Remington's Distribution network poses both positives and negatives for the company. A competitive advantage is realized from serving many different channels of distribution because of the greater market access which is obtained from employment of this strategy. On the downside, channel conflict is created in pricing which in turn creates instability within the entire the distributive network. Several examples of classic channel conflict are:

- Wholesalers selling NBS, Sports Inc. and appointed dealers at pricing levels below that of our direct sales programming for these channels.

- Mass merchant business being entertained by wholesalers with price and service being the core considerations.

Major competition does not employ distribution as broad as Remington's. This tends to create alliances in some markets and bar entry to others. ***It is clear that distribution strategy has a profound affect on trade perceptions and channel profitability. Remington's multi-channel distribution is characterized by differentiated distribution competing against each other for the same consumer dollars.*** As a result, margins are often depressed and profitability on Remington firearms is below that of competitive models.

There are several reasons why Remington has been the focus of this conflict. They are:

- The sheer strength of the Remington brand makes the line extremely important to all distribution channels.

- Demand for Remington firearms commands volume which cannot be easily replaced by competition.

- The wholesale and dealer trade channels rely on Remington's firearms dating as a major financial resource for their businesses.