

**Production/Quality Control** – An essential criteria required in maintaining the competitive position of the Model 710 is to monitor and insure that the price/value relationship remains in favor of the consumer and above the competition. A key element involved in this strategy is to monitor and understand the accuracy performance of the Model 710 in a manner of statistical significance. Manufacturing is implementing quality control procedures to monitor, record, and interpret the accuracy performance of the Model 710 off of the production line.

**Pricing Considerations** – No price increase is recommended for the Model 710 in 2003. In response to the Model 710, Savage Arms was forced to decrease pricing by 6.5% for 2002 on select Model 110 Scoped guns in order to remain competitive. It is the belief of this writer that this resulted in a significant blow to Savage's overall margin position. From margin/profitability perspective, Savage may be forced to increase price for 2003, but will likely hold price in order to protect their market share. **By holding price on the Model 710, Remington should be able to further entrench their position in the entry level scoped combo market.**

**Product Deletions** – No deletions are planned for 2003.

### **Product Strategy 2004 & Beyond – Model 710 Sportsman**

The overall long-term strategy for the Model 710 will be to continue to deliver exceptional value at an affordable price.

**Extruded Receiver** – Exploratory efforts are underway to improve the perceived value of the Model 710 by means of an all metal receiver. Technology that will yield a dimensionally correct steel receiver through extrusion at little or no additional cost to the current synthetic receiver insert is being evaluated by Manufacturing and R&D.

**Model 710 Short-Action** – In April of 2001, Remington composed a poll of visitors to the company website asking the question: "In which caliber would you most like to see the Model 710 chambered?" Over 500M responses were received to the question. Nearly half responded that they would like to see the Model 710 chambered for short action cartridges. Specifically, 22% responded with .243 Win and 25% responded with .308 Win. Although short action calibers are typically less popular than long-action, it makes sense to include one or two short action calibers in the mix to complete the Model 710 family. The short action offering would likely be a 2005 introduction.

| <b>Model</b>         | <b>MSP</b> | <b>NSP</b> | <b>1<sup>st</sup> Year Volume</b> |
|----------------------|------------|------------|-----------------------------------|
| 710 w/scope .243 Win | \$329      | \$300      | 3.5M Units                        |
| 710 w/scope .308 Win | \$329      | \$300      | 4.0M Units                        |