

Negative news generates click: Are companies taking advantage of us?



Prompt: It's no news that negative headlines generate more clicks, after all, I think we all know that we'd click on "War has broken out!" a million times before clicking on "War has not broken out!". Many argue that this simple fact has shifted the reporting climate from one backed by facts to one pushing sensationalism. As a result, much of the news we see is negative and undoubtedly influences not just our own mental health, but also our outlook on the world. If we see doom and gloom headlines day after day, we're much more likely to think the world is filled with that same doom and gloom. This naturally gives rise to the question of whether negative headlines generate more revenue. To answer this question, let's say you're a chief data scientist at the New York Times and the head of media asks you to develop a text-based model to determine if the connotation of articles impacts the revenue they'll generate.

Deliverable: You will produce a model that analyzes whether article headlines have a positive or negative connotation and determine if the connotation impacts the generated revenue. You are free to look at specific time periods or even other news companies, but a sample dataset of New York Times headlines is provided, along with the corresponding yearly revenues. This dataset is a random sample that is representative of the population but do not feel as if you are limited to this dataset. The final product should be a model capable of predicting revenue based on connotation. This model should give you insight into whether connotation and revenue are correlated and if so, you should determine how.

Case Study Contents:

- Rubric – what do you need to be successful?
- "How the news changes the way we think and behave"
 - A BBC article detailing the impact and risk factors of negative news.
- "Why Negative News Sticks in Our Minds"
 - A Chicago Booth Review article outlining the science behind negative news.