

## 4.3: Quantitative Forecasting

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**Quantitative forecasting** models are used to forecast future data as a function of past data. They are appropriate to use when past numerical data is available and when it is reasonable to assume that some of the patterns in the data are expected to continue into the future. These methods are usually applied to short- or intermediate-range decisions. Some examples of quantitative forecasting methods are causal (econometric) forecasting methods, last period demand (naïve), simple and weighted N-Period moving averages and simple exponential smoothing, which are categorized as time-series methods. Quantitative forecasting models are often judged against each other by comparing their accuracy performance measures. Some of these measures include Mean Absolute Deviation (MAD), Mean Squared Error (MSE), and Mean Absolute Percentage Error (MAPE).

We will elaborate on some of these forecasting methods and the accuracy measure in the following sections.<sup>1</sup>

### References

1. Wikipedia contributors. (2019). Forecasting. In Wikipedia, The Free Encyclopedia. Retrieved on November 4, 2019, from <https://en.Wikipedia.org/w/index.php...ldid=933732816> ↩

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