



HANDBOOK ON TOURISM FORECASTING METHODOLOGIES

THE MOST WIDELY USED FORECASTING METHODS IN THE TOURISM INDUSTRY



Causal methods

Describe the relationships between the response and the predictor variables.

- Simple linear regression
- Multiple Linear Regression
- Structural Econometric Methods



Extrapolative methods

Work by extrapolating a historical sequence, of the variable of interest, into the future.

- No-change (naïve) and simple moving average (SMA)
- Exponential smoothing: simple, double, & triple
- Autoregressive & seasonal autoregressive integrated moving average – (ARIMA) & (SARIMA)



AI & Hybrid Methods

AI models' ability to capture nonlinear relationships and patterns among time series and exogenous variables.

AI is an effective set of statistical tools to deal with a set of data that has seasonal, trend and cyclic patterns



Qualitative Methods

Qualitative methods represent alternative ways of capturing the complexity of the real world in forecasting.

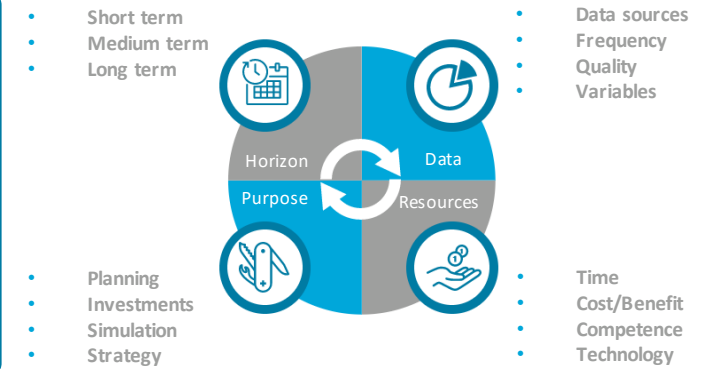
Qualitative forecast is among others used when there is a lack of data, when statistical forecasts need judgmental adjustment.

CHOOSING A FORECASTING METHODOLOGY

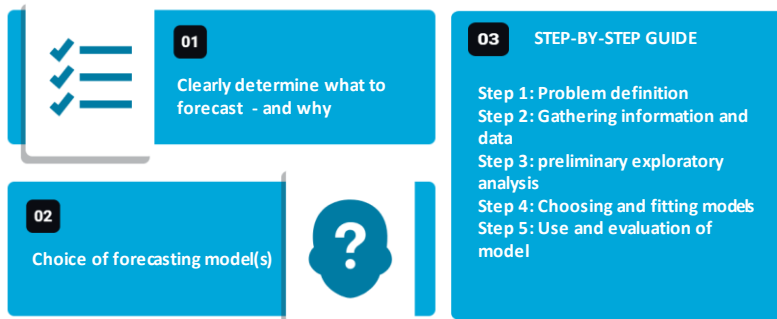
Before selecting a forecasting methodology it is important to consider:

1. The purpose of the forecast
2. The horizon of the forecast
3. The data available
4. The resources and benefits of the forecast

There are many forecasting methodologies to choose from and choosing the right one is a challenge.



PRACTICAL CONSIDERATIONS WHEN APPLYING FORECAST MODEL(S)



SEVEN GOOD HABITS WHEN WORKING WITH ORGANISATIONAL FORECASTING

