

Rationale for Remington Entry

In our market studies, the initial reaction we found was that there appeared to be no reason for another make or model of pellet gun or ammunition--there was apparently enough variety already available. However, it develops that the pellet gun business has some problems that spell opportunity for Remington. Specifically:

- Product quality--We almost invariably found that the two major manufacturers, Daisy and Crosman, have a poor quality image, having had to withdraw entire stocks of some models, and having large amounts of returned merchandise (one distributor told us that on an average, one out of ten Crosman pellet guns was returned as defective compared to less than one in 100 of firearms). In general, Benjamin was believed to have better quality than Crosman or Daisy, but the Crosman promotional efforts have been substantial enough to create a predominant consumer demand to the extent that some distributors have dropped the Benjamin line. On the other hand, we found that the Sheridan pneumatic rifle was of sufficiently high quality that it was the only line carried by some distributors and retailers, the others having been discarded over the years because of quality difficulties.

Since the trend in pellet guns is towards a closer appearance to firearms and towards automatic and repeating actions, the design and production technology is growing closer to that of firearms, making our experience and quality image more and more applicable to the pellet gun field. We were told by some distributors that if pellet guns had the same quality as they have come to expect from Remington, the lines would be a pleasure to handle.

- Distribution policy--All of the present manufacturers of pellet guns and ammunition used a mixed distribution system, ranging from manufacturer's representatives all the way through direct sales to some customers. Remington's policies and repu-