

polished blue metal, walnut stock and fore-end, iron sights and a removable four shot clip magazine. Chambered in popular short and long action calibers, the 7400 primarily targets the hunting market.

Due to several factors, market demand for the Model 7400 has declined significantly in recent years. 1996's mid year addition of roll embellishment to the Model 7400 receiver created obsolete inventory both for Remington and the Trade, leading to confusion and disruption in the market place. This, along with the reoccurring quality issues of the 7400, can be attributed to part of the decline in demand. However, *the most significant market issue with the Model 7400 is the price.* In an effort to maintain margins, price has increased 14% since 1993. *At \$360 wholesale (after sales programs and discounts), the Model 7400 is now priced the same as quality bolt action rifles, causing the consumer to shift to either a bolt action or a lower cost competitive not in kind product.*

The Model 7400 is popular in Europe. As a result, we have produced a specially configured Model 7400 with a lower shotgun stock for our French distributor. However, autoloading rifles face restrictions in Europe requiring the distributor to modify the rifle to make the magazine box non-removable.

The Model 7600, a pump action rifle based on the same action as the Model 7400, features polished blue metal, walnut stock and fore-end, iron sights and a removable four shot clip magazine. As with the Model 7400, market demand for the Model 7600 has also recently eroded, with price being the leading cause of the decline. The Model 7600 competes with the new Browning BAR, lever action rifles and economy priced bolt action rifles. The Model 7600 has reached a price-demand threshold at \$294 net (after sales programs and discounts).

■ Product Strategy - 1998