

Marketing Principles of the Sportsman M 710 Bolt Action Rifle

Project Concepts:

- Develop a low cost bolt action rifle which will help Remington gain share at the Marts.
- The project must have low capital and development cost.
- Margins must be superior to that of the M700 ADL Synthetic.

The Competition:

- Savage Models 110/111, estimated to be 60% of their volume. Mart Volume estimated to be 12 to 17 thousand units all scope combos. Savage has costs that are similar to Remington but settles for lower margins. 83
- USRAC / Winchester M70 Special runs are also scope combos. The majority of their volume is at Wal*Mart. 1997 estimated P.O.S. 48 thousand units. Kmart volume believed to be insignificant.

Project Metrics:

- Volume 40,000 units
- Model 700 replacement volume 15,000 units.
- Cost \$103
- MSP \$229
- NSP \$188
- Target Standard Gross Profit, 45%

Project Issues and Concerns:

- Cost of Model 710 Sportsman
- Erosion of Model 700 business at a 46% Standard Margin.
- Congruency of features and benefits between M700 and M710S.

Goal of Today's Review:

- Validate or change product development strategy.
- Direct the employment of scarce resources to maximize benefit to the corporation.