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Factors to consider when forecasting sales

Several times I have already returned to the topic of sales forecasting, nevertheless I consider it necessary to formulate and specify a separate note by the marketing specialist what factors influence sales and which should be taken into account by the salesman when forecasting sales and determining the scope of work necessary to fulfill the forecast. Influential factors are external and internal, independent of the forecast, so dependent, which must be taken into account in the marketing activity of the company. The general, typical list of factors influencing the dynamics of sales is not as big as it may seem at first glance.

Actions of authorities (local and federal level), current legislation and its amendment
General Dynamics - the trend of the market segment in which the company operates;

The activities or inaction of competitors;

Product portfolio, assortment, its diversification;

Seasonal variations, seasonal sales;

Consumer and consumer behavior;

Everything called accounting, sales policy, pricing;

Stability, balanced marketing channel;

Company management, motivation and demotivation

Trade marketing and seis marketing

Advertising, all that relates to ATL

I would call a couple more, but for the sake of simplicity we will hang on and omit the possible polemics, as a result of continuing the list, and we'll stop there. I wrote the headline "Factors to Consider When Forecasting Sales" and understood that it is necessary to express myself more precisely: it is for these factors that the entire planning system of sales and marketing departments of companies is built and the same factors underlie most sales forecasting models. Decipher each of the factors:

The actions of the authorities

In the company I work for now there is a separate marketing person: a specialist in GR. In fact, the appearance of a GR specialist in a company is far from always justified. Permanently, the company is forced to interact with such state structures as tax, labor, fire inspections and so on. Addressing emerging problems is the task of the heads of the relevant departments of the company. Now, if relations with the state begin to directly relate to the development of business: government supplies, state purchases, tenders and auctions, businesses on the verge of legal and illegal, etc., this is where the need for a GR-specialist arises. With this specialist and without him, changes in legislation in the analyzed period, in the past and in the future, may affect sales. If "it can," then we estimate the probability, the risks, and immediately try to take this into account.

Overall Dynamics - Trend

The market trend is understood as general market (general segment), common to the whole segment, all market dealers, common properties, characteristics observed from one control point to another trend. For example, the market is developing or shrinking, and to what extent is

breakthrough in the market: technology, price, service. For the analysis, take the statistical data that the market grows by a certain percentage per year, and for the past five years - by that.

Competitors activities

It is necessary to monitor, analyze, using explicit data and indirect information, any actions of competitors that could or may affect the alignment of forces in the market. Such actions can bring for you, for a company both in negative and in positive dynamics. For example, new products have appeared on the market, competitors, who in one way or another will draw some of their customers. Or, on the contrary, some company ceased operations. Or - someone conducts an advertising campaign, someone reduces prices, someone changes staff, management, etc.

Product portfolio

It is necessary to take into account any changes relating to the field of goods and services sold. This could be, for example, product diversification, increase or decrease in the range, new products, models, etc.

Consumer and consumer behavior

For frequent behavioral changes, attitudes and expectations can be implicit, temporary, but often not taking into account changes in trends and preferences, growth, reduction in Central Asia, changes in Central Asian income can cause fatal damage to business and simply leave the company without customers. Such changes in behavior and preferences need to be carefully listened to.

Seasonal variations

Seasonal fluctuations in supply and demand, depending on the season, season, month, are affected by fluctuations in sales volumes. Seasonal fluctuations are the most visible, and therefore predictable, factor that is primarily taken into account when analyzing and planning sales. It is characteristic of many products and services. Seasonal fluctuations through sales affect the fluctuations of other marketing indicators: an increase in accounts receivable, a slowdown in inventory turnover, etc.

Accounting, sales policy and pricing

It is necessary to take into account rising or falling prices, changes in the pricing policy in general, credit system, inventory accounting and changes in the ratio to them as a whole. All just, for example, previously "retreating on the brakes" delays in payments of up to five calendar days are now subject to indispensable "debriefing", identifying the causes and punishment of the perpetrators. It is clear that such a change will inevitably have an impact as a deterrent or, conversely, stimulating sales. Marketing channel Just above, we tried to carefully consider the changing preferences of buyers. It is also important to take into account as a factor the possible instability of ties, the incoherence of logistic flows, the absence of measures to stimulate the marketing channel. It is necessary to take into account all the changes that have occurred among customers - partners in the general distribution chain. The number of customers may eventually increase or decrease, the ratio of different groups of customers, the number of shipments (sales, transactions), their size, etc., may change. Of course, it is important to take into account the change of preferences, customer orientation, regular customers, dealers, distributors, etc. It is necessary to take into account possible changes in the ways of selling goods and services from the point of view of distribution networks. The company's management of dismissal or the arrival of new employees, changes in staffing structure or changes in the motivation system, and redistribution of clients among the company's management can also influence the change in sales volumes. The quality of training for managers of sales, sales, marketing, sales staff is also a factor that requires careful study in sales forecasting.

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