Lesson 8 – Exercise 8.2: Reference line, Trend line, and Forecasting

Business Scenario

The CEO of a retail company is preparing for the annual meetings. He needs to show the sales trend of his company. He also wants to view future values for sales and a line representing overall average sales. Based on this analysis, answer the following questions.

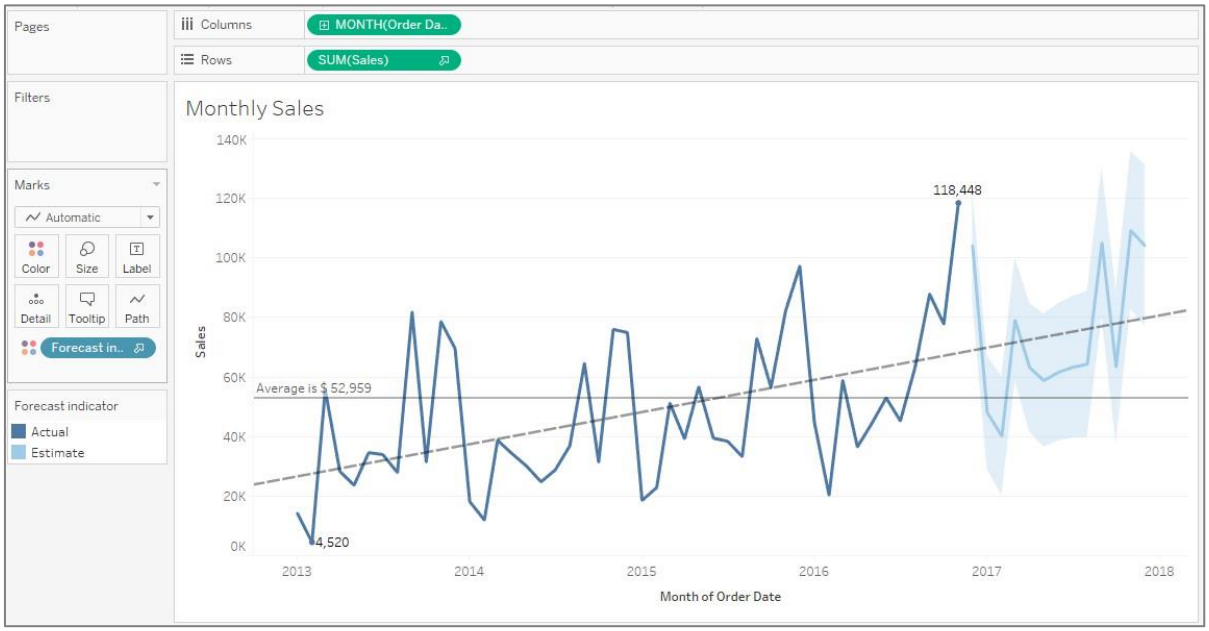
- What is the R-Squared value for an Exponential Trend model?
- What is the P value for a Polynomial Trend model with Degree 3?

Overview

In this exercise, you will:

- Create a line chart with continuous Order Date at month level and Sales.
- Add a Reference Line and customize the label.
- Add forecasting to the view.
- Add a trend line excluding the forecasted values.
- Show labels only for minimum and maximum values, excluding the forecasted values.

The result should resemble the image given below:



Detailed Instructions

1. Navigate to a new sheet. Use the **Sample – Superstore** saved data source.
2. Create a line chart with **Order Date** at month level and **Sales**.
3. To achieve this, drag the **Order Date** dimension to Columns and the **Sales** measure to **Rows**.
4. Right-click the **Year Order Date** pill and change it to **Continuous Month**.
5. Right-click the view, navigate to Trend Lines, and select **Show Trend Lines.**
6. To enable the forecast option, right-click the view and select **Forecast > Show Forecast**.
7. To modify the trend line, right click the Trend Line and select **Edit Trend Lines**.
8. To display a single trend line, in the trend Lines options window, exclude **Forecast Indicator.**
9. To disable confidence bands, un-check the **Show Confidence Bands** option.
10. Click **OK**.
11. To add a reference line, right click the **Sales** axis and select **Add Reference Line**.
12. Set the scope as **Table,** and under the value section, select **Sum(Sales)**
13. To customize the label, select **Custom** in the Label drop-down.
14. Click the drop-down arrow, select **Computation**, type **is $**, and select **Value**. The Custom text should look like this: **<Computation> is $<Value>**
15. Click **OK**.
16. To display labels, click **Label** on the Marks card.

17. Select **Show Mark Labels**.
18. To show minimum and maximum values, in the Marks to Labels option, select **Min/Max**.
19. Rename this sheet as **Monthly Sales**.
20. Save the workbook as **Lesson 8 - Exercises.**
21. Close the workbook.

Answers

Based on the view, these are the answers to the questions in the problem statement:

- What is the R-Squared value for an Exponential Trend model?
  Answer – **0.352608**

- What is the P value (significance) for a Polynomial Trend model with Degree 3?
  Answer – **0.0001**