Minimum Advertised Price (MAP) is a pricing policy widely used by manufacturers to influence prices set by their downstream partners. A MAP policy imposes a lower bound on advertised prices for retailers. Retailers that advertise prices below the MAP price violate the policy and are subject to a punishment such as termination of the distribution agreement. Despite this threat, a central issue with MAP policies is compliance. Violations are often attributed to lack of monitoring by manufacturers, poor incentive mechanisms or poor partner selection. In this paper, I show that the mere fact that manufacturers monitor pricing and have a contractual threat to terminate distribution may be insufficient in achieving MAP compliance, and that the context and terms of the policy affect manufacturers’ ability to govern MAP. To demonstrate this point, I analyze the pricing, enforcement and channel management policies of a manufacturer over several years. I show that initial investments in monitoring and enforcement are ineffective in reducing MAP violations. In response, the manufacturer introduces new channel agreements and policies, which provides a natural experiment. These policies address the challenges of the online retail environment and credibly signal to retailers that the manufacturer is willing to enforce the MAP policy. I show that under the new channel policies, investments in monitoring and enforcement lead to a sustained 40%-80% reduction in violations. This effect is economically meaningful and is robust to a variety of tests and specifications. With increased compliance channel prices increase by 2% but there is no loss in volume. My analysis uncovers two key elements of successful channel policies to improve MAP compliance: customization to the online retail environment and credible punishments.