Predicting election outcomes using consumer sentiment
Democratic Republic of Congo

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Introduction

The **Kasi Index of Consumer Sentiment (ICS)** has proven to be a reliable predictor of consumption trends, particularly in African nations, where a surge in consumer optimism aligns with increased expenditure. Beyond its insights into consumer behaviour, the index has accurately forecasted election outcomes in four African countries—Kenya and Ghana over two election cycles, and Nigeria and South Africa over a single election cycle. Given these successful precedents, there is a strong basis for asserting that the ICS can serve as a reliable predictor of election outcomes in various other African countries.

Our analysis of consumer sentiment in the Democratic Republic of the Congo (DRC) over the past three years leads us to predict a shift in the upcoming election. We specifically focus on forecasting two outcomes: "Change," which occurs when the incumbent party or candidate is defeated, and "Status Quo," indicating victory for the incumbent. The basis for our prediction lies in the discerned dynamics of consumer sentiment, elucidating a pronounced tilt toward a change in leadership. This inclination is rooted in the discernible evolution of preferences and sentiments among the electorate, underscoring a compelling rationale for anticipating a transformative electoral outcome.

Methodology

The Kasi Index of Consumer Sentiment (ICS) has been diligently tracking consumer sentiment across 20 African countries. Grounded in straightforward economic inquiries about prevailing conditions and future expectations related to purchasing power, personal finances, household income, and employment, this index stands out as one of the most robust economic indicators available in Africa today.

Election cycles in Africa wield significant influence on business performance and overall confidence, making them pivotal events. Consumer behaviour and business sentiment undergo discernible shifts before, during, and after elections, contingent on the election's context. While traditional polling typically predicts election outcomes, our research team uncovered the possibility of leveraging consumer sentiment as a predictor for election results in Africa. We focused on the change in sentiment over the 12 months leading up to the elections, examining both mean (average sentiment over 12 months) and standard deviation (volatility over the 12 months) as key measures.

Our defined outcomes classify a "**Change**" when the incumbent party or candidate loses and "**Status Quo**" when the incumbent party or candidate secures victory. The methodology involves categorizing high volatility above 100% as indicative of change and low volatility below 100% as pointing toward a status quo.

Election prediction – The case of DRC

Over the past three years, consumer sentiment in the Democratic Republic of the Congo (DRC) has **consistently and significantly declined**, especially prominent in 2022 and 2023. Despite occasional stabilization, an enduring negative trend persists, consistently residing within the negative range.

In 2021, the year began positively with a sentiment index of 10 in April, reaching 13 in May. However, a shift in June led to a deepening negative sentiment, reaching its lowest point in July at -22. Throughout the rest of the year, sentiment displayed varied patterns, occasionally stabilizing but generally maintaining a negative trajectory. In 2022, consumer sentiment continued a substantial and consistent decline. Negative sentiment persisted in the early months, ranging from -19 to -31. Although July showed a brief attempt at recovery with a less negative index of -14, sentiment remained relatively stable from August to December, consistently residing within the negative range.

In 2023, the decline persisted, with negative sentiment ranging from -14 to -23 in the early months. From April to July, sentiment exhibited increased volatility, fluctuating between -18 and -33. The **most significant decline occurred in the last few months**, reaching -37 in August, -41 in September, and -39 in October.

Evolution of consumer sentiment in DRC over the last three years
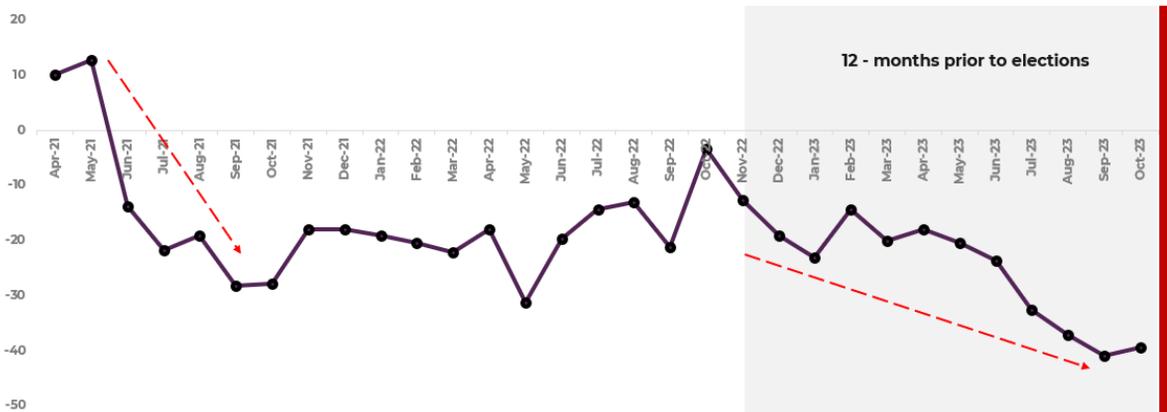
Source: Kasi Insight Economic Intelligence – Consumer Confidence in DRC Tracker conducted monthly from April 2021 – October 2023

This continual downturn in consumer sentiment is indicative of **prevailing economic and social challenges** within the DRC, profoundly influencing how individuals perceive and navigate their economic outlook. As the nation approaches their election on 20th December, this sustained decline poses a significant challenge for the incumbent President, Felix Tshisekedi.

Employing the Kasi methodology, the average sentiment index leading up to the election was calculated at -25, accompanied by a volatility of 109%, suggesting a high likelihood of witnessing a change in leadership.

Election Year	Average Sentiment	Volatility	Predicted Result on Incumbent Party
2023	-25	109%	Loss

The prospect of a change in leadership raises intriguing questions about the political landscape, with figures such as Martin Fayulu, the runner-up in the disputed 2018 poll, and Nobel Peace Prize laureate Denis Mukwege emerging as contenders for the presidential seat. The evolving sentiment dynamics and their implications for the political scenario in the DRC add complexity to the upcoming election, making it a critical juncture for determining the country's future leadership and trajectory.

Conclusion

The prospect of a change in leadership emerges as a beacon of hope for the people of Democratic Republic of the Congo (DRC), who have endured persistent negative sentiment over the last three years. While the shift towards positivity may take some time, the anticipation of a new president signals an opportunity for transformative change. For consumers, a new administration brings the expectation of policies aimed at revitalizing the economy, creating job opportunities, and fostering an environment conducive to improved well-being. The potential for positive shifts in governance may gradually instill confidence among consumers, influencing their spending habits and overall economic outlook.

On the other hand, retailers in the DRC are likely to witness changes in consumer behavior and spending patterns. The anticipation of a leadership transition may initially lead to cautious spending among consumers. However, as the new administration implements policies to address economic challenges, retailers could experience a gradual resurgence in consumer confidence..
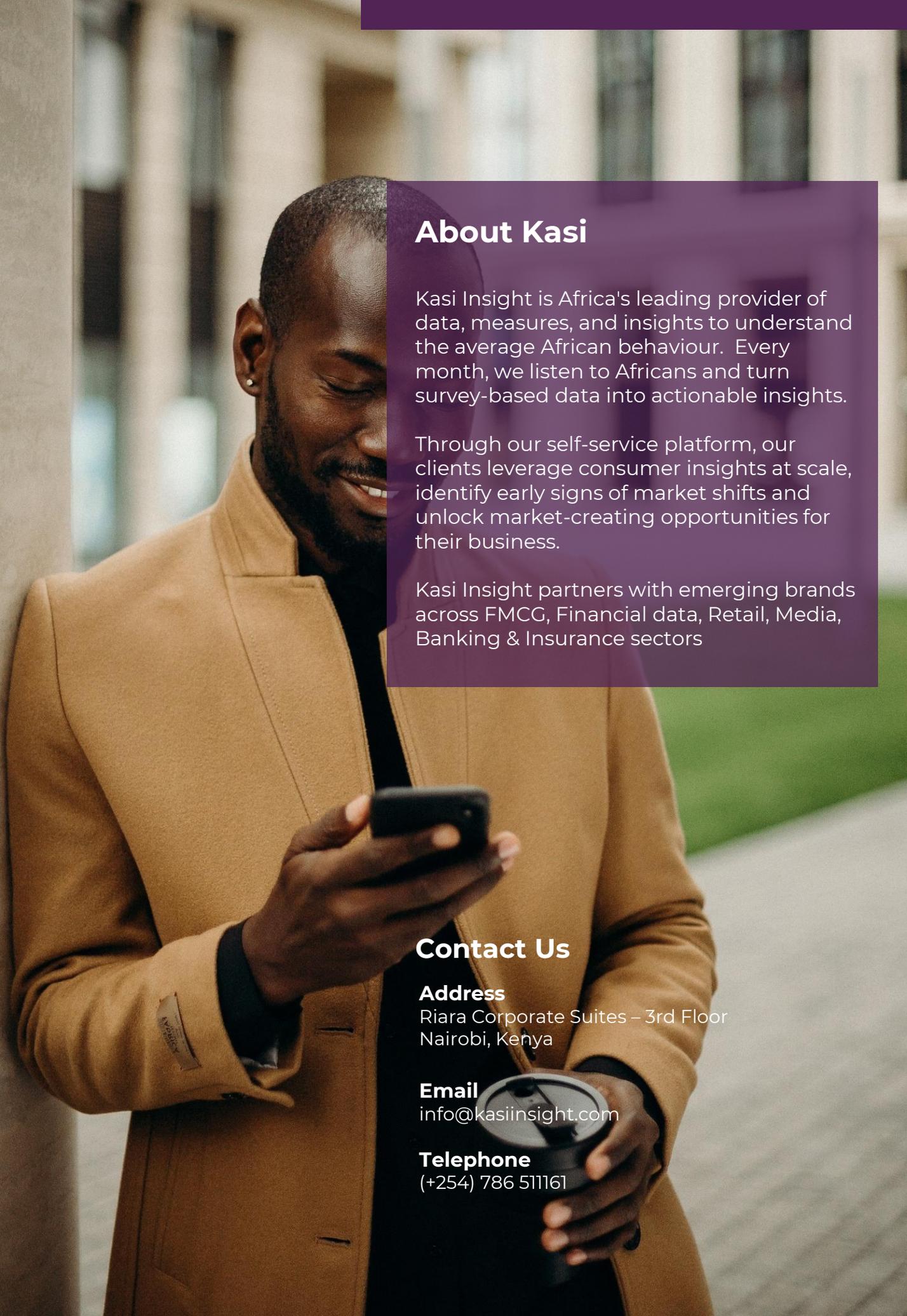
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About Kasi

Kasi Insight is Africa's leading provider of data, measures, and insights to understand the average African behaviour. Every month, we listen to Africans and turn survey-based data into actionable insights.

Through our self-service platform, our clients leverage consumer insights at scale, identify early signs of market shifts and unlock market-creating opportunities for their business.

Kasi Insight partners with emerging brands across FMCG, Financial data, Retail, Media, Banking & Insurance sectors

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