**One hot encoding vs unique ID**

**One hot encoding:** is a popular technique for treating categorical variables. It simply creates additional features based on the number of unique values in the categorical feature. Every unique value in the category will be added as a feature.

If we have a categorical feature with 3 values, we will add 3 new features and each category is represented by a binary vector.(1,0,0/0,1,0/0,0,1).

**Unique ID:** is a popular encoding technique for handling categorical variables. In this technique, each label is assigned a unique integer based on alphabetical ordering.

If we have a categorical feature with 3 values, we will give each category a unique id(0/1/2).

**\*Apply One-Hot Encoding when:**

1. The categorical feature is not ordinal.
2. The number of categorical features is less so one-hot encoding can be effectively applied.

**\*Apply unique id when:**

1. The categorical feature is ordinal.
2. The number of categories is quite large as one-hot encoding can lead to high memory consumption.