



Selective Distribution Network

Distribution Partners



CONTEXT

WHY?

At HP we pride ourselves on striving to improve customer experience, also through our channel sales. HP wants to ensure the best in class customer experience for purchasing HP branded products and services online and offline. Furthermore, we want to ensure HP discounts are used to secure competitively priced Managed Print Services (MPS) deals or larger supplies deals (Supplies Big Deals, also referred to as SBD), in favor of the end customer.

HOW?

We plan to achieve this by

- 1) strengthening our selective distribution network with [HP selective distribution criteria](#) for the reselling of [HP core HPS and OPS printers and supplies](#) (transactional SKUs) and
 - 2) by formally moving [C-SKUs to a selective distribution system](#)
- Both effective August 11th, 2020.**

REMINDER

HP's Managed printers, supplies and services (M-, H-, and JC-SKU's) are already under a selective distribution system. Only accredited **MPS resellers meeting the Managed Component program criteria can trade Managed printers, supplies and services**, as well as, H, M and JC supplies SKUs.

DOCUMENT

The official document containing the **qualitative Selective Distribution Criteria for Transactional SKUs** as well as the **SBD program criteria** and **Managed Component program criteria** is available upon request from your HP Account Manager. Or you can access the HP Selective Distribution Criteria document on the [HP Partner Portal](#).

What does this mean for Distribution Partners - CSKUs:



C-SKUs can only be traded by:

- (1) HP contracted Supplies Distributors with a SBD Product Exhibit,
 - (2) HP accredited SBD Resellers and Supplies Channel Development Partners.
- C-SKUs cannot be traded with any other.



HP contracted Supplies Distributors with a SBD Exhibit can only buy C-SKUs from HP or other HP contracted Supplies Distributors with the required SBD Exhibit, but NOT from the open market
HP contracted Supplies Distributors can only sell to HP accredited SBD resellers and Supplies Channel Development Partners

NEW
2020



A new monitoring and enforcement process will be created to detect any violation of the Selective Distribution (i.e. sales of C-SKUs by non-authorized/SBD partners)

NEW
2020



- HP can enforce against authorized partners buying from or selling to non-authorized partners.
- HP can also enforce vs HP contracted partners (e.g. partner first or business partners) who are not SBD resellers.
- HP has certain enforcement rights vs non-contracted companies trading C-SKUs

NEW
2020

What does this mean for Distribution Partners – **Transactional SKUs:**

On Print Transactional SKUs Core HPS & OPS
(Printers & Accessories, Scanners, Supplies),
HP is launching qualitative selective distribution criteria
for online and offline sales effective August 11, 2020,
which HP will monitor itself –

**we do not expect any pro-active steps
from HP Distributors at this point in time.**

Why do we need a Selective Distribution Network (SDN)?

To improve the channel health and ensure the best in class customer experience

BENEFITS		 Distributors	 Resellers & Retailers	 End customer
Protection against counterfeit	✓	✓	✓	✓
Protect HP's brand reputation	✓			✓
Improve and simplify the shopping experience	✓			✓
Increase customer retention and loyalty	✓		✓	✓
Protection against unfair commercial practices (e.g. bait & switch at shopping cart, sourcing from brokers)	✓	✓	✓	✓
Increase sell to & Sell through	✓	✓	✓	
Less grey trade	✓	✓	✓	

Selective Distribution Network (SDN) for Supplies (Ink & Toner)

MPS Contractual

Contractual supplies are already under a selective distribution network

At reseller level, only C-MPS resellers get access

➤ MC-SKU



➤ JC-SKU



➤ H-SKU



NEW 2020 Supplies for SBD

C-SKUs will formally move to a selective distribution effective August 11th

At reseller level, only SBD resellers get access

➤ AC-SKU



➤ XC-SKU



➤ YC-SKU



NEW 2020 Transactional SKUs

HP Transactional SKUs, will move to a selective distribution effective August 11th

At reseller level, only resellers or retailers meeting qualitative criteria can buy and resell

➤ Ink



➤ Toner



Transactional Qualitative Criteria - Online

Seller identity and contact details

Online sales offered either a via functional website or marketplace providing choice of payment methods, estimated delivery date, registered address, VAT number and/or other public registration as legally required, email and phone number and complying with applicable consumer protection laws.

Correct Product Information

Display correctly: (i) HP product name, including the series name or the model name; (ii) for supplies the compatible HP printer(s); and (iii) the main image of the product being front facing in HP original packaging to allow read of packaging information.

Avoid customer confusion

Refrain from using HP Trademarks, branding, naming and part numbers in listings and product content for non-HP manufactured products in a way that could confuse customers into thinking erroneously that a non-HP product is a HP OEM product.

Correct product shipment

Ship the exact product number ordered by the customer; ship an HP original when HP original ordered by customer.

Utilize protective packaging

HP products ordered online must meet reasonable level of protection for transportation to ensure product is intact and in good condition when delivered to the customer.

Valid warranty

No selling of HP products without a valid warranty; supplies products must be sold prior to the warranty end date and customers must be informed of warranty duration.

Shopping Experience

Provide customer a transparent and informed shopping experience end-to-end. Specifically, after customer has added an HP product in its shopping cart or moves to check-out, refrain from actively offering customer to switch to competing products with the same purpose in a pop-up window or directly in the shopping cart. For the sake of clarity, partners remain free to inform customer elsewhere of other or competing products with the same purpose in a fair, complete and non-confusing manner including the product features and other basic presales information.

No HP product diversion

Buy from and sell to HP Authorized Partners within the Territory only. Cooperate with HP by disclosing product sources upon HP request.

Counterfeit and IP

No stocking or selling of any counterfeit or other intellectual property infringing product, including HP products not intended by HP for the customer's market.

Cooperation

Allow and reasonably facilitate HP controls of compliance with the HP selective distribution criteria, including, as agreed, via audits and other accepted mechanisms.

Transactional Qualitative Criteria - Offline

Avoid customer confusion

Avoid customer confusion. Refrain from using HP Trademarks, logo's, branding, naming, images of HP products and/or part numbers in product offerings and product content for non-HP manufactured products in a way that could confuse customers into thinking erroneously that a non-HP product is a HP OEM product. In particular, provide customers with the HP product that they were looking for without misleading, by refraining from the following: no other brands of supplies or signage for non-HP products within the area of shelf space for HP supplies (HP brand block). For the sake of clarity, partners remain otherwise free to inform, promote and sell to customer other or competing products in a fair, accurate and non-confusing manner outside of the HP brand block.

Correct Product Information

HP core HPS & OPS products must be sold intact and in original packaging and where applicable, displayed on clean shelf or other display material.

Cooperation

Allow and reasonably facilitate HP controls of compliance with the HP selective distribution criteria, including, as agreed, via audits and other accepted mechanisms.

Valid warranty

No selling of HP products without a valid warranty; supplies products must be sold prior to the warranty end date and customers must be informed of warranty duration.

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