General Assembly - Date Science Project

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*Predicting consumer sentiment*

Understanding shifts in consumer demand is important for deciding how to best invest in certain asset classes, such as equities in consumer-sensitive industries. There is a plethora of public data available on consumer behavior, including information on consumer credit, auto sales, retail sales, and survey-based consumer sentiment. Although this data is very important and drives returns, its information advantage typically decays very quickly, limiting its usefulness in predicting returns. Widely used measures of consumer sentiment, such as the Consumer Confidence Index, are typically released with a significant delay.

We propose to use a large dataset from a consumer data aggregator. The data includes granular historical information on what consumers bought and how much they spent. Our research objective is predict shifts in publicly available consumer sentiment indicators using this large panel of consumer transaction data.

We will use tools that fall in the continuous/supervised region of machine learning techniques.