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Analysis of Forecasting of Demand Data Under the Impact of Social Media

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Abstract: Traditionally, forecasting of demand for an existing product is carried out using historical data. A time series analysis with regression or some other data analytic technique is used, or sometimes a causal model (such as Liserl Structural Equation Model) is used. Social media has become a powerful platform for customers to share details and evaluation of product data. Modern-day customers routinely use social media sites such as Yelp, Twitter, Facebook, Zagat, Glassdoor, and Tripadvisor in addition to many smartphone applications such as WhatsApp and others to know more about a product they are about to purchase.

The influence of social media is affecting the demand for a product is ascertained but this calls for a more rigorous quantification of this effect and the use of AI in improving the forecast accuracy. This research work describes design and use of a market survey that addresses the effect of social media on demand, and a few critical conclusions reached that highlight the nature and magnitudes of the social media influences on demand. Suitable solution methodologies to address the problem of modifying forecasting techniques to integrate the social media impact and incorporating the outputs into inventory management are seen as necessary, relevant and useful.

Keywords: Demand Forecasting, Consumer Behavior, Social Media Effect, Artificial Intelligence