

3. Businesses count the cost of events beyond their control

A number of UK businesses have felt the impact of **external influences** upon their activities in 2005. British Airways' sales were badly hit by the July bombings in London, as well as by the wildcat strikes of catering workers. Matalan, the retailer, has suffered from a different problem. Analyst, John Stevenson, a broker at Share Capital, said 'We expect current trading at Matalan to have worsened, as a result of the mild weather in September and October, particularly given the trend that consumers are tending to focus on **needs** rather than **wants** at present'.

Adapted: Western Mail, 31 October 2005

(a) Explain the meaning of the terms *needs* and *wants*.

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(b) Identify and explain the impact of **two** *external influences*, other than those mentioned in the text, on retailers such as Matalan. [6]

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(ii)

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