

## 1. Data Reviewing


### a. Variables

### b. Quality

#### i. A multi-dimensional view of data quality (week7)

**Data Cleaning - Quality Issues?**

- A multi-dimensional view of data quality
  - **Completeness:** not recorded, unavailable, ...
  - **Accuracy:** correct or wrong, accurate or not
  - **Consistency:** some modified but some not, ...
- Data in the real world is **dirty**, e.g.,
  - **Incomplete or missing:** lacking attribute values, lacking certain attributes of interest, or containing only aggregate data, e.g., occupation = " " (missing data), Jan. 1 as many customers' birthday? (disguised missing data)
  - **Inaccurate or noisy:** containing errors or outliers, e.g., salary = "-10" (an error)
  - **Inconsistent:** containing discrepancies in codes or names, e.g., age = "28" and birthday = "10/02/1999"



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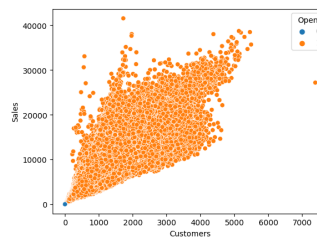
1.

#### 2. Completeness

- Store data has missing values in Competition, Promo
- Train data has no missing values.
- Test data has missing values in Open

#### 3. Accuracy

- ? (Questions)
- Sales and Customers are always 0 if Open=0, so accurate



i.

#### 4. Consistency

- Inconsistency in StateHoliday in train data.

#### c. Relevance to the sales forecasting

##### i. Hypothesis

###### 1. Time trend

- The sales increase with time

###### 2. Past sales

- The sales of a day are correlated with the sales of the day before.

###### 3. StoreType

- The sales of a store depend on its store type.

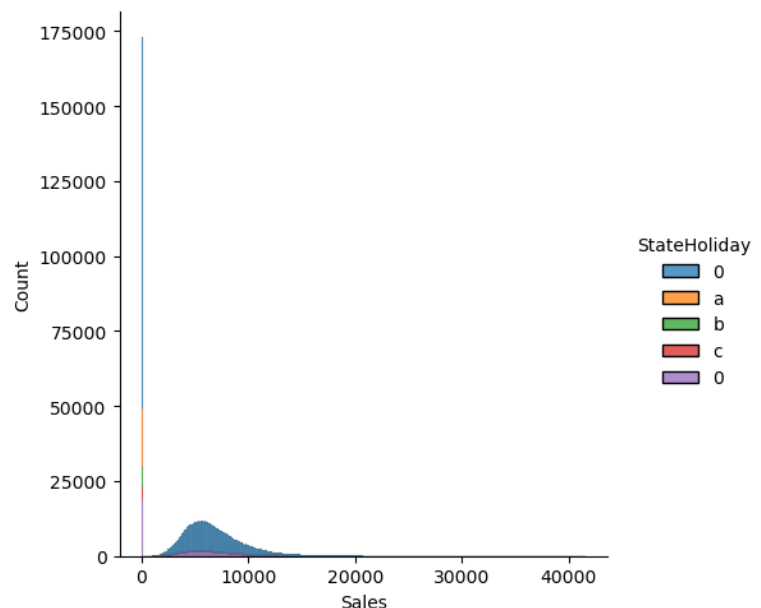
###### 4. Assortment

- The sales of a store depend on its assortment level.

###### 5. Competition

- The sales of a store will be lower if the store has competition.
- The closer the competition to the store is, the more effect it will get on its sales.

- c. The effect of competition will be large immediately after its opening (Competition Shock). But the effect will decrease gradually to some extent.
- 6. Promo2
  - a. The promotion will increase sales.
  - b. The impact of promotion on sales is large in the first month of each round but gradually decreases as time goes on.
- 7. DayOfWeek
  - a. There is a weekly cycle in sales.
  - b. It depends on each store on which day it has higher sales.
- 8. Open
  - a. A store has no sales if it is closed on that day.
- 9. Promo
  - a. A store-specific promotion increase sales.
- 10. Holiday
  - a. Holidays affect sales.
  - b. The direction of effect (positive or negative) depends on each store.



C.

- 2. Data Preprocessing
  - a. Supposed model
    - i. Linear regression
      - 1. One general model that can be applied to all stores
  - b. General Preprocessing
    - i. Missing Values
      - 1. Competition
        - a. All rows with null CompetitionDistance have null CompetitionOpenMonth/Year, &  $\min(\text{CompetitionDistance}) > 0$ .

- i. If CompetitionDistance == null, the store has no competition
  - ii. Insert significantly large number (e.g. 1e+11) to CompetitionDistance
- b. If CompetitionDistance != null & CompetitionMonth/Year == null:
  - i. It means competitor opened at some point, but you cannot know when it was from the data.
  - ii. In this case, HasCompetition will be always 1 in prediction part, so it might be better to train the model assuming HasCompetition = 1 over the period (?)
  - iii. Assume the competition had already opened before the start of data (01/01/2013)
    - 1. Insert a day <= 01/01/2013
    - 2. This is because in prediction, HasCompetition is always 1.

## 2. Promo2

### ii. Standardisation

### c. Making new variables

## 3. Questions

### a. Data Quality

- i. How can you check the accuracy of data?

### b. Data Preprocessing

#### i. store\_df

- 1. What to do when you don't know when the competition opened?

### c. Model

#### i. How to include store\_id?

- 1. If one-hot encoding, too many columns→is it allowed?
- 2. If average sales, it must correlated with past sales →is it allowed?
- 3. If exclude store\_id, 1115 models →can you combine their score in assessing?