



### **SALES MANAGEMENT N5 – MODULE 3: Sales Forecasting**

Name and discuss more examples of general business conditions that influence an organisation's sales (positive or negative). Use examples from current news stories in the media to motivate. Demonstrate your understanding by using five positive and five negative examples. (10x1)

Your answers should consider the macro environment and relate to areas of politics, economics, laws and regulations and the natural environment e.g.

- The general state of the economy.
- Higher interest rates lead to people buying less luxuries.
- High inflation rates lead to people being less brand loyal; they rather buy cheaper product ranges.

Learners must be aware of the current business conditions in the country in order to answer this question.

#### **Possible examples can include:**

- Negative effects of Covid-19 on global economy and livelihood ect
- Positive effects of Covid-19 may relate to boom of health and safety products; and increased awareness of personal hygiene, importance of public health ect
- Current unstable political situation is causing a lack of confidence to invest in South Africa.
- SA has been downgraded to junk status thus making it a risk for foreign investors to invest in SA.
- Consumers don't want to spend money on expensive products such as property because of a lack of confidence in the country.
- Junk status has impacted cost of living thus adding pressure to consumers (less buying power).
- The drought in SA has affected many businesses across the country.
- SA's exchange rate has devalued considerably. The Rand is at its worse in years. Everything imported thus becomes more expensive.
- The high crime rate is impacting the economy. Businesses suffer because of this.
- SA's VAT rate has increased from 14% to 15%. This has a huge impact on sales. This has affected people in the low income bracket the most.