

Advertising and Merchandising

During the last several years the majority of Remington's marketing communication dollars have been spent on brand advertising. While effective efforts like NASCAR have been employed, the *firearms business has lacked core product advertising which promotes awareness and motivates consumers to buy*. New products introduced within the last 24 months are also suffering from a lack of investment grade advertising. As a result, pull-through at retail for these products have been less than robust. A prime example of this is Remington's new Model 597 rimfire rifle. New products which could also fall into this trap are the Model 700 Muzzleloader and Model 11-96 Euro Lightweight.

For 1998, Remington must invest in feature benefit advertising which provides the consumer a compelling reason to purchase our product. A review of core items indicates that this effort is needed for the 11-87, 870 Wingmaster, Model 700 bolt action rifle, and 7400/7600 repeating rifles. In addition, major advertising campaigns are required to launch the 597 rimfire rifle family, introduce the new 870 Express 3 1/2" Super Magnum and the new low cost synthetic versions of the model 7400 and 7600 repeating rifles.

Remington has utilized rebate promotions on the model 870 Express for the past three years. In 1997, a model 700 bolt action rebate was tied to the purchase of Remington branded centerfire ammunition for the first time. The measured success of these rebates have been marginal at best. While they provide an excellent selling proposition to the trade, the actual redemption rates have been disappointing. *For 1998, Remington will abandon rebates on both shotguns and centerfire rifles. Our resources will be re-channeled toward producing higher grade advertising and initiating in-store merchandising for key categories.*

Our marketing communication focus for 1998 should be targeted on the following areas for firearms:

- Create feature benefit campaigns for the key categories mentioned above which develop the position of performance and value for Remington's firearms products.
- Develop new advertising campaigns that successfully introduce new products that were neglected in 1997 and are planned for 1998 introduction.