

RIM FIRE RIFLESBOLT ACTION - SIMULTANEOUS MARKETING OF NYLON AND WOOD STOCK LINE

Sales proposed the reintroduction in January, 1964 of the wood stocked Models 510, 511 and 512 and to market them concurrently with their Nylon counterparts, the N-10, 11 and 12. This recommendation is based on the apparent consumer resistance to nylon as a wood substitute without the nylon contributing to improved performance as in the Nylon 66. They feel that increasing the barrel length to 24 inches in the N-10 series will not be enough to restore our traditional share of the bolt action rim fire market. Reintroduction of the wood stocked models, in their opinion, will not provide competition with an opportunity to exploit and will not adversely affect the sales of our other rifles. They estimate that additional sales volume and earnings from the dual offering will exceed that from the Nylon 10 series only.

Sales anticipates that one year of simultaneous marketing of nylon and wood in comparable models will enable them to project the future potential in nylon substitutes.

Table 3 indicates the unit operative earnings on a full cost basis and the earnings summary on a cash cost basis. Increased earnings is due to the added volume rather than any significant difference in model costs since the 510 series will use the same metal parts as the Nylon series except for the old style, bolt type handle, not chrome plated on the 510 series.

Committee Action

The Committee approved and recommends General Management approve the Sales Department recommendation to reintroduce the Models 510, 511, and 512 rimfire rifles and market them concurrently with the Nylon 10, 11, and 12 effective January 1, 1964.

ANALYSIS OF RIM FIRE LINE

A Rim Fire Rifle Sub-Committee was appointed in February, 1963 to conduct a study of the entire rim fire line to determine the desires of the market and the rim fire line Remington should offer to profitably increase its share of the market. A summary of its findings is as follows:

Rimfire rifles average approximately 50% of total unit sales and 25% of total dollar sales

Rimfire line earnings account for approximately 15% of total firearms profits and approximately seven hundred thousand dollars of average annual factory profit.

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