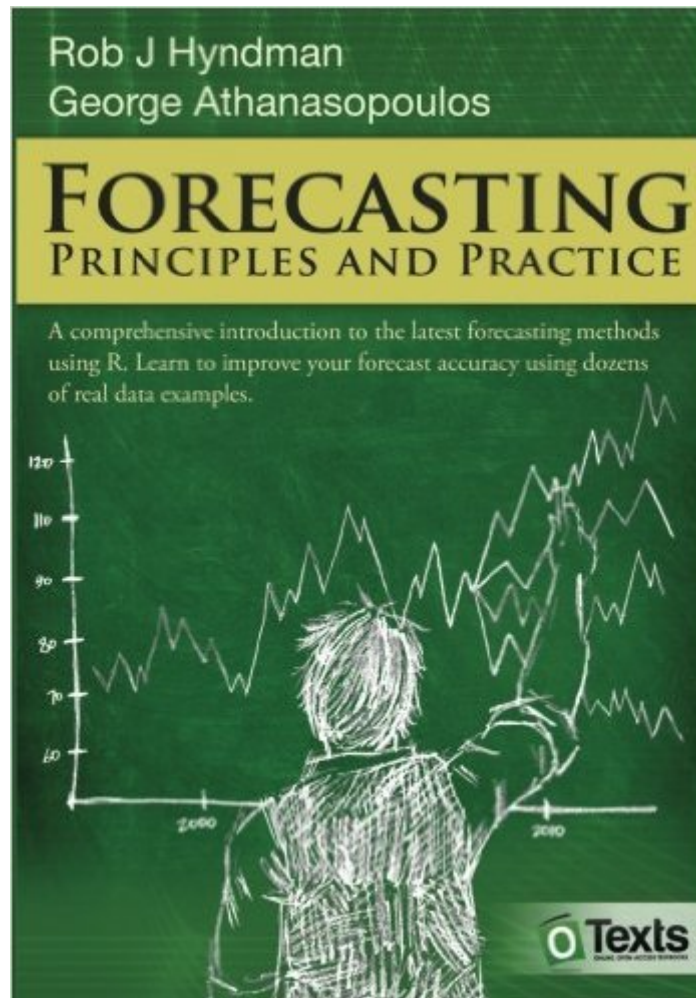# Forecasting: Principles And Practice

# Synopsis

Forecasting is required in many situations. Deciding whether to build another power generation plant in the next five years requires forecasts of future demand. Scheduling staff in a call centre next week requires forecasts of call volumes. Stocking an inventory requires forecasts of stock requirements. Telecommunication routing requires traffic forecasts a few minutes ahead. Whatever the circumstances or time horizons involved, forecasting is an important aid in effective and efficient planning. This textbook provides a comprehensive introduction to forecasting methods and presents enough information about each method for readers to use them sensibly. Examples use R with many data sets taken from the authors' own consulting experience.

# Book Information

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# Customer Reviews

Authors have an engaging style and do a great job explaining several forecasting methods with applications as well as highlight the scope and differences among those. Earlier chapters provide a non-technical introduction to forecasting which would be appreciated by the people in the business world. Unlike many other books on times series analysis, this is not a heavily mathematical book. It is geared towards the education and somewhat painless implementation of the fundamental forecasting methods using R. As such, those seeking more advanced topics will only find a short final chapter around topics such as Dynamic Regression, VAR and Neural Nets. There is a website associated with this book which includes all the materials from the book, datasets, R codes, authors' and readers comments and much more. This is a great resource for those seeking additional help and those who may prefer reading the book's materials online, although reading the hard copy I found myself having to consult with this site a few times to find references to the R

packages/functions and so on. On the downside, the book has no index, there are figures with no reference (e.g. Fig 2.3 and 2.4 have the same description and are not called in the text), and occasional typos are found here and there (I keep a note of these to hopefully communicate them to the authors). Overall, this is a great book and in authors' words "a comprehensive introduction to the latest forecasting methods using R".p.s. I am still working through different chapters so this review is subject to change.

This book is an excellent resource for anyone trying to master practical nuts and bolts of forecasting or who is just starting to study the field. The authors explain the practical issues needed to forecast. If you want to know about the distribution of the Durbin-Watson statistic, or other recondite details, this is not the right resource. The text is tightly integrated with R examples which make it easy to start applying immediately what you have learned. Note: I read the free web version before the text was released. An index, however, would have been helpful.

The book is well written and up to date -- the online edition is likely to continue to be updated frequently. Hyndman is an inspiration. His blog is very interesting if you are a statistician, and written in a very clear style. His research group is the author of the R forecast package used in this book. He and his collaborators have made great strides in systematizing smoothing methods. You are not only reading a clear introductory textbook, you are reading one that's up to date with modern forecasting practice (excluding the more exotic data mining methods, which clearly go beyond introductory texts). (I'm sure George Athanasopoulos has many fine qualities, but I'm less familiar with him.)This book is ideal for self-study because the associated website has the answers to the exercises.I used this book in 2015 when I taught a course in forecasting to graduate students in business, and have the following brief comments about that experience. (1) The initial learning curve in R for general business students made some of them unhappy, and they retreated back to Excel or Minitab. (2) I really liked the early introduction of judgmental methods (chapter 3), especially just before regression methods (chapter 4), since in a time series regression figuring out how to come up with decent x predictors is basically a judgmental task. (3) the worth of the book was clear when we got to exponential smoothing and particularly ARIMA, because they were able to come up with a decent, usable forecast without trying all the iterations themselves.

I'm a recent statistics graduate who has been tasked with doing with large-scale time series forecasting at my first professional job. This book is a very nice, clear, concise introduction to

forecasting.As an R programmer I love that all the examples include the R code used to produce them. If you were new to R, or even if you're an intermediate R programmer like me, you can actually learn quite a bit of R just by typing in the R code and examining the results.The book is appropriate for an undergraduate-level introduction to forecasting. It is absolutely wonderful and I highly recommend it.Make sure to also check out Dr. Hyndman's forecast package for R and his 2006 paper introducing MASE and describing the problem with traditional forecast accuracy metrics.

Money well-spent. RH knows his stuff, and is a teacher so ostensibly cares about whether his students/readers actually learn something. I'm a huge fan of his work with the R package "forecast" and his various other offerings. You'd be wise to turn your attention to him.

Keep in mind this book is freely available online: https://www.otexts.org/fpp/Although I imagine it'd be nice to have a physical copy eventually.

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