



# Arbitrary Category Imputation

# Missing Category imputation: definition

- This method consists in treating missing data as an additional label or category of the variable.
  - Missing observations are grouped in the newly created label **'Missing'**.
- This is the most used method of missing data imputation for categorical variables.
- Suitable for categorical variables

# Example

Make
Ford
Ford
Fiat
BMW
Ford
Kia
Fiat
Ford
Kia

“Missing”



Price
Ford
Ford
Fiat
BMW
Ford
Kia
Missing
Fiat
Ford
Missing
Kia



# Assumptions

Data is not missing at random.

Hence, we treat missing data as a different level of the variable.

# THANK YOU

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