

SHOTGUN INDUSTRY ANALYSIS

The shotgun market in the U.S. is comprised of 6 major manufacturers, who together total over 90% of domestic sales. They are: Remington®, Mossberg®, Browning®/US Repeating Arms Co® (USRAC), New England Firearms® (NEF)/Harrington & Richardson® (H&R), Beretta® and Benelli® (Benelli is actually owned by Beretta Group, but they are perceived as separate entities due to very different product offerings). These six differ significantly in terms of their pricing, customer profiles and brand perception. Additionally, the big six differentiate themselves from each other in the amount of print advertising they buy and the subsequent benefits they apparently get from it.

1. "Customer Profiles"

- Traditionally, the typical shotgun customer has been conveniently categorized as male, around 40 years old, living in the Southeast or Midwest region of the U.S., with an annual income level of \$20K-\$50K and who purchases a shotgun primarily for hunting purposes. The problem with such broad definitions is that they can too easily ignore important segments of the buying public. This can hinder product innovation by not concentrating on what customers or potential customers want in terms of product *outcomes*. It is therefore more effective to group information together using outcome-based segmentation, where the focus is on the end result. With this method a proposed feature or product is rated for importance and how well it is currently satisfied in the market place. Simply put, the path forward in establishing future "customer profiles" will be to more effectively determine what product traits are the most important and at the same time the least satisfied. More on this in the section titled "Market Research Opportunities", page 112.

2. Brand Perception

- The perception of shotgun product value among the big six is highly relative. The most telling indicator of value in today's shotgun market is to examine the most recent average price points among the various product categories as compared to sales volume in units. Based on this, the following generalizations can be made about the big six:
 - **Remington** – Most Remington shotgun products are considered a good value for a relatively moderate price. The fact that all Remington shotguns are American made is still seen as favorable to domestic customers. The Model 870 is considered the standard for pump action shotguns but Remington autoloading shotguns are exhibiting symptoms of a life cycle in decline.