

REMINGTON'S COMPETITIVE SITUATION OF MOST CONCERN

Marketing constantly reviews the acceptance of our gun products as compared to the acceptance of comparable competitive models. The data source that we draw this information from is via trade and consumer contacts, trade and consumer reports and a periodic analysis of market share reports compiled by outside study groups. The data bank indicates that we are losing shotgun sales to competition due to quality and endurance deficiencies. The downward trend is most noticeable in the usage of Model 1100 target grade guns at major shoots. It is here that Ithaca, Winchester and Browning are making comparative advertising claims, and verbal claims, of their superior over-all dependability. Shooters are listening to these claims, and there is clear evidence that they are buying competitive products at the expense of Remington.

A sample line count, which we feel is representative of the total picture, tells us that approximately 19% of the shooters that participated in the 1974 Grand American Handicap event, used Remington guns as opposed to 31% in 1973. A similar line count at the 1974 World Skeet Championships shows that 58% of the all gauge shooters used Remington guns as opposed to 62% in 1973. Furthermore, 1974 sales of target grade guns, excluding the 3200, are expected to be 28,000 units as compared to approximately 40,000 units in 1970. 83

The counter introduction of the Winchester Super X and the Browning 2000 gas operated shotguns are aimed at the market Remington holds, and preliminary tests indicate both guns have good over-all performance.

The popularity of the Perazzi single barrel, the Browning BT 99 single barrel, and other single barrel trap models are also cutting into our market share of target grade guns, as they all have a built in factor of high dependability. Remington will enter this market in mid 1976.

The foregoing comments portray the urgent need to improve the dependability of our guns, and particularly the Model 1100, to reverse the downward trend of target gun sales, which if not checked, would in due time seriously erode field gun sales in this model and possibly jeopardize the over-all acceptance of other models.

Our number one position in the industry is indeed an enviable one and must be maintained by extending an all out effort to improve dependability and appearance of all Remington guns.

FEMorgan/bc
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