

MAP Enforcement Reality Check

Why the majority of firearms sell below MAP—and what manufacturers can do about it

~73%

of firearms transactions occur below MAP

40-80% Enforcement effectiveness range	\$150-300K Annual enforcement investment	Meaningful Pricing-control gain via direct
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Data Methodology

Analysis based on aggregated e-commerce transaction data (GunBroker, major online retailers), dealer forum surveys, distributor pricing sheets, and manufacturer interviews (Q3-Q4 2024). Retailer benchmarks from POS Nation, Shopify, and FFL Consultants. Estimates noted where industry-wide data unavailable.

Executive Summary

Minimum Advertised Pricing policies represent one of the firearms industry's most persistent challenges. While manufacturers invest significant resources in MAP enforcement programs, the multi-tier distribution structure creates substantial barriers to effective control. Our analysis suggests that approximately 70-75% of firearms transactions occur below stated MAP levels—though this varies considerably by product category, brand strength, and sales channel.

This challenge is intensifying in 2025. With firearms retail revenue down 9-11% through Q3, and Black Friday week NICS checks down 13.6% year-over-year, retailers face increased pressure to move inventory through discounting. Meanwhile, e-commerce platforms continue outperforming brick-and-mortar, amplifying price transparency.

Distribution Economics Series

This white paper is Part 3 of a three-part analysis:

Part 1: Hidden Costs of Distribution — 38%+ cost structure overhead

Part 2: Dealer Margin Challenge — \$847 per-firearm profit erosion

Part 3: MAP Enforcement Reality — ~73% below-MAP transactions (this paper)

Key Findings At-A-Glance

Finding	Strategic Implication
Multi-tier distribution limits visibility	Direct relationships enable enforceable pricing
Retailer margins compress at each tier	Direct connectivity improves retailer economics
Premium brands achieve 70-80% compliance	Brand strength is prerequisite for enforcement ROI
Commodity segments show 85-92% discounting	Alternative strategies needed where enforcement fails

The MAP Enforcement Challenge

Why Traditional Enforcement Faces Structural Headwinds

MAP enforcement in firearms distribution faces unique structural challenges. The combination of multi-tier distribution, regulatory constraints, and channel economics creates an environment where pricing control requires significant investment—and even then, results vary substantially by brand and category.

The Visibility Problem

Once a firearm leaves the manufacturer and enters distribution, visibility into subsequent transactions becomes limited. Each tier operates independently with its own pricing strategies. While manufacturers can set MAP for direct customers, they have no contractual relationship with downstream wholesalers or retailers.

Some manufacturers overcome this through technology investments and direct programs. Brands like SIG Sauer have achieved notably higher compliance rates through auditing tools and authorized dealer networks. However, these programs require sustained investment and work best with strong brand positioning.

Margin Compression Through Distribution Tiers

Distribution Tier	Cost (% MSRP)	Margin Available
Manufacturer → Master Distributor	60-65%	35-40%
Master Dist. → Regional Wholesaler	68-72%	28-32%
Regional Wholesaler → Retailer	75-78%	22-25%
Retailer → Consumer (at 90% MAP)	90%	12-15%

Source: Analysis of distributor pricing sheets and dealer forum surveys, 2024

If a retailer buys at 76% of MSRP and MAP is set at 90%, the available margin is only 14 percentage points. After operating costs, many retailers must choose between maintaining MAP at minimal margin or discounting to achieve workable economics.

Annual MAP Enforcement Investment

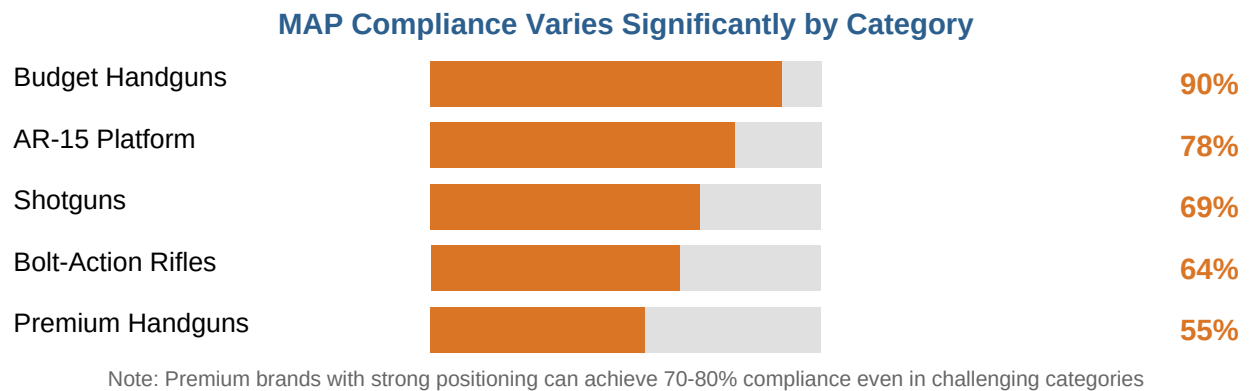
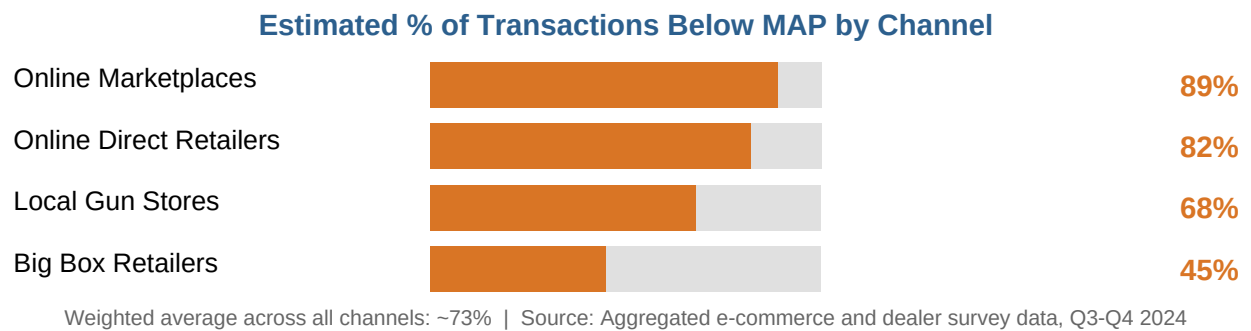
Activity	Annual Cost	Notes
Price monitoring software	\$50-100K	Varies by SKU count and platforms
Dedicated enforcement staff	\$75-120K	1-2 FTEs depending on catalog
Legal and documentation	\$25-75K	Varies by enforcement approach
Total Annual Investment	\$150-295K	Effectiveness: 40-80% by brand

Source: Manufacturer interviews, supply chain management benchmarks

Market Data: Transaction Analysis

Where Firearms Actually Transact

Analysis of transaction data across multiple channels reveals that the majority of sales occur below manufacturer MAP guidelines. The following data reflects aggregated e-commerce transactions and dealer surveys (Q3-Q4 2024). Individual brand and product results vary significantly.



The data reveals significant variation by category and brand. While commodity segments show widespread discounting, premium brands with strong positioning and enforcement programs can achieve substantially higher compliance.

2025 Market Context

Current market conditions are intensifying MAP enforcement challenges:

Year-Over-Year Market Indicators		
Metric	2024	2025
Full-Year NICS (est.)	~15.2M	~13-14M ↓
Black Friday Week NICS	613,486	530,156 ↓13.6%
Q1-Q3 Retail Revenue	Baseline	Down 9-11%
E-commerce (GrabAGun Q3)	Baseline	+12% revenue ↑

2026 Outlook

Despite current headwinds, several factors suggest potential stabilization:

- Manufacturer guidance:** Smith & Wesson's post-Q4 FY2025 guidance emphasized stabilization potential, with new products driving 44% of recent quarterly sales

- **Inventory normalization:** Multi-year destocking approaching completion at many retailers
- **New product cycles:** Refreshed platforms can command premium pricing and support MAP
- **Channel consolidation:** Weaker retailers exiting reduces distressed inventory pressure

MAP challenges will likely persist through H1 2026, with potential improvement in the back half as conditions stabilize.

Channel Economics: Why Retailers Discount

The Economic Imperative

Retailers don't violate MAP out of malice. They discount because their cost structures and competitive environment often make it economically necessary. Understanding this reality is essential for developing effective alternatives.

Typical Firearms Retailer Cost Structure

Cost Category	% of Revenue	Cumulative
Cost of Goods Sold (COGS)	70-76%	70-76%
Rent & Facilities	6-9%	76-85%
Labor & Benefits	8-12%	84-97%
Compliance, Marketing, Other	4-8%	88-105%
Target Net Profit	5-10%	Requires 24-35% gross margin

Sources: POS Nation Retail Benchmarks, Shopify Retail Studies, FFL Consultants

The Prisoner's Dilemma

Even retailers willing to maintain MAP face competitive pressure from those who don't. A local store maintaining MAP on a Glock 19 at \$599 loses sales to competitors at \$529. This creates a classic prisoner's dilemma: if all retailers maintained MAP, everyone benefits—but individual incentives favor discounting.

Where MAP Enforcement Works

While this analysis highlights structural challenges, some manufacturers achieve substantially better compliance. Understanding success factors informs strategic decisions:

✓ Strong Brand Positioning When consumers want YOUR brand specifically, retailers have less incentive to discount	✓ Authorized Dealer Networks Genuine benefits for authorized status create compliance incentives
✓ Consistent Enforcement Quick, visible responses to violations—retailers learn consequences are real	✓ Direct Dealer Relationships Fewer distribution tiers = better visibility and stronger relationships

The common thread: manufacturers achieving high compliance typically have strong brands, direct relationships, and consistent enforcement—not just monitoring technology.

Strategic Alternatives to Traditional Enforcement

Manufacturers facing MAP challenges have several strategic options, each with different investment requirements and trade-offs:

Strategy	Best For	Investment	Trade-offs
Enhanced Enforcement	Strong brands, moderate violations	\$200-400K/year	Caps at 70-80% compliance
Direct-to-Retailer	Scale + operational capability	\$200-500K+ setup	Channel conflict, logistics
Hybrid Model	Large catalog, key accounts	Moderate	Channel complexity
Tiered MAP	Multi-tier distribution	Low	Administration burden
Promotional Programs	Limited resources, quick win	Marketing budget	Doesn't fix structure
Value Differentiation	Commodity segment, long-term	Product/brand investment	Takes time to build

Strategy Selection Guide

If Your Situation Is...	Consider This Approach
Strong brand, moderate violations	Enhanced enforcement + authorized dealer program
Large catalog, high-volume retailers	Hybrid: direct for majors, distribution for small dealers
Scale + operational capability	Direct-to-retailer with platform support
Commodity segment, intense competition	Value differentiation + realistic MAP expectations

Conclusion

MAP enforcement in firearms distribution presents genuine challenges rooted in distribution structure, channel economics, and competitive dynamics. Our analysis suggests approximately 73% of transactions occur below MAP—though this varies substantially by brand, category, and channel.

This doesn't mean MAP is futile. Strong brands with robust enforcement programs, authorized dealer networks, and direct relationships can achieve 70-80% compliance. The investment required is substantial, but for brands with pricing power, the ROI can be positive.

For manufacturers where traditional enforcement delivers diminishing returns, strategic alternatives exist—from distribution restructuring to promotional programs to value differentiation.

The Key Insight

MAP compliance is not simply a monitoring problem—it's an economics problem. Approaches that address underlying incentives tend to be more sustainable than pure enforcement investments.

About This Analysis

This white paper was developed by Oryx DTR as part of our ongoing research into firearms distribution economics. Oryx DTR operates a direct-to-retailer platform serving the firearms industry. We recognize that our business model influences our perspective. We've aimed to present balanced analysis of where traditional enforcement works, where it faces challenges, and what alternatives exist—regardless of whether those alternatives involve our platform.

Data Sources

- Aggregated e-commerce transaction data (GunBroker, major online retailers), Q3-Q4 2024
- Dealer forum surveys and discussions
- Distributor pricing sheet analysis
- Manufacturer interviews (anonymized)
- Retailer cost benchmarks: POS Nation, Shopify, FFL Consultants
- Industry reports: NSSF, Shooting Industry Magazine, FBI NICS data

Questions about this analysis?
Contact us at oryxdtr.com