

## REMINGTON ARMS COMPANY, INC.

INTER-DEPARTMENTAL CORRESPONDENCE

Remington

cc: P. H. Holmberg  
J. E. PreiserBridgeport, CT  
October 19, 1981

TO: E. F. BARRETT E. HOOTON, JR.  
E. B. BEATTIE J. P. LINDE  
H. K. BOYLE J. P. McANDREWS  
J. P. GLAS J. G. WILLIAMS  
R. L. HALL C. B. WORKMAN

FROM: T. W. RAWSON *twr*

SUBJECT: SUMMARY EXECUTIVE BOLT ACTION RIFLE COMPETITIVE AUDIT

On 10/15/81 the second Annual Executive Firearms Competitive Audit was held. Because of the competitive situation, bolt action rifles were chosen as the subject. Observations and discussion at this audit were limited to product. Once again the evaluation was restricted to visual impressions as would be typical in a store environment. Technical evaluation will be presented by R & D in November.

Attached is a matrix similar to the one filled out which summarizes the scoring. Following are observations on that scoring and a summary of the discussion.

- First, second and third place without price consideration went to 700 BDL, M70 Featherweight and Ruger M77 respectively.
- The overall scores did differ from the cumulative individual item scores indicating that overall impression and other factors than those cited contributed to ranking.
- The addition of pricing information (copy attached) did change the ranking. Ruger M77 went from third to a first place tie with the 700 BDL in this analysis. The M70 FWT fell from 2nd to 3rd reflecting the negative reaction to its higher price.
- Stock appearance honors went to M70 FWT, 700 BDL and Ruger M77 in that order suggesting some combination of the 3 might prove most desirable. While the 700 Classic was not audited a sample was reviewed. An oral consensus seemed to indicate our classic was the favorite style. The narrow forend, open styled pistol grip and straight comb of the M70 FWT received special mention.

PLAINTIFF'S  
EXHIBIT

3138

AL0025561

10f5

• Action smoothness, a characteristic discussed in market research panel studies, ranked Remington entries rather low. This ranking suggests the work being done on the recessed follower is in the right direction.

• Browning, known for its high quality appearance, ranked first in metal finish. Dropping back down the price scale the auditors seemed to agree, there was little difference between the major three contenders. Remington did outrank both WW and Ruger in this characteristic on the sample guns. Some auditors expressed surprise at this but warehouse audits and in store checks confirm, generally, this situation.

• Remington's BDL and ADL took the honors in the extractor, ejector, locking system category. It was mentioned that our design yields the cleaner, neater appearance as a system. Objectivity may have been compromised here as well because of what we believe to be true of the strength and safety of our system. While more bulky and less streamlined the Ruger extractor (Mauser type) does get a lot of play in the press and trade as the more impressive looking mechanism. It was noted that our extractor appears less than impressive and this is partly due to the crudely ground off rivet used to hold the extractor in place.

• The panel was asked to judge the safety not so much from its "safeness" which is difficult to judge in this environment, but from the point of view of convenience, quietness and quality of appearance. The Browning and Ruger took 1st and 2nd place respectively. Both rifles feature sliding, "shotgun type" tang safeties. Remington safety which is functionally similar to Ruger's was relegated to 4th place because of the side tang position which necessitates an elongated hole in the stock and yields relatively poor appearance.

• Ruger took first place for accessory parts (sights, scope mounts, grip caps, etc). Their combination of clean barrel (no sights, no holes) and scope mount plus absence of white line spacers at grip cap and butt seemed to be most preferred. The Ruger scope mount system is respected functionally but was described as rather bulky - visually. Negative comment was recorded regarding the safety message on Ruger's barrel. (cosmetic reaction).

Summary:

Within our price segment there was little to choose from an execution point of view between the big 3. (Rem., WW, Ruger).

2 of 5

AL 0025562

Remington's wood finish, fits and metal finish were at least as good as competition. Small details, like the previously mentioned white extractor rivet head were jarring footnotes.

While the functional analysis has yet to be heard there was little apparent, in the visual audit phase to suggest Remington's functional quality suffers by comparison.

Confining the conversation to product then, it appears that we suffer in the competitive comparison with design cosmetics. In the absolute sense our styling left something to be desired. The panels interest in the 700 Classic, M70 Featherweight and Ruger M77 all fairly well follow a documentable trend in bolt action rifle styling in evidence today. Considering the M700 in current form is basically 20 years old while the movement toward pre 64 M70 - classic styling started by Ruger with the M77 is but 10 years down the product life cycle, this is not surprising. More subtle however is the apparent visual quality of mechanical design from which people imply overall product quality. The M700 safety while functionally similar to the Ruger 77 suffers by comparison in the visual sense. The quality of our design from a styling point of view needs some upgrade as well as styling in the absolute.

Finally the audit also raises a more significant question relevant to quality. Our execution is acceptable and functional design adequate to superior. The styling differences seem short of a total explanation for slipping sales. The price value relationship is the key and as can be seen by the summary matrix the price does effect peoples opinion of gun desirability. Ruger with price added represents the significant threat to M700 sales. Price-cost relationships are the rub. Significant improvement in productivity through better management control of scrap, rework and warranty repair are the benefits of an improved quality system outlined in the quality plan. The changes called for in that plan are essential to improving the cost situation.

TWR:fd

attachment

30f5 AL 0025563

After inspecting all samples, please fill in matrix below. Best score = 1; Worst score = 7.  
 Duplicates are acceptable.

	REM. 700-BDL	RUGER M/77	REM. 700-ADL	W-W 70-XTR	W-W 70-FWT	BROWNING BBR	S&W 1500
Stock Appearance	2	3	6	4	1	5	7
Action Smoothness	5	3	6	4	2	1	7
Metal Finish	2	5	3	6	4	1	7
Extractor, Ejector, Locking System	1	4	2	5	5	3	6
Safety	4	2	4	3	3	1	5
* Accessory Parts (Grip Caps, Sights)	2 (2)	1 (3)	6 (5)	5 (5)	4 (4)	3 (1)	7 (6)
Best Overall w/o Price	1	3	6	4	2	5	7
Best Overall with Price	1	1	2	4	3	5	6

\* Number in Parenthesis is placement based on individual item scores above. Best overall W.O.  
 and W. price reflect overall impression and other factors not identified as individual items.

COMMENTS:

4 of 5  
 SAL 0025564

COMPETITIVE BOLT ACTION RIFLE AUDIT 1981

PRICING INFORMATION

	<u>M/700 BDL</u>	<u>RUGER</u> <u>M/77</u>	<u>M/700 ADL</u>	<u>W-W</u> <u>70-XTR</u>	<u>W-W</u> <u>70FWT</u>	<u>BROWNING</u> <u>BBR</u>	<u>S &amp; W</u> <u>1500</u>
uggested etail tart '81	399.95	325.**	334.95	412.	433.	429.95	334.95 Std. 379.95 Deluxe
etail Median elling Price 6/81	315.	269.	250.	385.	433.*	400.*	255. Std 305. Deluxe

\* Estimated  
\*\* 340. as of 6/1/81

AL 0025565

5 of 5