

Weaknesses

- Early incidences of malfunctions have given the product a black-eye that has proven difficult to remedy
- Product is also plagued by the poor reputation and product failure of the Model 522 Viper in the autoloading rimfire rifle category
- Low-margin position yields poor profitability
- Low visibility in comparison to Ruger with respect to advertising exposure

Opportunities

- Past performance with special make opportunities have yielded significant volume and can result in improved margins
- Special chain store offerings could result in category growth by giving chain customers unique, profitable offerings to compete regionally.

Threats

- Continued pressures from Ruger and Marlin to protect market share
- Increased pressure from imports
- Increased costs of materials or increased costs of manufacturing could drive the 597 over the threshold price of competitiveness

Product Strategy – 2004

Model 552 Speedmaster

No new product introductions are planned for the 552 Speedmaster. An emphasis should be placed on maintaining manufacturing quality to protect the small but profitable niche market opportunity enjoyed by this product.

Model 597

Model 597 Scoped Combo - The Marlin Model 60SS scoped combo has proven to be tremendously successful at Wal*Mart. Point of Sale data from Wal*Mart indicates growth in volume for this sku in 2002 of 10% over 2001 levels. The rifle comes with an inexpensive, fixed 4X scope with 20mm objective and 5/8" tube. Significant opportunity exists for Remington to enter this category with a similar offering, only with a scope perceived as a greater value. A fixed 4X scope with a 32mm objective and 1" tube from Tasco has been identified as a candidate for this project. Initial thoughts were to make this product an exclusive for Wal*Mart conditional upon Wal*Mart's commitment to grow the 597 business significantly. However, Wal*Mart's reluctance