

Multinomial Logistic Regression Tutorial

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Table of contents

1	Overview	1
1.1	Generalized Linear Model	1
1.1.1	Link function	1
1.1.2	GLM Assumptions	1
1.2	Multinomial Logistic Regression	2
1.2.1	Examples of research questions	2
2	Probability Distribution	2
3	Data Example:	2
4	Probability Distribution	2

1 Overview

1.1 Generalized Linear Model

Generalized Linear Models (GLMs) are a class of statistical models in which the relationship between a dependent variable and one or more independent variables follows a specific probability distribution, such as the Normal, Binomial, Poisson, Gamma, and Multinomial distributions. The general formula of a Generalized Linear Model (GLM) is expressed as follows:

$$g(\mu) = X\beta$$

where

- $g(\mu)$: The link function connecting the mean μ of the response variable distribution with the linear combination of predictor variables $X\beta$
- X : The design matrix containing the values of the predictor variables.
- β : The vector of coefficients associated with each predictor variable.

The main purpose of GLMs is to provide a statistical framework for modeling the relationship between a dependent variable and one or more independent variables, allowing flexibility in the distribution of the dependent variable. The choice of probability distribution and the link function allows the adaptation of the model to different types of data and relationships between variables.

1.1.1 Link function

The purpose of a link function in GLMs is to connect the distribution of the outcome variable to the linear predictors, defining the relationship between the linear predictor and the expected value (mean) of the response variable. It indicates how the expected value of the response variable relates to the linear combination of explanatory variables. In logistic regression, for example, the link function is the logit function, which transforms the probability of the outcome variable into a log-odds format. This allows us to model a binary response variable using a linear combination of predictors. Within a GLM, the link function transforms the linear combination of predictor variables into a format that is appropriate for modeling the mean of the response variable. This conversion is crucial, ensuring that the forecasted values conform to the particular range determined by the characteristics of the response distribution.

1.1.2 GLM Assumptions

GLMs consider the following assumptions:

- The data are independently distributed.
- The dependent variable Y follows a specific distribution.
- There is a linear relationship between the transformed expected response, in terms of the link function, and the explanatory variables.

In particular, in this tutorial, we will address a type of GLM, Multinomial Logistic Regression, which is detailed in the following sections

1.2 Multinomial Logistic Regression

Multinomial logistic regression is a form of GLM employed when the outcome variable encompasses multiple categories. In this regression, the multinomial distribution is utilized to model the outcome variable.

1.2.1 Examples of research questions

Some examples of research questions that could be answered with Multinomial logistic regression are:

- **Inference problem:** Within the context of a university student having the choice to enroll in a major among the academic departments of ‘Social Sciences and Humanities,’ ‘Health Sciences,’ ‘Natural Sciences and Mathematics,’ and ‘Arts,’ what sociodemographic variables significantly influence the selection of academic departments?
- **Prediction problem:** Based on a new customer’s viewing history on a movie streaming service, which includes variables such as the number and type of movies watched, total duration in minutes, etc., what option is the customer most likely to choose at the conclusion of the 30-day trial period: cancel their subscription, subscribe to the monthly plan, or subscribe to the annual plan?

2 Probability Distribution

$$Pr(\theta|y) \propto Pr(y|\theta)Pr(\theta)$$

$$x = \frac{-b \pm \sqrt{b^2 - 4ac}}{2a}$$

2.0.1

3 Data Example:

4 Probability Distribution