Market Forecasting using Bass Model for Apple

Forecasting Durable Products - Bass Model

The file "Apple.xls" contains unit sales data for the Apple iPod and the iPhone. While, iPod and iPhone are technically specific brands within product categories, we will go ahead and apply the Bass model. Since the Apple products are uniquely different from their competitors, many consider them to be their own product categories.

1. Assuming a potential market size (m) of 300 million, estimate the Bass model for iPod sales using NLS.

2. What are some alternative market size estimates? Please justify these numbers.

3. Based on your results above, what are your forecasts for the next 5 years?

4. Using the information provided in your readings[1] as well as your iPod results, generate estimates for m, p and q for the iPhone. Please justify your estimates. For your m-estimates, you will need to be creative.

5. Generate 5-year forecasts for the iPhone.

6. What would your forecasts be sensitive to? Please generate alternative forecasts (e.g., best case, worst case) that reflect this.