

### **Remington Over/Under Shotguns – Opportunities**

If a reliable, high quality O/U shotgun can be made at a competitive price, Remington can increase its market share provided the marketing tools are in place to support its introduction. Based on its pedigree status, the new Model 332 provides the best chance for Remington's re-entry into the O/U market. A sustained product life cycle with multiple offerings is the goal.

### **Remington Over/Under Shotguns – Threats**

1. Well-established O/U product lines from Beretta, Browning/USRAC and Ruger provide the buying public with a wide variety of O/U shotguns at equally varying price levels. In short, there is already a lot from which to choose.
2. The perception from the public that Remington is irresolute with its O/U shotgun plan creates hesitation in purchasing until it is clear that Remington will not change the basic design the following year.
3. Controlling the cost of the O/U product is extremely important. The most effective way to ensure that the O/U line is profitable is to significantly reduce the cost of manufacture. Cost overruns can kill the product.
4. The quality of the O/U product is also of paramount importance. The buying public will not embrace a new O/U unless the functional and cosmetic quality of the gun is solidly entrenched.

### **Over/Under Shotgun Product Strategy – Overview**

- Remington's strategic direction will be to re-enter the O/U market with quality, sustainable products and grow share over the long term.
- To affect this strategy the plan will have three parts.
  - Establish and entrench the new Model 332 by providing a quality shotgun that has the right characteristics at a competitive price to similar offerings from Beretta and Browning. The public must be assured that Remington will continue with the Model 332 and not discontinue it in a year or two.
  - Streamline and cost-reduce the manufacturing aspect of this gun. This is vitally important to the long term health of the category. Various tactics will be employed to bring the cost of manufacture down so that solid margins become a reality. Alternative fabrication methods and strategic outsourcing of parts will be part of this plan.
  - Eventually expand the offerings of the Model 332 to grow volume. Different configurations and gauge offerings will validate the line and go a long way towards allaying public skepticism about Remington's resolve in its O/U products.

- 32 -