

Abstract: What *really* is demand?

While many have heard of the concept of supply and demand before, if you were to ask a random set of people the question of what demand is, answers will vary greatly. Those whose knowledge on the topic exceeds no further than a high school economics course, will tell you that demand is a general need for a product among a population. Someone else who's taken a microeconomics course at the university level will go into a bit more detail, describing demand as the need for a product among a population, which increases or decreases based on price, if all other factors are held equal. A third person, one whose devoted their entire careers to the field of economics, will dig deeper into the numerous factors impacting demand, the differences in the definition of demand, and how that can change based on why we're calculating it in the first place. In this article, we'll describe what Kinaxis uses as a definition of demand, and how it impacts our day-to-day decisions when building a generic forecasting tool.