

# How do I forecast demand in the current environment?

## The need

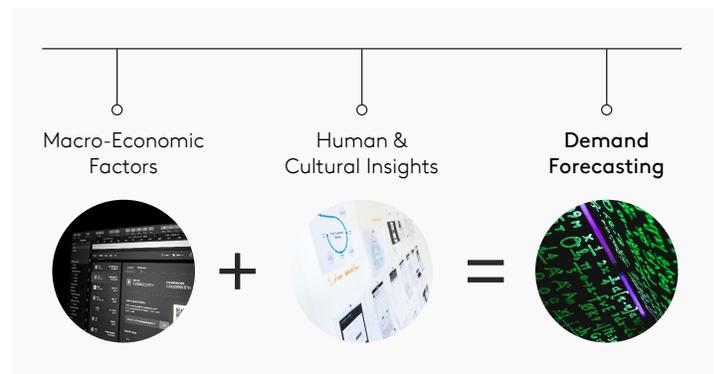
In this period of unprecedented disruption, businesses not only need to forecast immediate demand for the coming weeks and months, but also plan a recovery sales trajectory towards a 'new normal' for the next 6-18 months. Businesses need to make manufacturing, distribution, marketing and innovation decisions based on forecasts of total demand and breakdowns by segment, occasion and sales channel. Whilst some lessons can be taken from previous recessions, we expect many features of the post-COVID recovery to be unique with differences between industry sectors and categories expected to be pronounced, creating very different forecasting need for individual businesses.

## Our approach

In these times of unprecedented social and economic change, traditional forecasting techniques using past time series data are unlikely to be reliable. Kantar Analytics has developed an approach in 3 stages:

1. Developing a number of macro scenarios for national markets, defined by different trajectories for the depth and length of social & business disruption and hence macroeconomic recovery;
2. Predicting the likelihood of these scenarios for different markets, using best available forecasts and data sources likely to be useful as leading indicators; and
3. Building category forecasts: using human and cultural insights from a broad range of survey, search & social media sources (including Kantar's own social media analytics platform, STAN) to identify category and market-specific predictors of changing consumer attitudes and behaviours.

We can work with COVID 19 macro scenarios, as developed by the Futures team in Kantar Consulting, or build bespoke scenarios for specific business needs. As well as forecasting total demand, our approach can consider demand pattern changes such as offline to online, changes to demand occasions and price sensitivity.



## Benefit for your business

Kantar Analytics works entirely agnostic of data source, so we can construct forecasting models using data from other insights agencies, suppliers and publicly available data as well as Kantar's proprietary sources. Our **demand forecasting**, however, is highly customised to client needs – focused on the metrics that matter most. Our predictive analytics approach can work alongside the [COVID 19 scenario planning framework](#) that has been developed by our colleagues in Kantar Consulting.