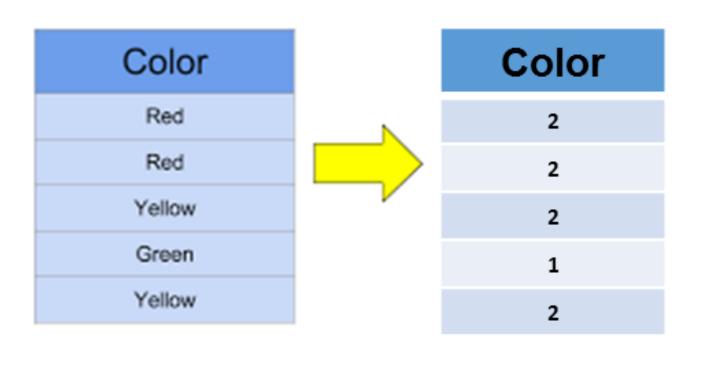


Count / frequency encoding: definition

- Categories are replaced by the count or percentage of observations that show that category in the dataset.
- Captures the representation of each label in a dataset
- Very popular encoding method in Kaggle competitions.
- Assumption: the number observations shown by each category is predictive of the target.

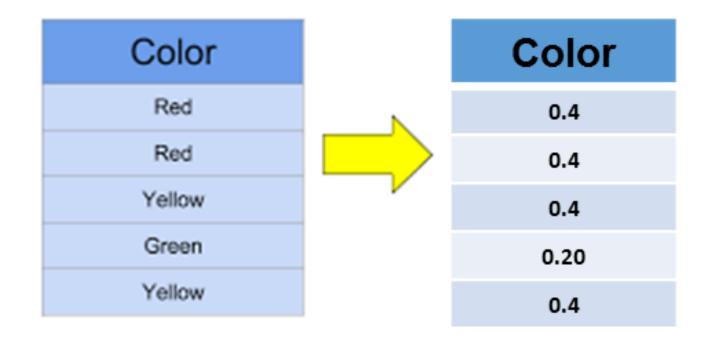


Count encoding: example





Frequency encoding: example





Count / frequency encoding: Advantages

- Straightforward to implement
- Does not expand the feature space
- Can work well enough with tree based algorithms



Count / frequency encoding: Limitations

- Not suitable for linear models
- Does not handle new categories in test set automatically
- If 2 different categories appear the same amount of times in the dataset, that is, they appear in the same number of observations, they will be replaced by the same number:
 - may lose valuable information.





THANK YOU

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