Bear Stearns is fine ... Bear Stearns is not in trouble. Don't be silly ... don't move your money.

Jim Cramer, March 11th, 2008
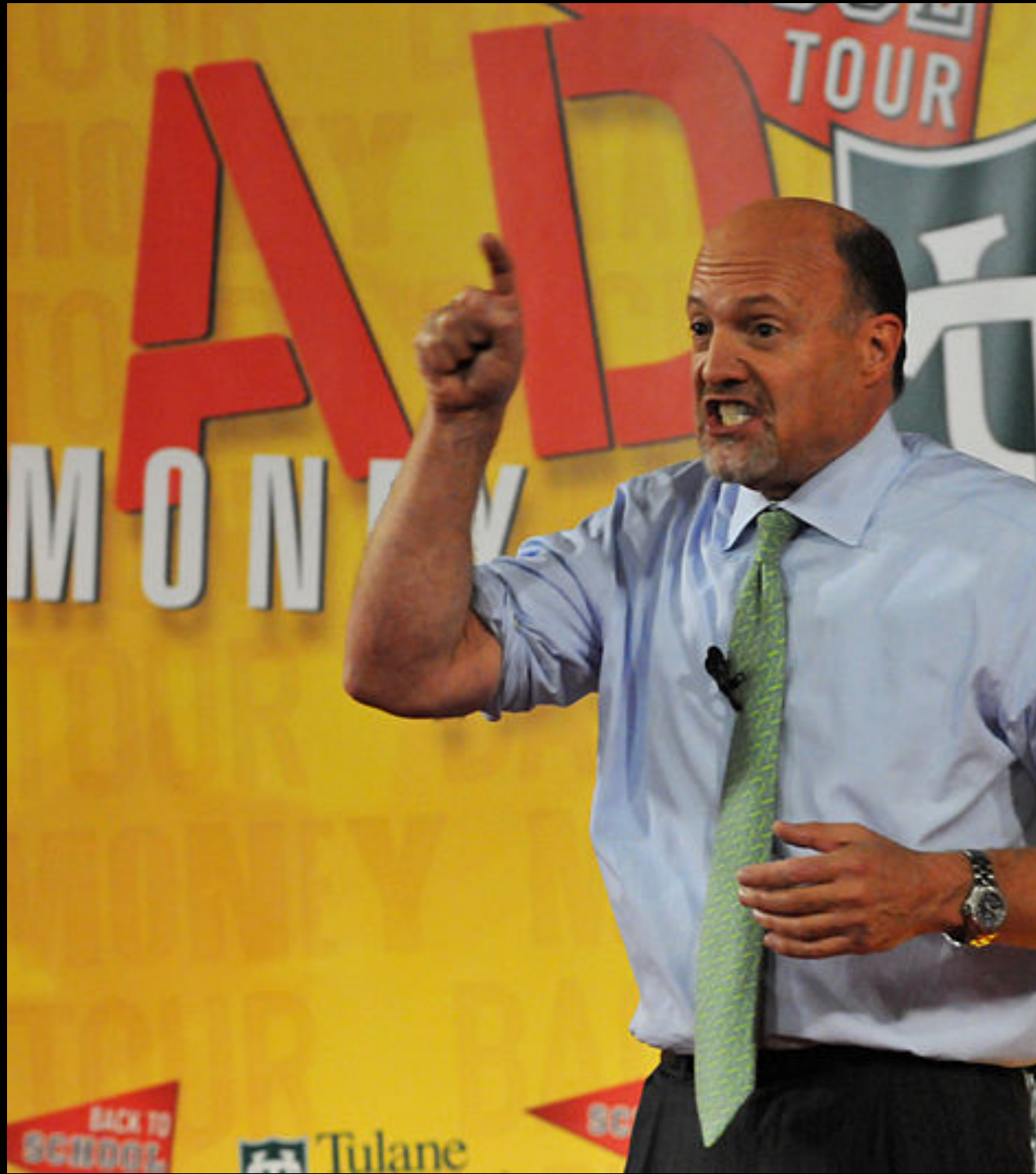
One week later, Bear Stearns collapsed

(CNBC has insisted that we are not allowed to show the YouTube video of Cramer's prediction to this audience)

We just think they are embarrassed
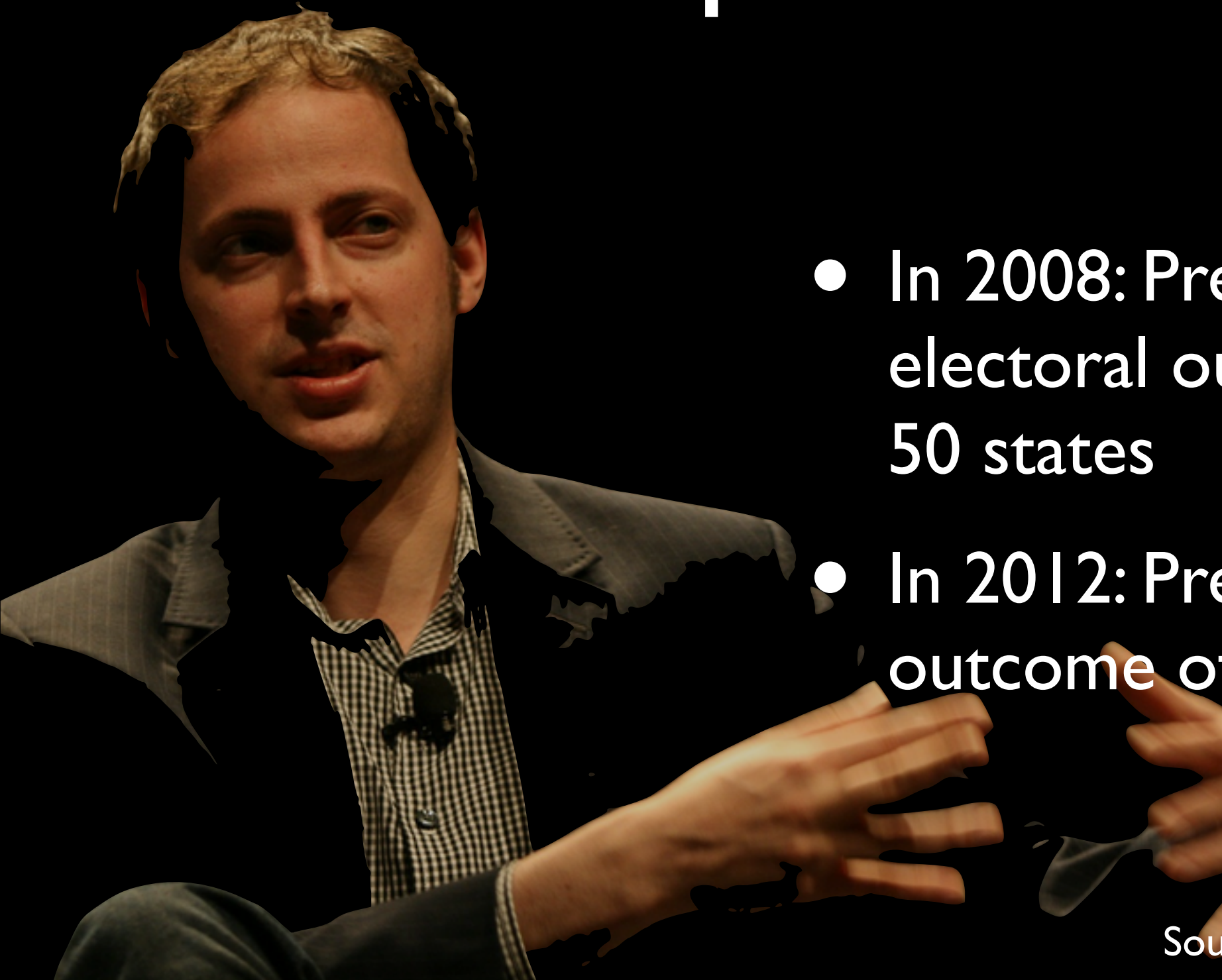
What Drives Demand for Pundits?

Ben Smith and Jadrian Wooten

Sources: Tulane Public Relations, Kern, AP Photos

Why do these people have jobs?

There are accurate pundits

- In 2008: Predicted the electoral outcome of 49 of 50 states

- In 2012: Predicted the outcome of all 50 states

Source: Nate Silver - SXSWi 2009

And while he has been a guest on many shows, he *doesn't host any*

At the end of the day, he has a blog hosted by blogger

This happens in local newscasts

- Why are there no confidence intervals on weather reports?

- Local sportscasters predict for the local team

This happened to this research

When it comes to pundit popularity, being right isn't that important

As long as it seems like you are right

Summary

- Pundits gain viewers from both being confident and accurate

  - But you get a lot more viewers by being confident

  - This isn't because the networks have confident pundits, *we want the confidence*

It is well known pundits are inaccurate

- Experts are worse than a statistical model

  Meehl, 1954

- Media pundits are particularly bad

  Tetlock 2009; Tetlock 2010

- There is little connection between subjective confidence and accuracy

  Krug, K 2007; Swann and Gill, 1997

Ok, but that doesn't explain why people watch inaccurate pundits

Psychology: People don't like uncertainty

- People don't like to wait for results

    Osuna, 1985; Suck and Holling, 1997; Denuit and Genest, 2001

- In fact there is stream a literature that suggest people are certainty maximizing

    Gudykunst and Nishida, 2001; Reiman, et al, 1989; Behar, 2001

We think people want to minimize subjective uncertainty

More confidence will result in more demand

Alright, let's test that

What do we need

- A lot of predictions by a lot of people

- A way of determining accuracy

- A way of determining confidence

- A "terminal" date

- Predictions by both professionals and amateurs

Choosing the type of prediction

2012 Baseball Playoffs

Choosing the type of prediction

- Financial

- Political

- Media

- Sports

Choosing the type of prediction

- ~~Financial~~

- Political

- Media

- Sports

Choosing the type of prediction

- ~~Financial~~

- ~~Political~~

- Media

- Sports

	Presidential Election	Mayoral Election
	57.5%	21%

Choosing the type of prediction

- ~~Financial~~

- ~~Political~~

- ~~Media~~

- Sports

Oscars Categories	Emmy Categories
24	26

Choosing the type of prediction

- ~~Financial~~

- ~~Political~~

- ~~Media~~

- Sports

Data
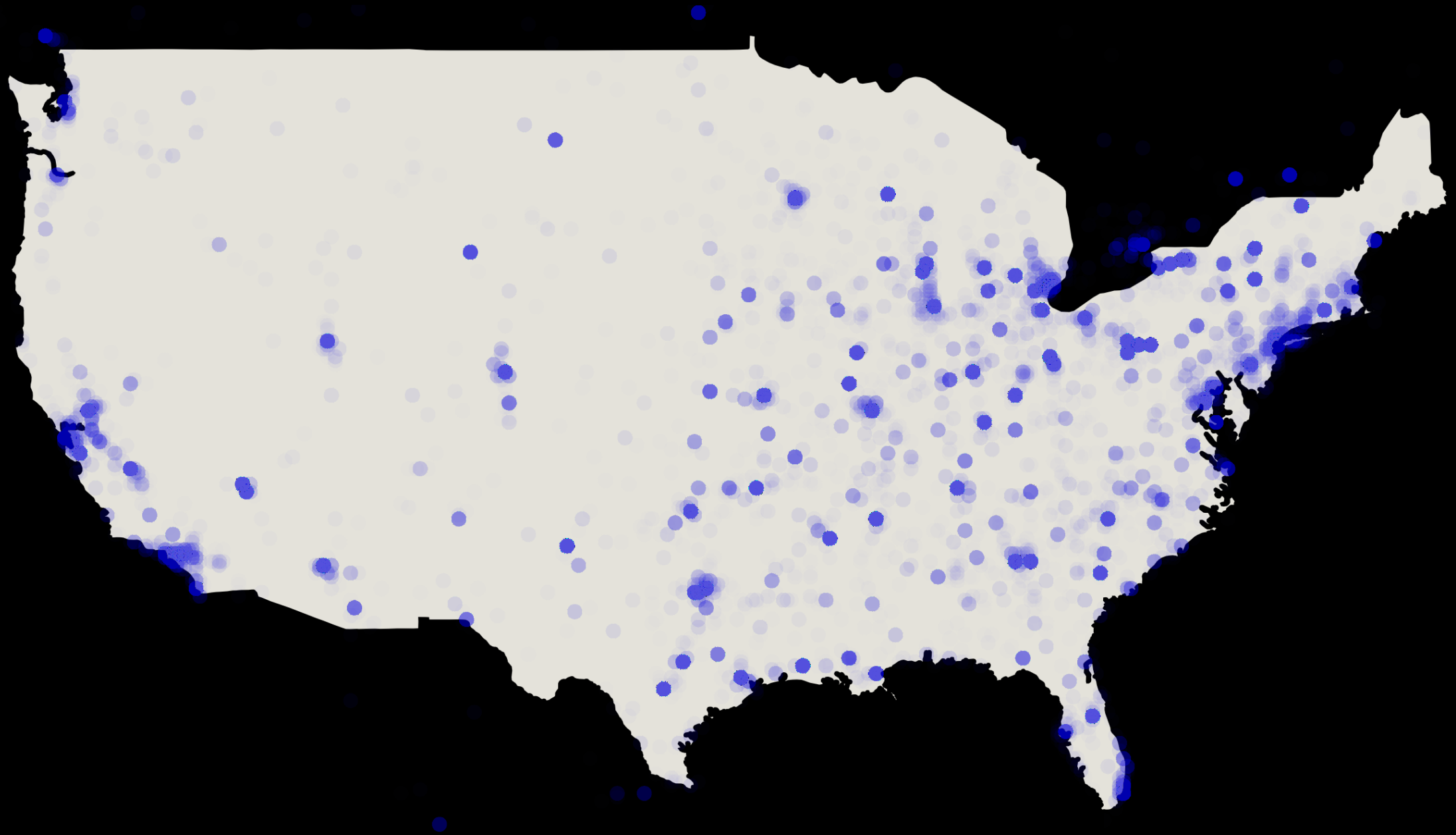
Where did we get the data

Twitter

Where did we get the data

- Twitter has no requirement for reciprocation

  - Media people want as many people as possible to follow them, because it is costless

  - But it isn't costless *to follow* someone

The number of followers is determined by the preferences of the people *following* pundits (demand)

Where did we get the data

- Twitter is fairly representative of the public at large

  - It matches gender, income and education levels rather well

- It does skew younger and slightly more urban

Where did we get the data

- Predictions made by both amateur and professionals

    - Twitter conveniently separates celebrity accounts from other accounts using the verified status

- We extracted the predictions with *regular expression*

1.6 Million Predictions

Regular Expression?

\b(Cougs)(?:(?!(\b((not)|(won[']t))\b)).)
*\b((destroy)|(annihilate))\b.+\b(Huskies)\b

Regular Expression?

\b(Cougs)(?:(?!(\b((not)|(won[']t))\b)).)
*\b((beat))\b.+\b(Huskies)\b

Regular Expression?

destroy, annihilate, finish,
kill, smack, embarrass

Chklovski and Pantel (2004)

beat, win, over, bring, gain,
bet

Results

Results

	Confidence (Mean)	Accuracy (Mean)
Professionals	48%	47%
Amateurs	31%	46%

But, we want to know...

Accuracy $\longrightarrow$ Followers

Confidence $\longrightarrow$ Followers

Results

	% Gain From Confidence	% Gain From Accuracy
Professionals	17%	3½%

Results

	% Gain From Confidence	% Gain From Accuracy
Professionals	17%	3½%
Amateurs	20%	7%

Eyeballs ⟶ Profit

The job of a pundit isn't to be accurate

It is to maximize eyeballs

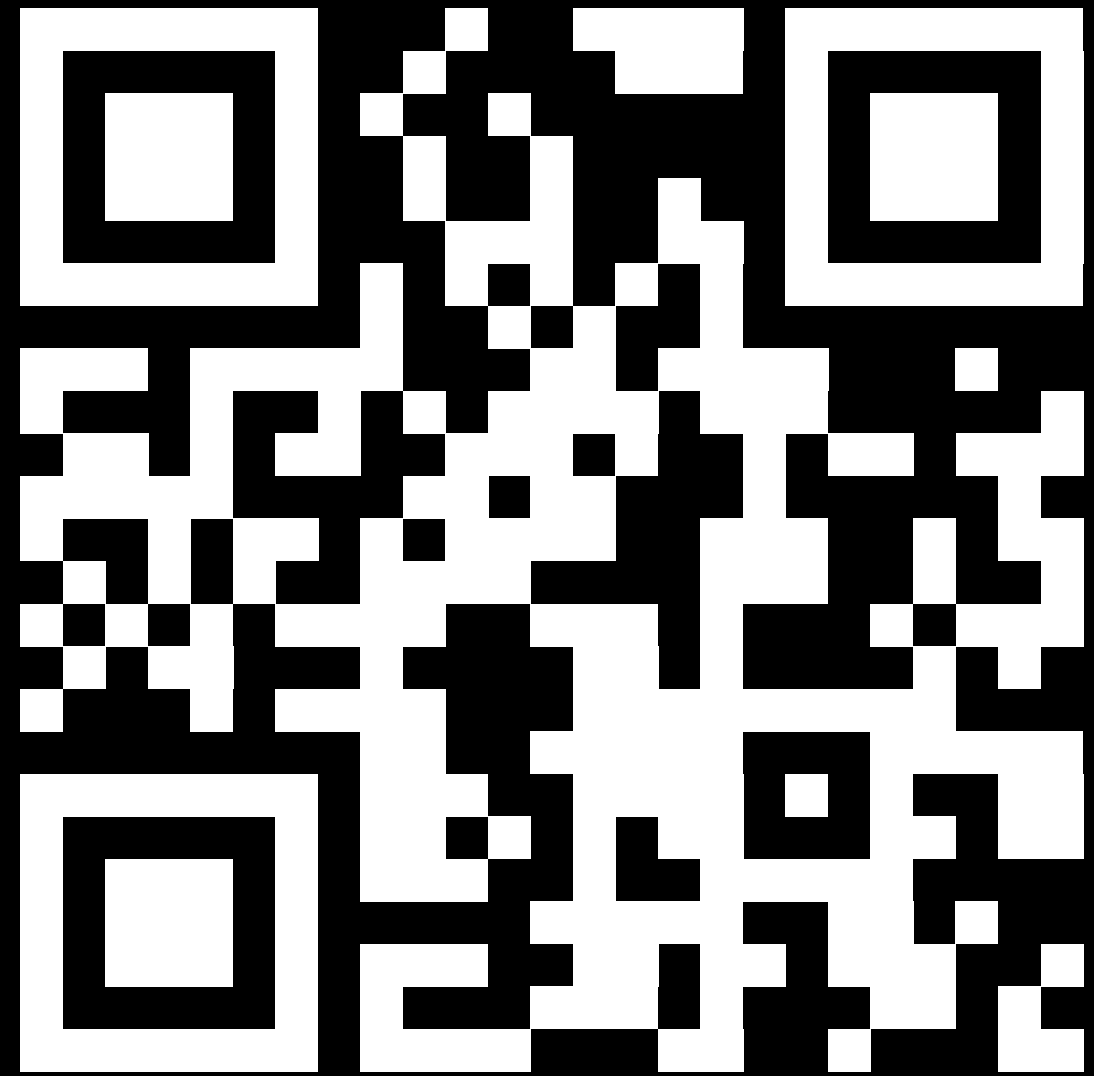The job of a news network isn't to be accurate

It is to maximize eyeballs

Because *you* want the confidence

Thanks!

Ben Smith
http://BensResearch.com

Jadrian Wooten
http://JadrianWooten.com

More info on this research:
http://BensResearch.com/Twitter