Task 3: Forecasting

Fresh produce has a short life span, and due to increasing costs, the company wants to have an accurate monthly sales forecast.

Task 3: Forecasting Produce Sales

You've been asked to prepare a monthly forecast for produce sales for the full year of 2016 for both existing and new stores. To do so, follow the steps below.

Step 1: To forecast sales for existing stores you should aggregate sales across all stores by month and produce a forecast.

Step 2: To forecast sales for new stores:

- Forecast produce sales for the average store (rather than the aggregate) for each segment.
- Multiply the average store sales forecast by the number of new stores in that segment.
- For example, if the forecasted average store sales for segment 1 for March is 10,000, and there are 4 new stores in segment 1, the forecast for the new stores in segment 1 would be 40,000.
- Sum the new stores sales forecasts for each of the segments to get the forecast for all new stores.

≡   Task 3: Forecasting

Task 3 Submission

1. What type of ETS or ARIMA model did you use for each forecast? Use ETS(a,m,n) or ARIMA(ar, i, ma) notation. How did you come to that decision?

2. Please provide a table of your forecasts for existing and new stores. Also, provide visualization of your forecasts that includes historical data, existing stores forecasts, and new stores forecasts.

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