

REMINGTON ARMS COMPANY, INC.
BRIDGEPORT, CONNECTICUT

c: P. H. Holmberg
W. H. Forson

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ADDITIONAL COMMENTS -

BOLT ACTION LINE STRATEGY

In reviewing the proposed bolt action line strategy, there are a few areas which we feel need further clarification.

1. Selling Price Assumptions

In establishing proposed selling prices for both Case 1 and Case 2, the driving force behind the Case 1 pricing was the position of a competitive offering in the bolt action line in 1983 which, in the opinion of Marketing, would require a continuation of the strategy employed in 1982. Pricing was kept to a minimum to compensate for the appearance of perceived values in our bolt action line offerings versus our competition.

In Case 2, with the introduction of a product directly competitive with Ruger, we believe the price options are driven by the price positioning of the Sporter versus Ruger. If our assumptions are correct in assessing what competition may do in 1983, then we open up price flexibility not available without a competitive offer and we can increase the prices of the other bolt action models.

2. Communications

For the last two months, we have been reviewing the best advertising for our bolt action line and have recognized that, in many instances, actual features of the various models within the line are not being presented to the consumer audience as well as they could be. As a result, our 1982 advertising will attempt to correct this shortcoming. For instance, we will specify that the BD1 is cut-checked and not press-checked, etc. As for 1983, we are already preparing

- 2 -

preliminary ad strategy and copy pertaining to the new Sporter and the other models within the bolt action line. Exhibit A in the proposal defines the feature differences and provides the stepping stone for ad copy.

3. Economics

Overall, Marketing is not pleased with the economic results derived from introducing the Sporter; however, we feel strongly that we must begin to make aggressive moves within the bolt action line in an effort to regain our previous strength. The alternative does not, in any way present a favorable result and, in our opinion, represents a driving force to make changes, all of which are designed to complete by 1985 a total offering equaled by none in the industry. In addition, we should understand that the pricing assumptions in the proposal represent our best thinking at this time and will probably not be finalized until later this year and, hopefully, only after we have gotten a better feel for what competition may do in 1983. Long range, our goal is to return the bolt action line to a pretax earnings level in excess of 10% with positive cash flow and return on investment.

C. A. RILEY

GAR/cms

RIFLE REDESIGN PREFERENCE TESTIndividual Interview Guide - Revised
(April, 1982)

Name of Respondent _____ Interviewer _____

Address _____ Phone _____

City _____ State _____ Zip _____

(CHECK RESPONDENT PURCHASER TYPE AND FILL IN THE BLANKS.)

<u>BRAND</u>	<u>MODEL</u>	<u>CALIBER</u>	<u>YEAR PURCHASED</u>	<u>NEW or USED</u>
() Ruger	Model 77	_____	_____	() ()
() Remington	Model 700 () ADL	_____	_____	() ()
	(CHECK ONE) () BDL	_____	_____	() ()
	() Classic	_____	_____	() ()
() Other				() ()
(specify)	_____	_____	_____	() ()

Section I - Comparison of Test Models

INTERVIEWER: OUR PRIMARY OBJECTIVE IS TO OBTAIN THE RESPONDENT'S REACTIONS TO PHYSICAL APPEARANCE DIFFERENCES (INCLUDING BUT NOT LIMITED TO SHAPE) AND SPECIFIC FEATURE DIFFERENCES BETWEEN THE TWO GUNS. THE RESPONDENT SHOULD BE ENCOURAGED TO HANDLE AND EXAMINE BOTH RIFLES. WHILE RESPONDENTS MAY OFTEN REACT TO "FEEL," FIT AND PERCEIVED OPERATING DIFFERENCES (E.G., OF THE BOLT ACTION), YOU SHOULD ESPECIALLY ENCOURAGE RESPONSES RELATING TO THE PRIMARY OBJECTIVES, BUT IN AN INDIRECT MANNER; E.G., "WHAT ELSE?" OR "WHAT OTHER DIFFERENCES DO YOU SEE?"

First, I would like you to examine these two rifles. Please bear in mind that both of these guns are the same price. The set of scope rings comes with each gun. (GIVE RESPONDENT TIME TO EXAMINE.)

1a. Well, what do you think? (SPONTANEOUS FIRST, BE SURE TO INDICATE BY CODE LETTER(S) WHICH MODEL(S) THE RESPONDENT IS REFERRING TO)...
What else?

(IF RESPONDENT HAS COMMENTED ON ONLY ONE OF THE MODELS, ASK:)
b. What about the other gun, Model _____ (FILL IN LETTER)? What do you have to say about it?

2a. Now, I want you to think back to just before you bought your _____ (CHECK FIRST PAGE FOR GUN MAKE AND MODEL PURCHASED)... If at that time you had to pick one of these two guns to buy -- and if they cost the same -- which one would you have bought? (WRITE IN LETTER OF PREFERRED MODEL BELOW.)

Would have bought Model _____.

b. Why is that one your preference? (SPONTANEOUS FIRST; THEN:) What else?... Any other reasons?

- 2c. Which of the following three statements best describes your feeling about the model you prefer? (READ OFF CHOICES BELOW AND CHECK APPROPRIATE BOX.)
- ☐ I prefer it a lot; it really makes a big difference to me.
 - ☐ I prefer it somewhat; it does make a difference to me.
 - ☐ I prefer it only very slightly; it hardly makes any difference at all.

(IF NOT ALREADY COVERED:)

3. Did the check piece on Model L play a part in your preference -- either for or against?
- ☐ No ☐ Yes (IF YES:)
- How did it influence your decision?

Section II - Perceived Price/Value Differences

- 1a. Now let's assume that these two guns actually are not the same price. And let's also assume that the model you did not prefer -- that is, Model (WRITE IN THE MODEL CODE LETTER THAT HE DID NOT PREFER) -- costs \$300. Now, would you be willing to pay \$60 more than that for the model you did prefer?
- ☐ Yes (GO TO QUESTION 2)
 - ☐ No
- b. \$40 more?
- ☐ Yes (GO TO QUESTION 2)
 - ☐ No
- c. ...how about \$20 more?
- ☐ Yes (GO TO QUESTION 2)
 - ☐ No
- d. \$10 more?
- ☐ Yes (GO TO QUESTION 2)
 - ☐ No
- e. So, you are not willing to pay even \$10 more for the model you preferred... why is that? (PROBE.) Anything else?

(SKIP TO SECTION III)

(FOR THOSE WILLING TO PAY MORE:)

2. Could you tell me why your preferred model is worth that much more to you than the other model? (PROBE.) Anything else?

Section III - Scope Mounting

1. As you may have noticed, both of these models include scope mounting hardware. What differences do you see in these two scope mounting systems? (BE SURE TO INDICATE BY CODE LETTER WHICH MODEL(S) THE RESPONDENT IS REFERRING TO.)
- What else?

(IF NOT COVERED IN 1, ABOVE)

- 2a. What advantages and disadvantages do you see in the system used on model L? Anything else?

(IF NOT COVERED IN 1, ABOVE)

- b. And what about for the system used on model K?
What else?

Page 5

Let me briefly review these two systems. On Model K the system consists of a pair of scope rings which fit into an integral base machined into the receiver. On Model L the system consists of a pair of scope rings and a set of separate mounts which are attached to the receiver fore and aft of the bolt, using pre-drilled and tapped holes.

3a. Now that we have reviewed these two different mount systems, and considering just the method of mounting the scope, which system do you prefer? (CHECK PREFERENCE BELOW.)

☐ Prefer scope mounting system on Model K

☐ Prefer scope mounting system on Model L

b. Why is that one your preference?

Section IV - Classification Information

Finally, we need a little information about you for statistical analysis purposes...

1. Overall, how many rifles (of any type) do you own? _____

2. Overall, how many shotguns do you own? _____

3. What is your marital status?

- ☐ single
- ☐ married
- ☐ divorced/widowed/separated

4. What is your approximate age?

- ☐ 25 or under
- ☐ 26 - 30
- ☐ 31 - 35
- ☐ 36 - 40
- ☐ 41 - 45
- ☐ 46 - 50
- ☐ 51 - 55
- ☐ 56 - 60
- ☐ Over 60

5. What is the last grade of school you attended?

- ☐ High school graduate or less
- ☐ Some college
- ☐ College graduate or more
- ☐ Technical/trade school

6. What is your occupation?

_____ In _____
occupation business or industry

7. Which category represents your total family income?

- ☐ Under \$10,000
- ☐ \$10,000 - \$14,999
- ☐ \$15,000 - \$19,999
- ☐ \$20,000 - \$24,999
- ☐ \$25,000 - \$29,999
- ☐ \$30,000 - \$34,999
- ☐ \$35,000 - \$39,999
- ☐ \$40,000 or over

Thank you very much for your cooperation. Happy Hunting!