

Response to referee 3

Thank you for your comments!

- **A second way to do a replication according to the author would be to construct the dataset from scratch and write code based on the data used in Choi and Varian (2012). This is mostly discussed in p2. para 1. I would like the author to discuss how recent studies (post Choi and Varian (2012)) have used Google trends for short-term forecasting. Is it useful to work with longitudinal search data or use higher frequency search data in short-term forecasting? While these may reveal different results, richer datasets usually add value to forecasting exercises.**

I will add this to a revision version.

- **Another way to do a replication would be to use a similar/related search/query term for forecasting a particular economic indicator. An example of this is that Choi and Varian (2012) use searches on unemployment to better forecast unemployment claims whereas Baker and Fradkin (2011) have examined how job search relates to extensions of unemployment payments. How would one interpret results if a different query term is used for forecasting? I would imagine that not all similar/related search query terms will contribute to the predictive analysis in the same manner.**

I think this is close to what I discuss in the third step. I will make this clearer in the revised version

- **3. In all the aforementioned cases, it is important to mention that sub-sample analysis may reveal different results. A discussion of how turning points may affect forecasting accuracy may be useful here as discussed in Choi and Varian (2012)**

I will add this point to the revised version.

- **I would like the author to discuss the other examples of economic indicators in Choi and Varian (2012) wherever necessary.**

I will elaborate more on the other examples in the revised version.

- There are spelling mistakes and grammatical mistakes throughout the paper which are mentioned below. The author(s) should revise the paper thoroughly before submitting again.

The revised version will be sent to a professional proof-reader.