcement Action	Most Recent Enforcement Action Date
vapantik	A68GRK9UQ6NQW	3	8	11	0%	1%	↑ \$33,214	\$31,927	↑ 766	753			
OmniStarship	AJ7EOHOFQMPST	1	2	3	0%		↑ \$31,477		↑ 748				
Ruslan Mayilovstr	A1Y5CZZJR1ZCPG	1	0	1	0%	0%	\$22,329	\$43,076	602	1015			
RizaleX Distribution	A33IUA5TDP0C2Y	0	6	6	0%	0%	↑ \$20,685	\$18,858	↑ 530	433	3	Draft Complaint	2021-03-15
USA Herb	A352Y41TNO5V9N	0	1	1	1%	2%	\$19,128	\$51,599	577	1817	5	Draft Complaint	2021-04-02

Counterfeit Flagging

Active Sellers with Reviews Flagging Fake/Counterfeit/Knockoff

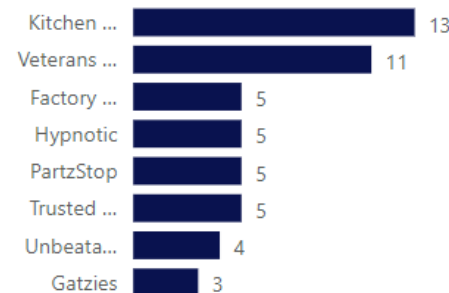
Amazon Seller Name	Merchant ID	Count of Reviews Flagging Fake/Counterfeit/Knockoff	Percentage of Reviews Flagging Fake/Counterfeit/Knockoff	Total Review Count	Amazon Storefront URL
Kitchen Dazzle L.L.C	A1H09A85IKVJKV	13	2%	743	Link
Veterans Sell	A22U4BMEB1BM6H	11	1%	1447	Link
Hypnotic	A12JVV4K64SI8V	5	0%	1441	Link
PartzStop	A2QLKV764TGL9P	5	0%	1442	Link
Factory Hardware Store	A3EQJ16CEAAUOF	5	0%	2273	Link
Trusted Online Superstore	A3RARV1SSL9R1Q	5	0%	5717	Link
UnbeatableSale, Inc	A1L4LS2KNDBWYV	4	0%		Link
The Factory Depot	A29PHU0KPCGV8S	3	0%		
Professional Grade Products	A2VCOZMMU5A8B1	3	0%		

Review Date

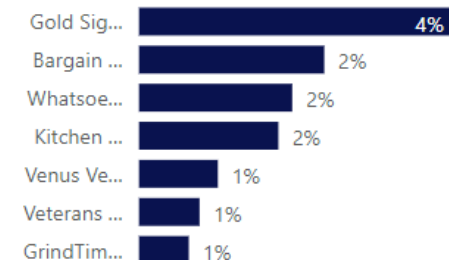
1/1/2019

4/20/2021

Sellers by Count of Reviews Flagging Fake/Counterfeit/Knockoff

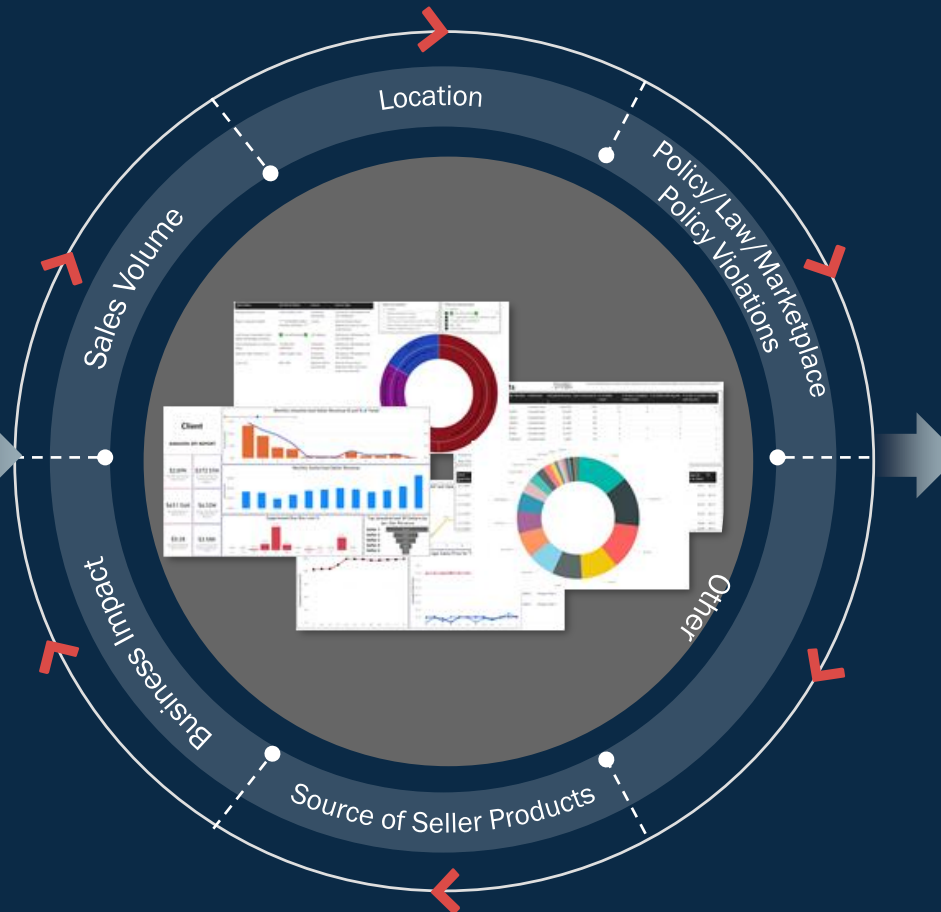
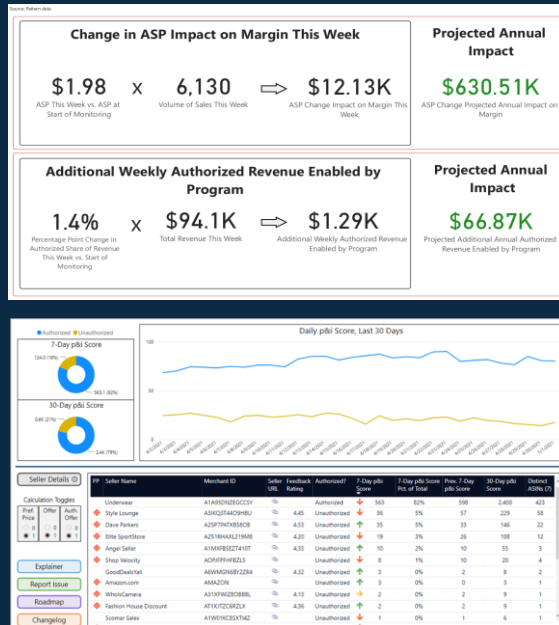


Sellers by Percentage of Total Reviews Flagging Fake/Counterfeit/Knockoff



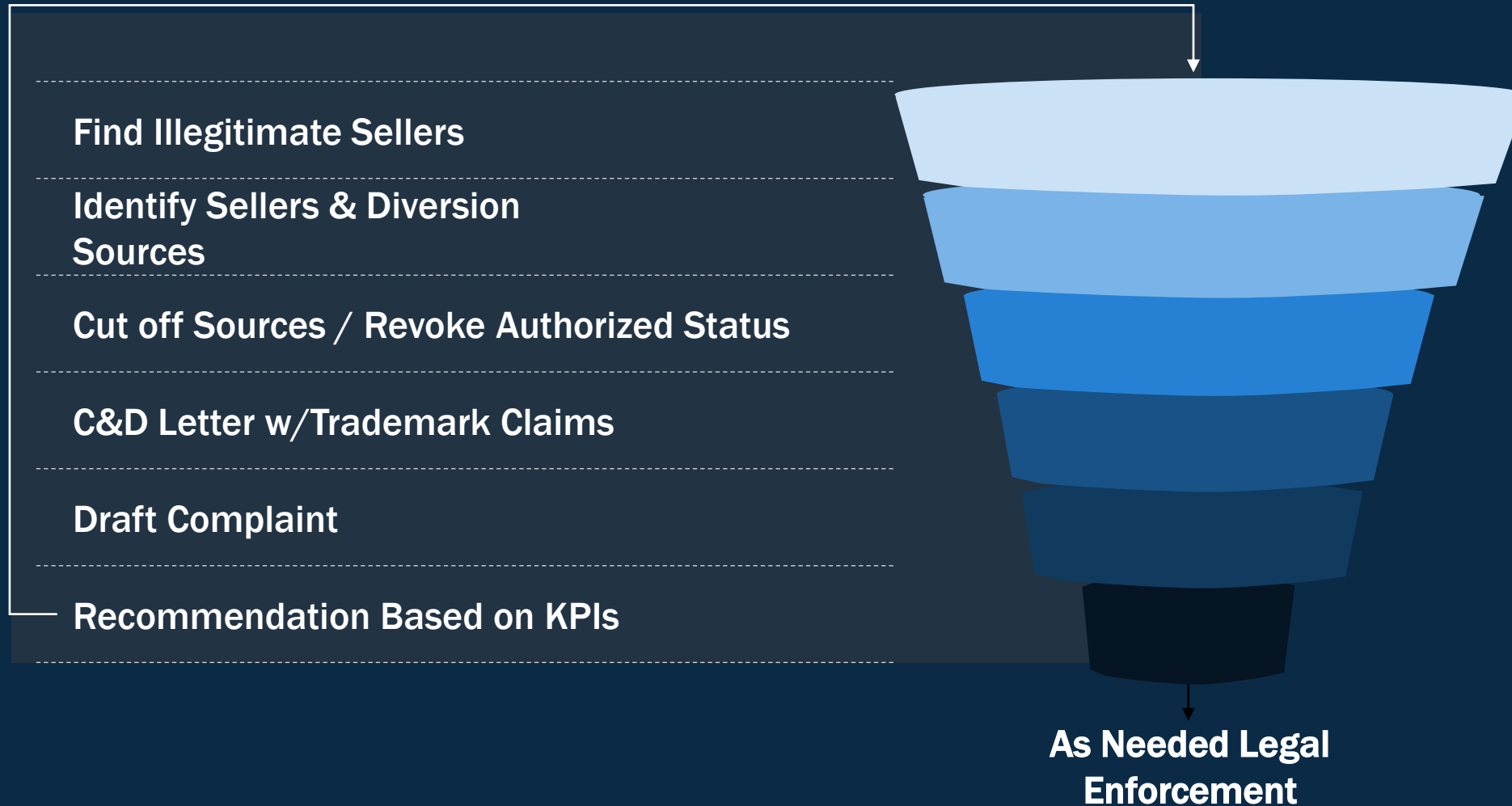
Precision eControl Approach

This approach aligns actions to KPIs and informs the precise targets and actions that will drive the maximum ROI, ensuring that the enforcement team does not waste time and resources on meaningless sellers and actions that do not impact established KPIs.



- Legal C&D Letter
- MAP Enforcement
- Enhanced Seller Investigations
- Product Test Buys
- Reseller Policy Enforcement
- Marketplace Policy Violation Takedowns
- Removal from Marketplaces Based on IP Violations
- Diversion Diagnostics and Root Cause Determinations
- Counterfeit Enforcement
- Marketplace Patent Enforcement
- Escalated Legal Enforcement

Example Enforcement Process



Beware



01

Baseless Enforcement Actions

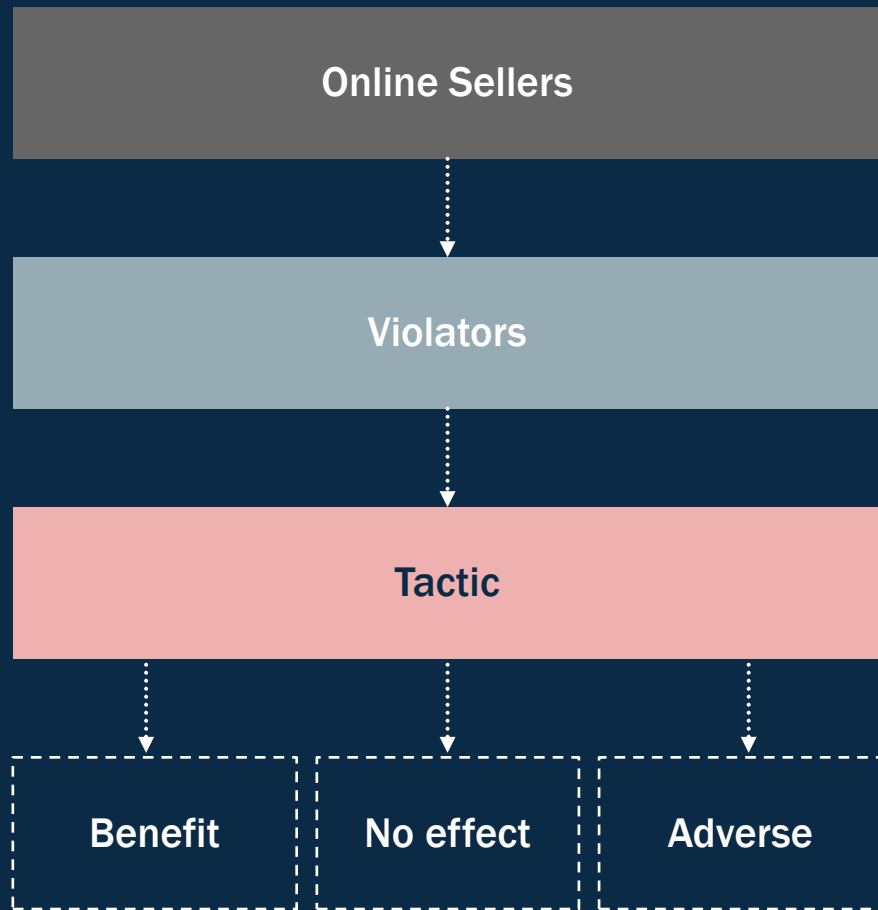
02

Brand Registry

03

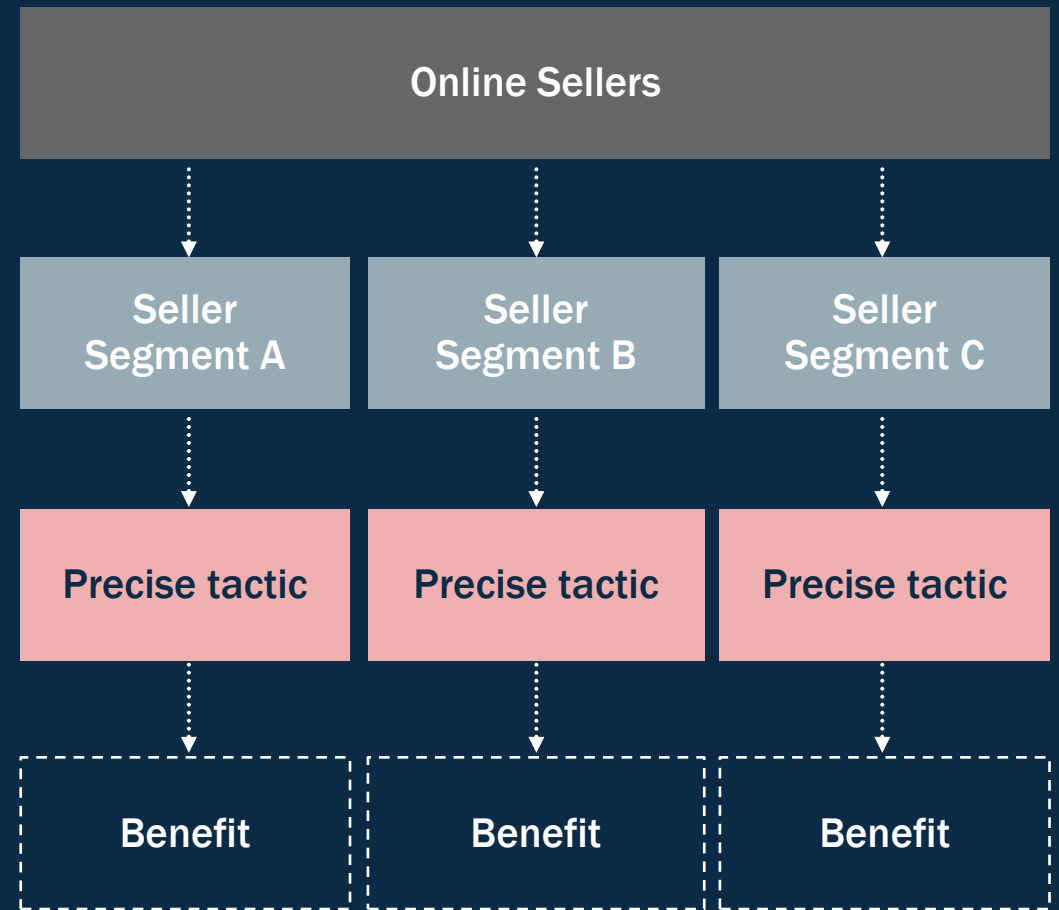
C&D

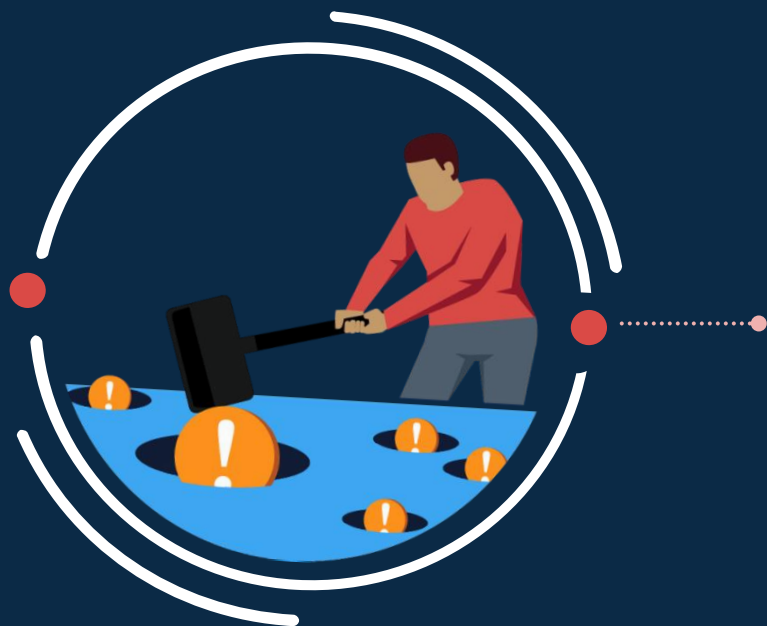
Traditional Brand Protection



VS

Precision eControl





Online Brand Protection

VS



Precision eControl

Why Precision eControl?



**Reduces Legal
Risk By
Eliminating
Unsupported
Actions**



**Targets Most
Relevant Violations
W/Most Effective &
Efficient Tactics
Based On Seller
Attributes**



**Saves Time and
Money By Mitigating
Unnecessary and
Ineffective Actions**



**Improve Success
& ROI**

eControl Three Step Process

01

STRATEGY

- Initial business impact assessment
- Determine online marketplace distribution strategy
- Determine eControl goals and solution framework
- Conduct strategy and education workshop
- Obtain key stakeholder alignment

02

FOUNDATION

- Design customized eControl program based on channel strategy, capabilities and objectives
- Draft policies and/or agreements to support program
- Program Implementation: internally and externally

03

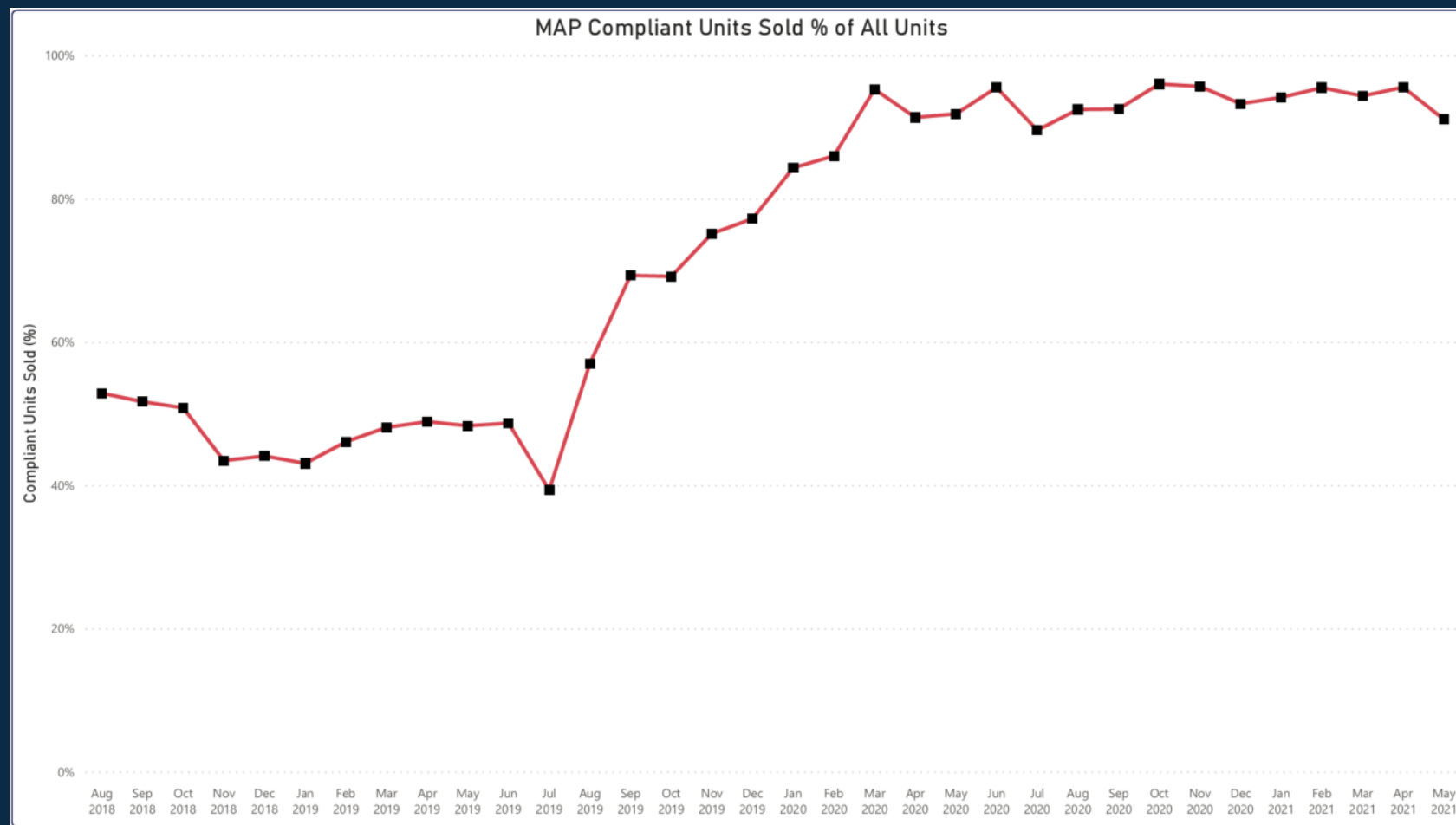
ENFORCEMENT

- Develop custom enforcement plan, budget and associated documents
- Analyze seller data and prioritize enforcement targets
- Investigate and identify sellers and source of gray market leaks
- Enforce against authorized and unauthorized sellers
- Assess root cause and corrective actions

Case Studies

Direct Sales Brand

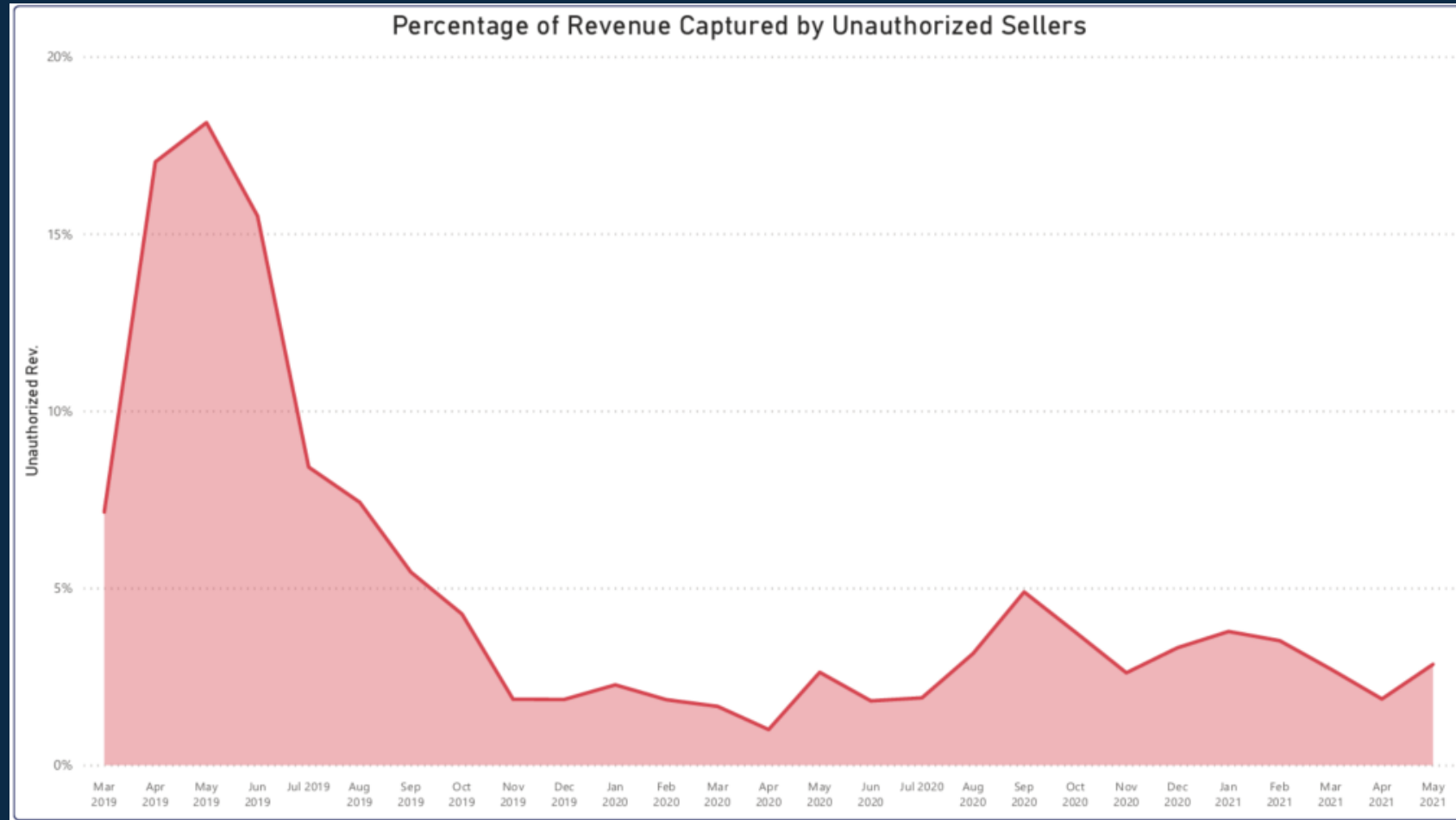
MAP
Compliance
is Improving



Since enforcement began, MAP compliance increased by 72%

Mass Market Brand

Unauthorized
seller
revenue is
decreasing

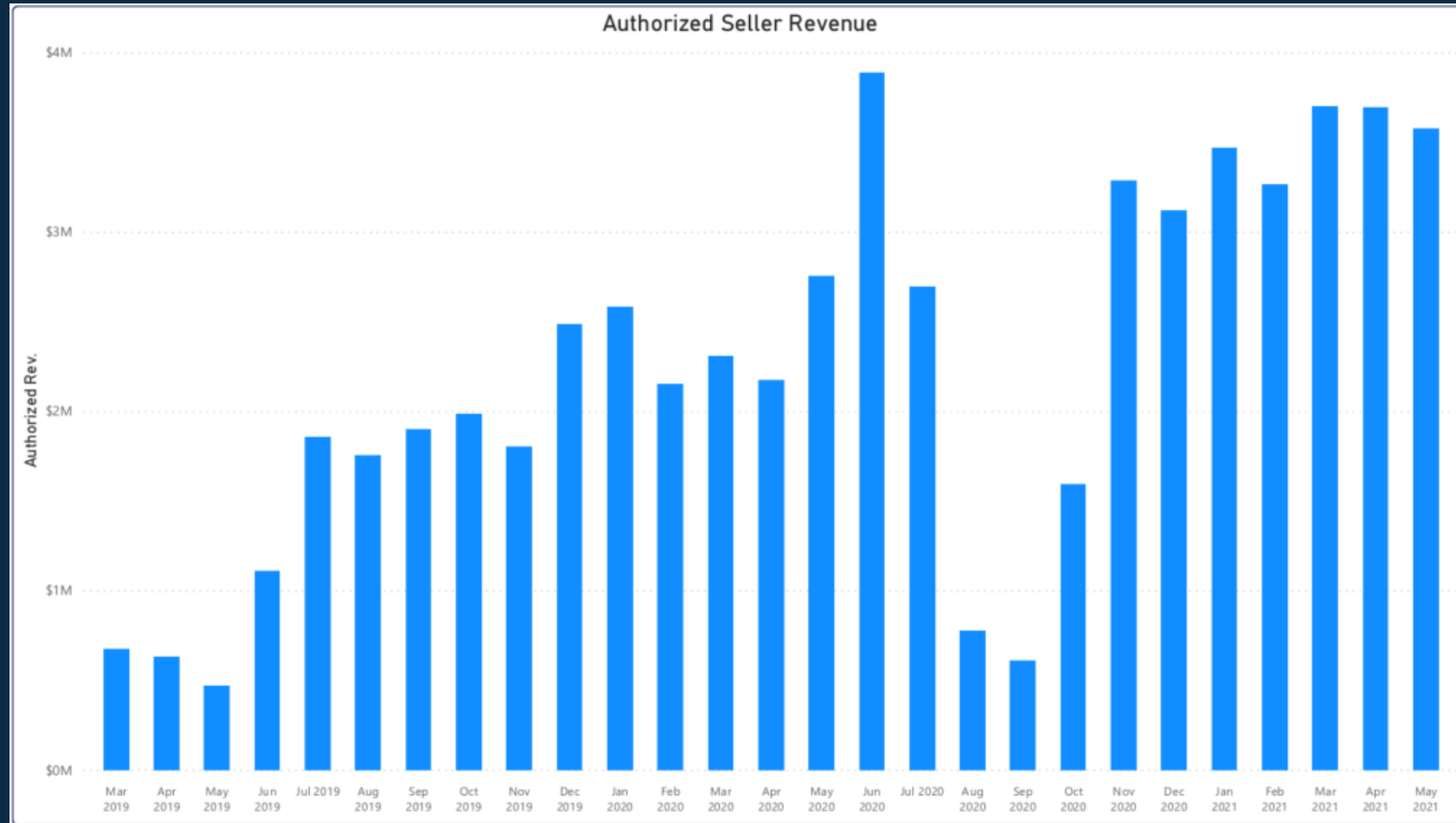


Unauthorized sellers are consistently capturing less than 5% of revenue,
down from a peak of 18%

Source: Pattern

Mass Market Brand

Authorized
seller
revenue is
increasing
consistently

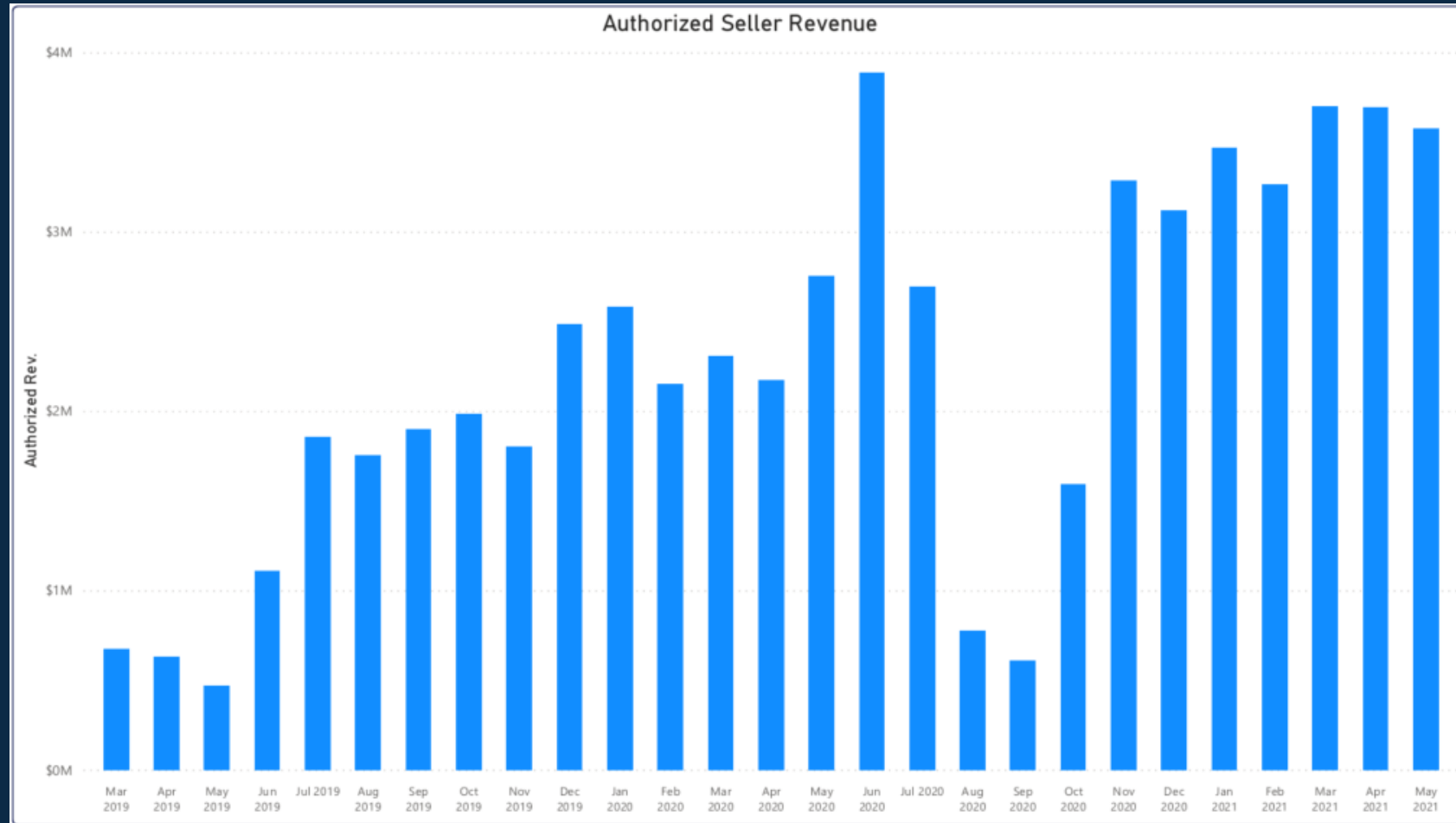


Since enforcement began, monthly authorized revenue has increased by **\$2.87M (434%)**. This equates to an additional **\$34.44M** annually

Source: Pattern

Mass Market Brand

Authorized seller revenue is increasing consistently

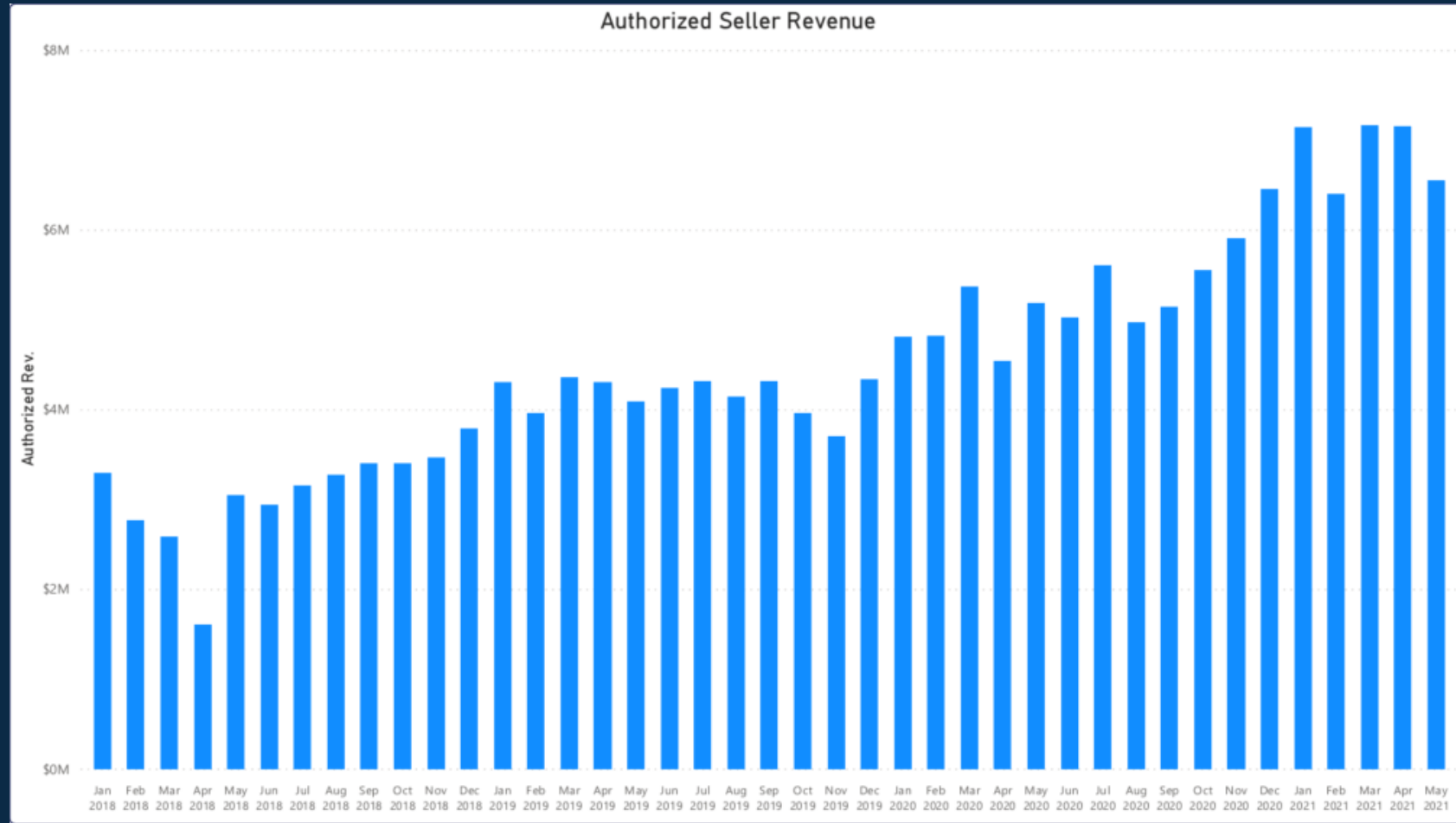


Monthly Authorized Seller revenue has increased by \$1.56M since enforcement began. This equates to an additional \$18.72M annually

Source: Pattern

Professional Brand

Authorized seller revenue is increasing consistently over time



Monthly Authorized Seller revenue has increased by \$3.26M since enforcement began. This equates to an additional \$39.12M annually

Source: Pattern

Questions?

Thank you



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