

■ Competitive Analysis

Economy Priced Pump Action Shotguns:

The largest segment of the pump action shotgun market is the economy price product segment. Mossberg, Maverick and USRAC are Remington's major competitors. There are also several imported products that are typically viewed as non-competitors due to low price and poor quality.

Mossberg has two entries in this market: Model 500 and Model 835. The Model 500 is offered in 12 gauge, 20 gauge and .410 bore and is available in several configurations including vent rib barrel versions to short barrel home defense guns. Over the past several years Mossberg has increased its home defense sales by offering options such as extended magazines and pistol grip stocks to the general public. The basic Model 500 sells for \$21 less than the equivalent M/870 Express after sales programs and discounts.

The Mossberg Model 835 is the only economy priced 3½" 12 gauge pump action shotgun on the market. The 835 is offered in several configurations from walnut stock guns to camouflaged synthetics. Sales of the Model 835 have helped stabilize Mossberg's market share. The basic Model 835 with wood stock sells for \$3 more than the basic Model 870 Express (after sales programs and discounts).

Mossberg owns and operates Maverick Arms. Maverick sells a low-end product that is assembled in the US from parts manufactured in Mexico. The Maverick product line is limited to a handful of 12 gauge SKU's, with the basic Maverick selling for \$58 less than the Model 870 Express.

USRAC competes in this market with the Model 1300 which is offered in both 12 gauge and 20 gauge. Like the Mossberg 500, the Model 1300 addresses both the hunting market as well as the home defense market. USRAC has increased their number of variations offered in the home defense configurations, to a total of eight SKU's, two of which are new for 1997.

Several imported low priced products are available in this market, however, due to poor quality and reliability, most are not competitive. Brolin Industries introduced the Hawk HP9 in 1996. Imported from China, it is a knock-off of the Model 870 with an extended magazine. This gun so closely resembles the Model 870 it appears several parts may be interchangeable. Given the similarities in shape and styling, Remington is currently investigating trade dress infringement