Naive Approach

Analytics Vidhya

Overview of the Module

- Naive Approach
- Simple Average
- Moving Average
- Weighted Moving Average

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Naive Approach

Problem Statement: Forecast the number of passengers who will onboard the flight per day in the next two quarter.

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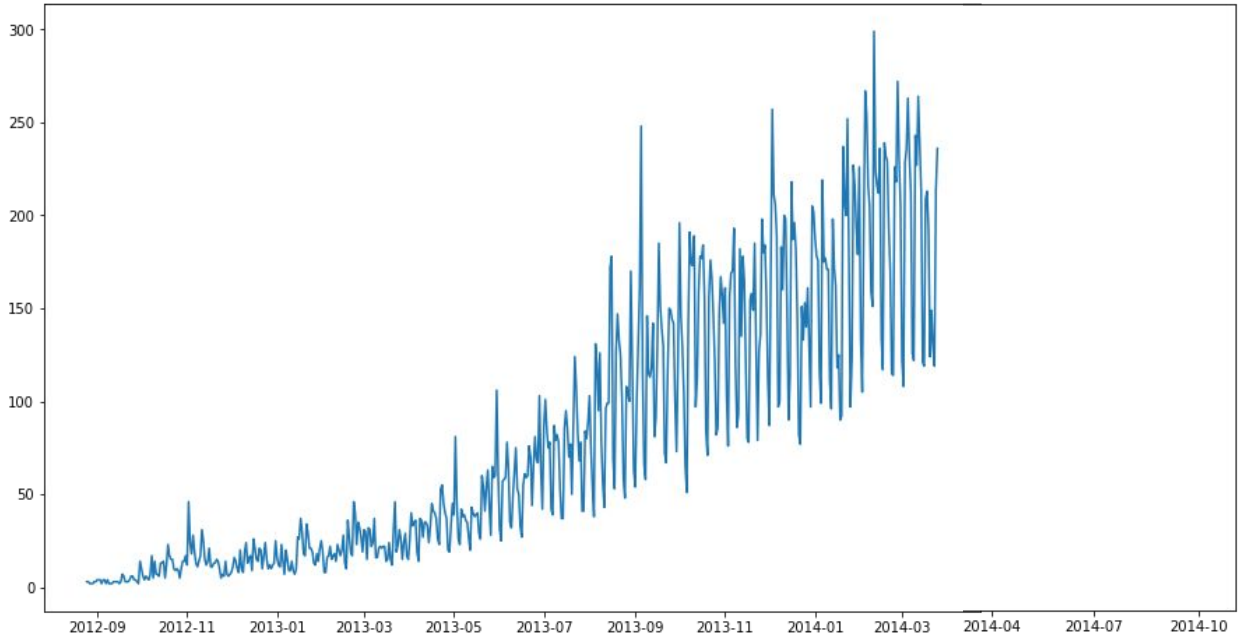

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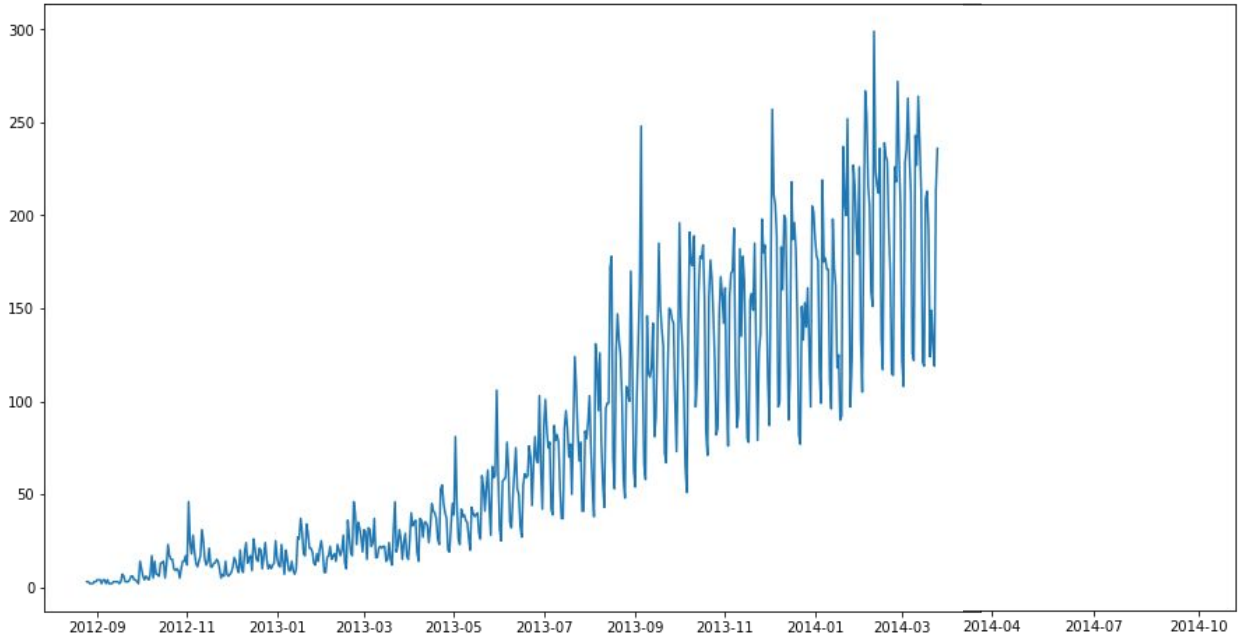

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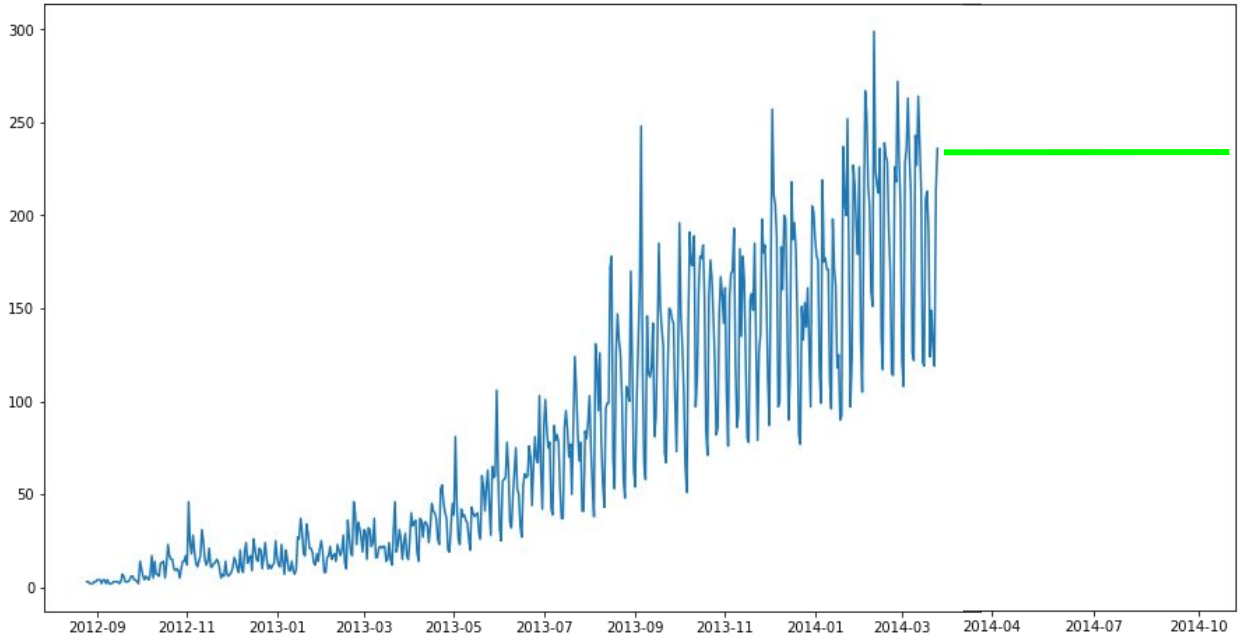

Predict the last observed value

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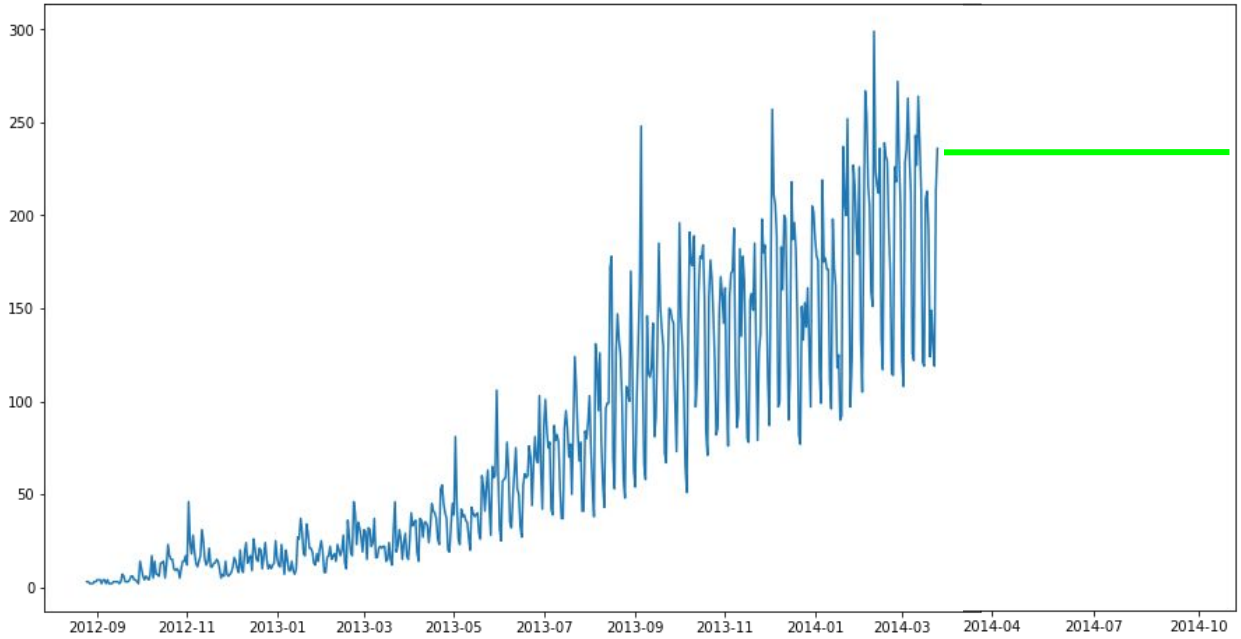

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$$\hat{y}_{t+1} = y_t.$$

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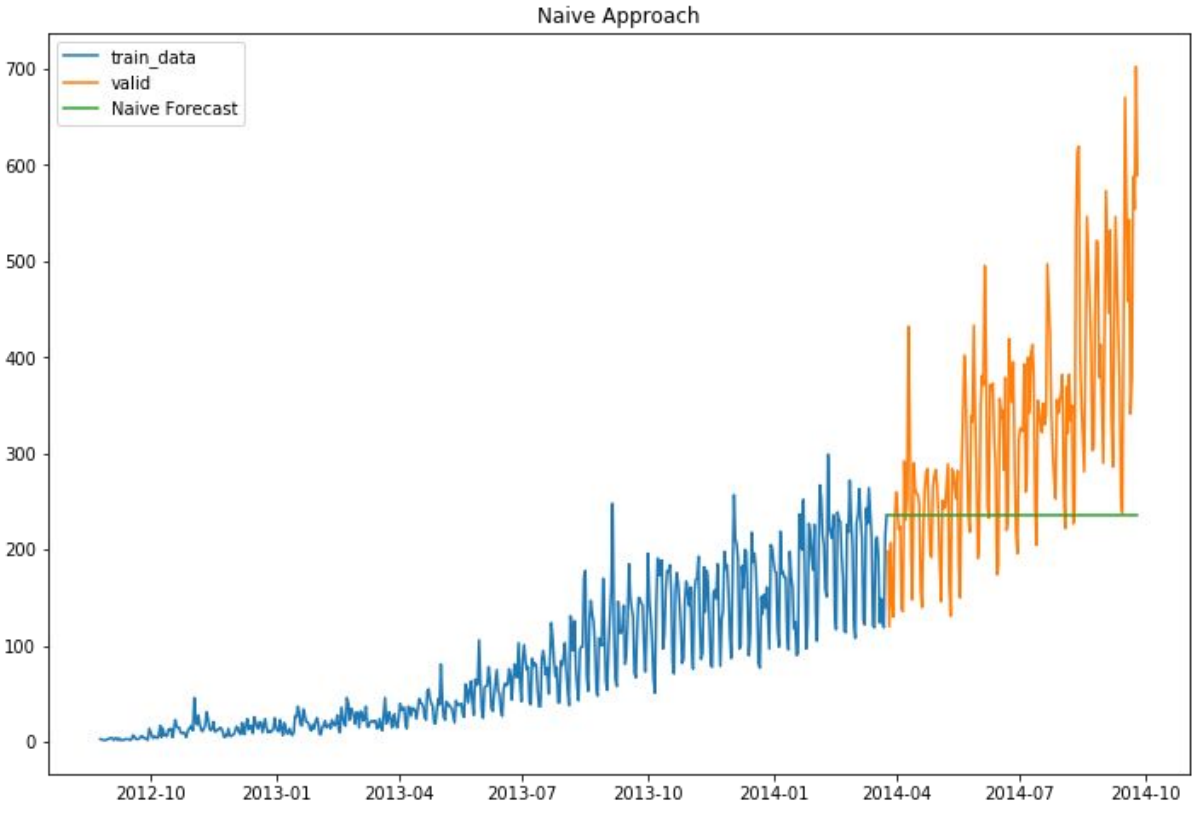

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- Advantages
  - Simple Model

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  - Considers only one past value

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Naive Approach

- Advantages
  - Simple Model
  - Easy to understand
  - Can be used as a forecast for small duration

- Disadvantages
  - Does not capture the complex trends
  - Considers only one past value
  - Cannot be used for longer duration forecast

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Thank You