

"A man is
great by
deeds, not by
birth"
-Chanakya

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Forecasting Methods: Evolution, Applications, and Future Directions

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Forecasting Methods: Evolution, Applications, and Future Directions

Abstract:

Human judgment remains a primary driver of supply chain decision-making, yet its appropriateness compared to data-driven models is often debated. This study evaluates the usefulness and scope of applicability of judgmental, statistical, and combination forecasting methods through a comprehensive literature review. By analysing the dilemma between decision models based on practitioner's judgment and a rigorous data-driven models, the research proposes two distinct classification frameworks: one based on methodological approach and another based on contextual data availability. The study demonstrates that forecast accuracy depends on aligning the chosen method with specific operational environments. A key finding is the rising prominence of combination forecasts, which integrate expert intuition with statistical robustness to optimize business outcomes. This research provides a systematic taxonomy to guide practitioners in selecting optimal forecasting models across diverse supply chain scenarios.



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