

A B S T R A C T

The cornerstone of successful marketing planning in a firm is the measurement and forecasting of market demand. The key figure needed is the sales forecast, because it is the basis of all budgeting and operations in the firm. Firms operate in an increasingly hostile and complex environment. Both the external factors which the company cannot control, and the internal factors that the company can control, interact in a baffling, complex way to affect sales. Therefore, marketing managers have to have some understanding or view about how all these variables interact and try to be rational about their sales forecasts.

Most authors on marketing management seem to accept readily that some kind of formalised procedure for sales forecasting helps sharpen this rationality so as to reduce the complexity and add a dimension of realism to a company's hopes for the future.

But is this what happened in practice and how? To answer this question, data were collected from manufacturing firms listed in the Enugu State Trade Directory 1992 and analysed:

The main lessons learned were:-¹

- (i) That some 25 per cent of the respondents had not been doing formal sales forecasting;
- (ii) Most companies understood the importance of and