How **unumAI** guided nuclear energy investments by understanding sentiment

The Problem: For an investment firm, understanding public sentiment around public-private partnerships helps assess the long-term stability and return potential before committing resources. This need is even greater for investment in nuclear energy projects, where intensive capital requirements and construction endeavors force absolute certainty in moving forward with sure footing. Following the 2011 Fukushima Meltdown in Japan, public sentiment plunged, and investors at a local private equity firm wanted to know how the public conversation has evolved since then for their **buy/no buy decision** of a services-business in the nuclear sector.


Fukushima Reactor Meltdown, 2011 (Wikipedia)

The Challenge: The Fukushima Meltdown event, which occurred in the early months of 2011, is the most infamous nuclear accident since 2000. Public sentiment about nuclear energy sources plunged, as new fears about the safety of nuclear reactors were injected into the discussion. A Denver-based investment firm interested in nuclear projects reached out to unumAI to better understand how the conversation has evolved following the disaster, in order to guide their investment strategy. The sector is reliant on tax-incentives and susceptible to voter-risk.

The Solution: unumAI specializes in obtaining clear insights on nuanced subjects. That's why a nearby private equity investment firm, in search of answers on such a complex topic as nuclear energy investment, chose unumAI to lead a series of research efforts in order to better understand how public sentiment has evolved following the nuclear disasters in Fukushima.

Through analysis of search data, unumAI was able to aid the investment team by uncovering nuances in search patterns for positive, negative, and neutral sentiments since 2005. On the one hand, individuals favor nuclear projects considering obvious benefits, but local projects are substantially more tenuous due to concerns about immediate safety and potential for dangers. This presents a dichotomy for investors, in which search data is an important key for **understanding the stability and popularity** of these projects that rely on voter approval.
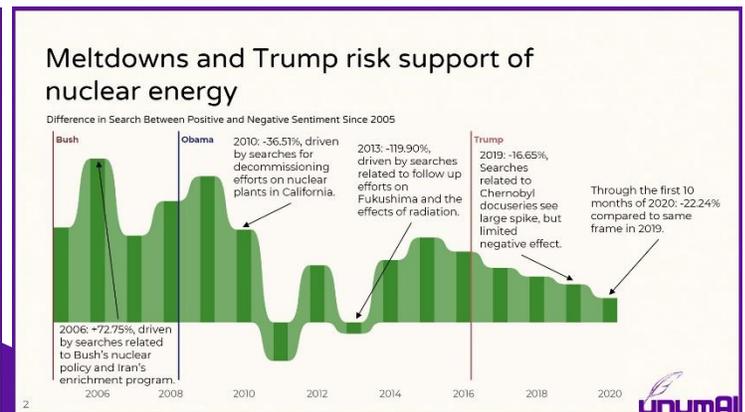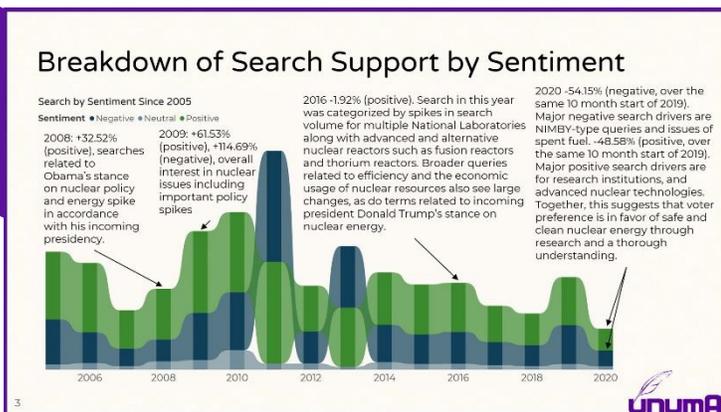

Timeline of Public Nuclear Sentiment since 2005, by Sentiment Type (Left) and Net Sentiment (Right)

unumAI is able to directly **address the costs and benefits** for a particular topic in terms of search sentiment. Through a combination of analytical methods, we understand how to adapt a strategy based on the current conversation. In this case, we informed the team for our clients on the evolution of nuclear opinion, and how an impending change in presidential administration would affect their future goals.
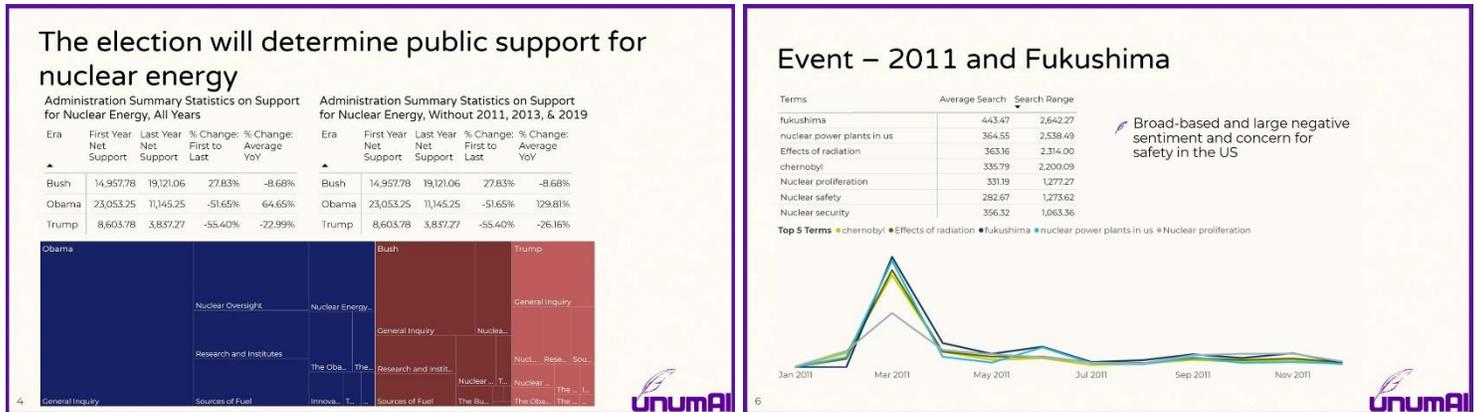
Identifying Changes During Presidential Transition (Left) and The Fukushima Event (Right)

The Approach/Differentiator: Analyzing Google searches allows unumAI to contextualize important events in a broader discussion. In this case, unumAI helped this private equity firm understand the degree of resistance there might be to local nuclear projects, and how that resistance evolved in the time around the Fukushima disaster.

Beyond the more conceptual insights unumAI can generate, the team received specific guidance based on deeper looks at sentiment. This gave the team the opportunity to tailor their strategies and investment decisions directly based on historical development for terms of interest. Through specific consideration of various facets of historical nuclear projects, including safety concerns, accidents, benefits, and technologies, the data generated by unumAI paints a multidimensional yet clear picture of a complex industry with intensive cost considerations.

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Source: Google Trends