Dr. Tao Huang

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Dear Professor Teunter,

We would like to thank you for the opportunity to resubmit a revised copy of this manuscript.

In this study, we propose more effective forecasting methods for retailer product sales at SKU level by taking into account the structural change problem.

The manuscript has been revised to address all the comments made by the reviewers. For example, we follow the reviewer’s suggestion and reduce the lengh of the section 3. Particularly, we have cut the elementary calculation of the example introduced by Pesaran & Timmermann (2007). Instead, we summarize the consequence of the structural change problem (e.g., leading to biased and less accurate forecasts). We put a note indicate other possibilities for the seasonal effect. We have also updated the reference.

We would like to express our thanks to the reviewers for the helpful comments and suggestions for the revision and also for the positive feedback.

We believe have resulted in an improved revised manuscript, and we very much hope the revised manuscript is accepted for publication in Journal.

Thank you for your consideration of this manuscript.

Sincerely,

Dr. Tao Huang on behalf of the authors (Dr. Tao Huang, Professor Robert Fildes, and Dr. Didier Soopramanien).