

Unit – 2 – Demand Forecasting

Meaning & Definition of Demand Forecasting

Demand forecasting is a systematic process that involves anticipating the demand for the product and services of an organization in future under a set of uncontrollable and competitive forces.

Accurate demand forecasting is essential for a firm to enable it to produce the required quantities at the right time and arrange well in advance for various inputs.

Meaning & Definition of Demand Forecasting

In the words of **Cundiff and Still**, “Demand forecasting is an estimate of sales during a specified future period based on proposed marketing plan and a set of particular uncontrollable and competitive forces.”

Demand forecasting enables an organization to take various business decisions, such as planning the production process, purchasing raw materials, managing funds, and deciding the price of the product. An organization can forecast demand by making own estimates called guess estimate or taking the help of specialized consultants or market research agencies.

METHODS OF DEMAND FORECASTING

