Week 2 Discussion

Student’s Name

Institution

**Identify the factors that would impact the demand for the product that you have selected.**

The products selected from the grocery are sugar. Sugar is affected by several factors including, weather, and government regulations, and seasons. Currently, the Christmas season is approaching and people tend to purchase a lot of sugar for sweets and other purposes during the holiday seasons. Therefore, during the Christmas season, the demand for sugar in the country would be high compared to other seasons. According to Tuovila (2019), the law of demand and supply dictates that when the demand is high the price is high and therefore, during the Christmas season the demand would be high and the prices of sugar across the country are likely to be rise as well.

If the projection or forecasting to draw for this product, then the Naive Forecasting Methods would be the best forecasting method to be used. The naïve forecasting is done based on the projection of the future by using the current and the past data, which are recorded for the past period (Chambers, Mullick, & Smith, 2018). By using the past recorded data, it would be easier to forecast the demand and prices of the sugar in the future or the coming months.

For efficient forecasting, two variables would be required and these variables are prices of the sugar within a given period and the demand as well. The independent variable would be demand, and the dependent variable would be the price of sugar. The two variables would be important for the calculation of the actual forecast.

The formula for calculation of total forecasting would be total unit sales, and multiple units time the prices to get the sales of the products.

# References

Chambers, J. C., Mullick, S. K., & Smith, D. D. (2018). How to Choose the Right Forecasting Technique. *Harvard Business Review*, 2-34.

Tuovila, A. (2019). Forecasting: What Is Forecasting? *https://www.investopedia.com/terms/f/forecasting.asp*, 2-34.