

## MARKET FORECASTING

Knowledge Networks' approach to forecasting provides a cost-effective and sound estimate of volume early in the product development cycle. With the pressure of soaring costs, and the frequent internal requirement to roll out successful new products faster, our use of the LoMACAST<sup>SM</sup> model adds tremendous efficiency.

LoMACAST<sup>SM</sup>, developed by Longman Moran Analytics, provides the greatest available flexibility for forecasting sales of new products. Inputs are derived directly from testing results — even at the pure concept stage — and the marketing plan. Exploratory forecasts for assessing marketing plans are easy and fast (this approach does not use norms from other similar new product introductions).

Inputs can be obtained from a wide variety of testing designs, which allows you to simultaneously obtain the non-volumetric custom data you need about your concepts, and to get the necessary information to develop a forecast. Inputs to the LoMACAST<sup>SM</sup> model include:

- Potential trial
- Repeat pattern
- Awareness and distribution builds
- Purchase cycle
- Transaction sizes
- Seasonality

LoMACAST<sup>SM</sup> can be used at any point in the development of a new product — from assessing an idea on the back of an envelope to the results of a test market. But by making LoMACAST<sup>SM</sup> runs early, to estimate the viability of a new product idea, this model can provide critical guidance earlier in the cycle. It also allows you to determine the risk of proceeding further with the idea, and to identify key performance characteristics that need accurate measurement.

The cost of conducting traditional market forecasts often forces manufacturers to defer obtaining critical information until late in the product development cycle. LoMACAST<sup>SM</sup> delivers the necessary edge to stay ahead of the competition.

If you would like to learn more about Marketing Forecasting, please contact:

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