## Introduction to Business Analysis

# Lecture 4: Data Preprocessing and Transformation. MS Excel and R

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## Agenda

- 1. Introduction to Data Preprocessing and Transformation
- 2. Processing and Transformation Techniques in MS Excel
- 3. Process Data in R
- 4. Data Transformation in R
- 5. In-class Assignment
- 6. Home Assignment

# 1. Introduction to Data Preprocessing and Transformation

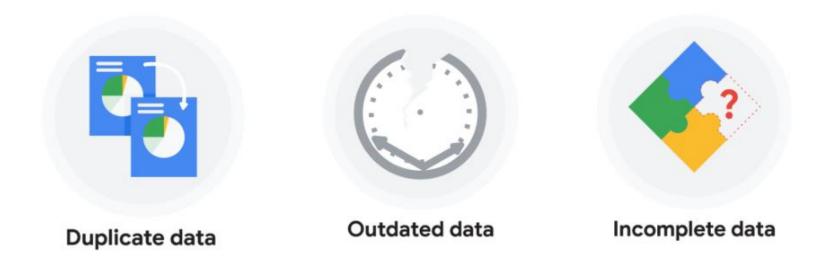
**Data Processing** is the overall process of manipulating, organizing, and structuring raw data into a more usable form.

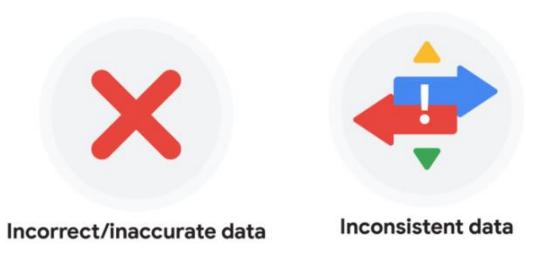
It typically involves working with the *dirty data* such as cleaning data, removing duplicates, and formatting data for analysis.

**Data Transformation** is the process of converting data from one format or structure to another.

This may involve tasks such as splitting columns, merging data sets, or aggregating data.

## Types of Dirty Data



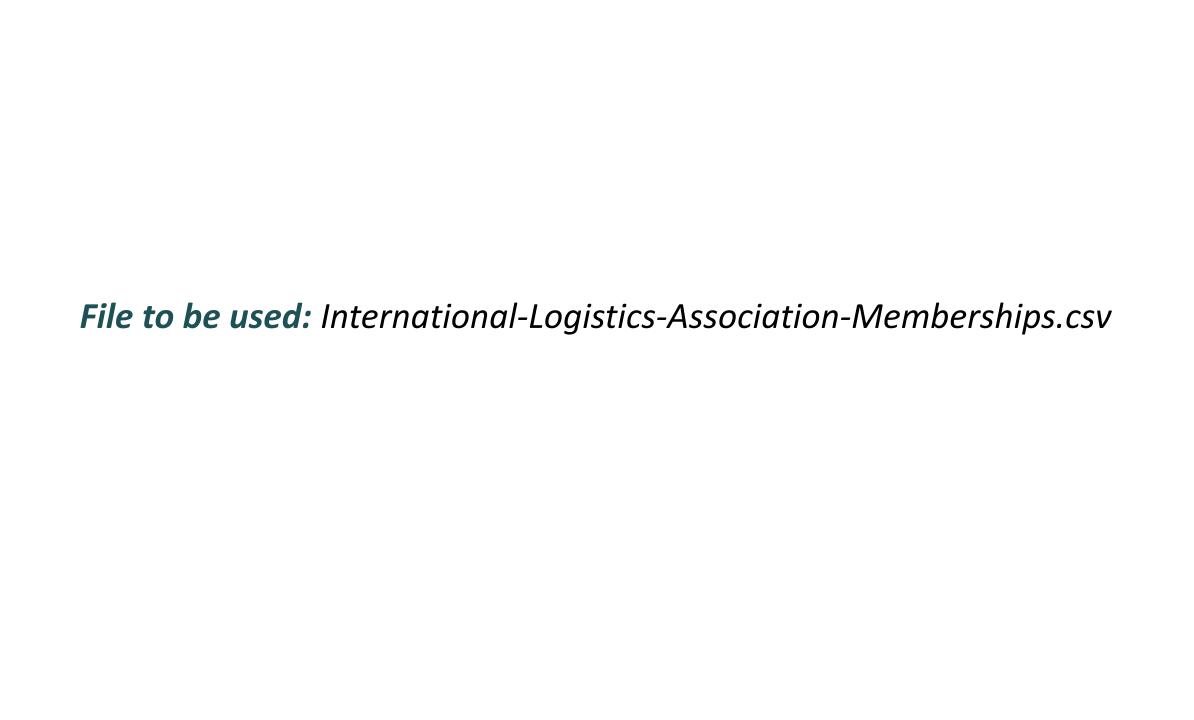


## Types of Dirty Data

• To deal with dirty data it is better to develop your own check list which you can refer to and improve in the future.

Data Cleaning Checklist	Preferred cleaning methods

## 2. Processing and Transformation Techniques in MS Excel

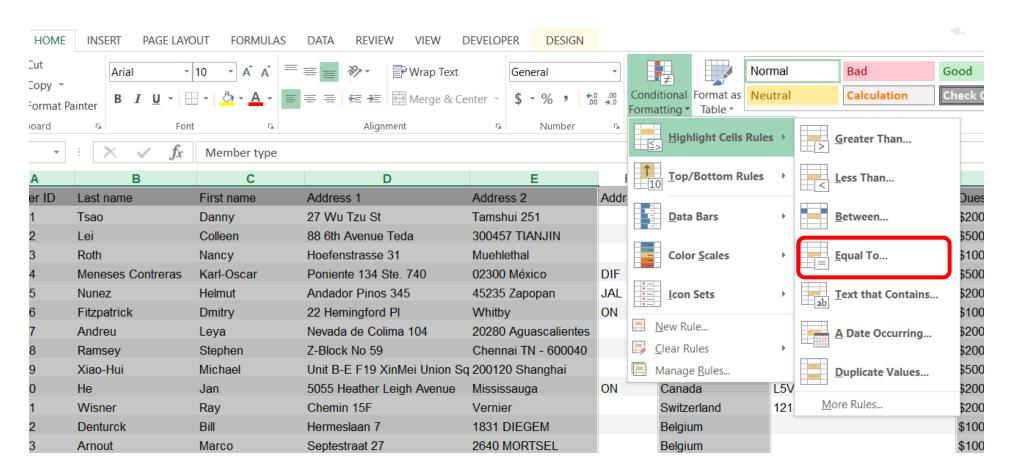


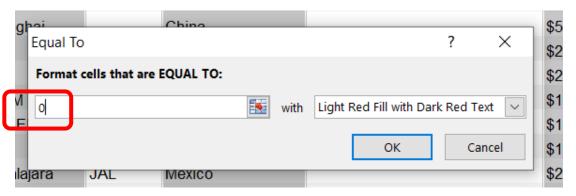
## Conditional formatting

Identify missing values by conditional formatting

Let's apply conditional formatting to all columns in the table except for "Address 3", "Address 5" and "Certification" columns.

- Select the cells you want to apply conditional formatting to.
- 2. Go to the Home tab on the ribbon.
- 3. Click on the Conditional Formatting option.
- 4. Choose the type of formatting you want to apply (e.g. highlight cells rules, top/bottom rules, data bars, color scales, icon sets, etc.).
- 5. Choose the formatting options you want to apply (e.g. select the colors, the minimum/maximum values, the criteria for highlighting, etc.).
- 6. Click OK to apply the formatting.

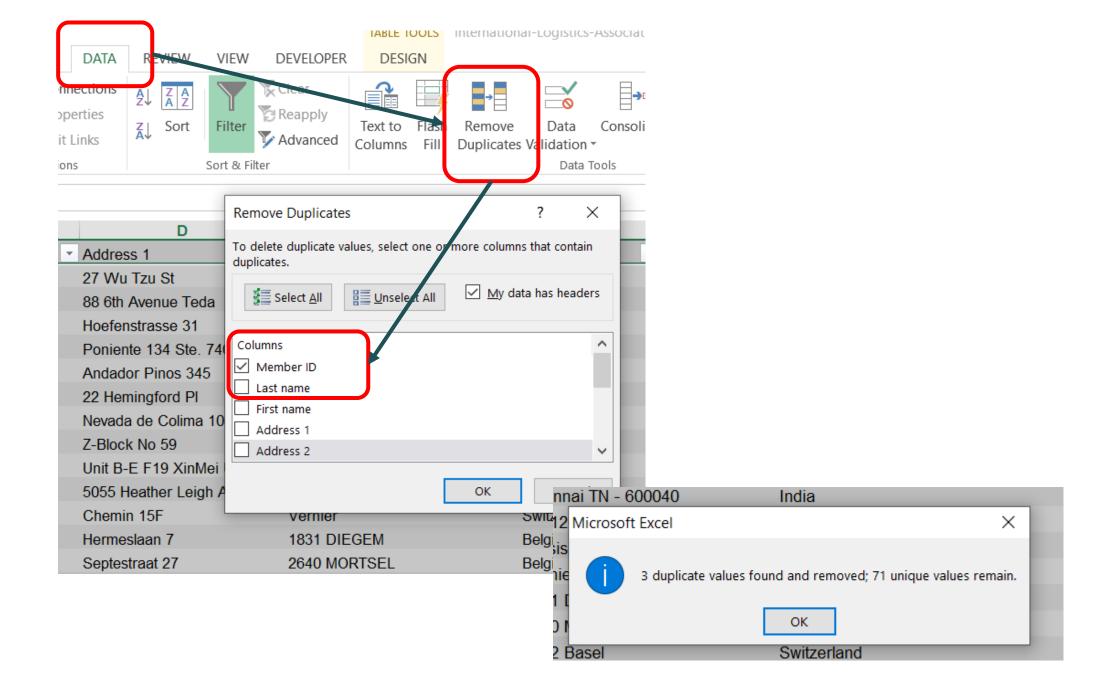




## Remove duplicates

Let's remove duplicates basing in Member ID

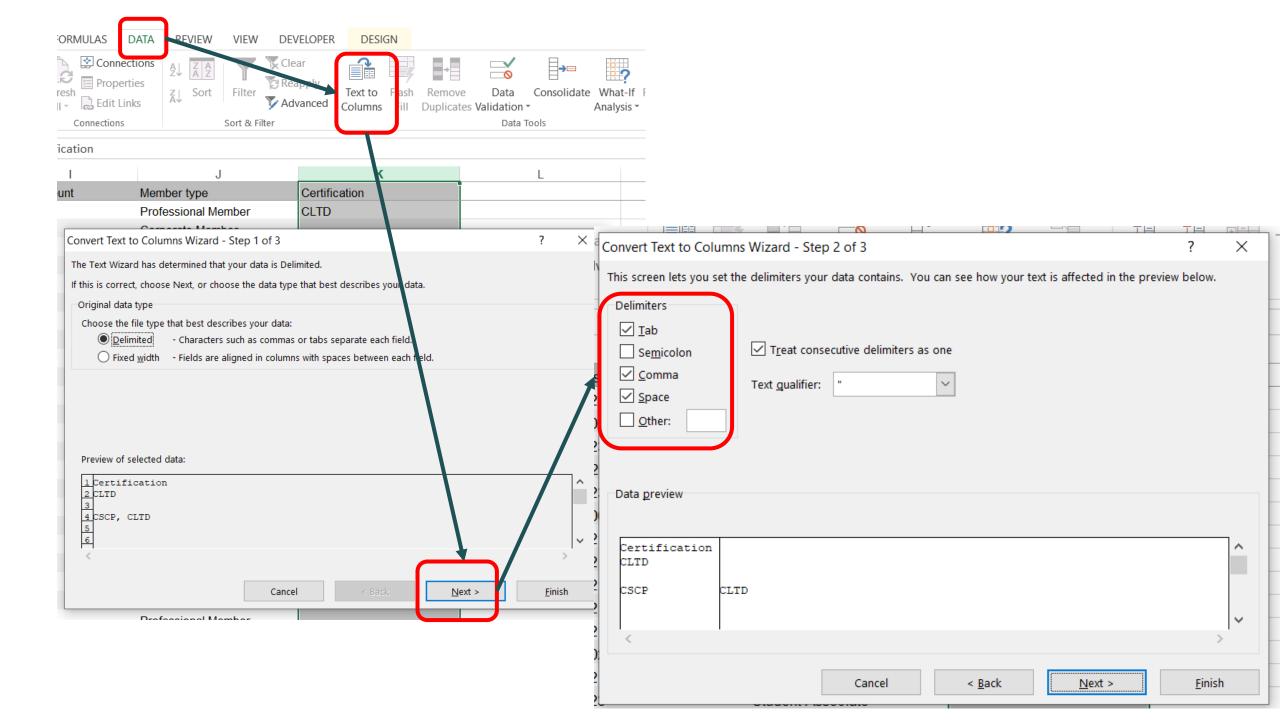
- 1. Click on the "Data" tab in the ribbon at the top of the screen.
- 2. Click on the "Remove Duplicates" button in the "Data Tools" section of the ribbon.
- 3. In the "Remove Duplicates" dialog box, select the columns that you want to check for duplicates.
- 4. Click the "OK" button.



## Splitting the data

Let's split certification info into different columns

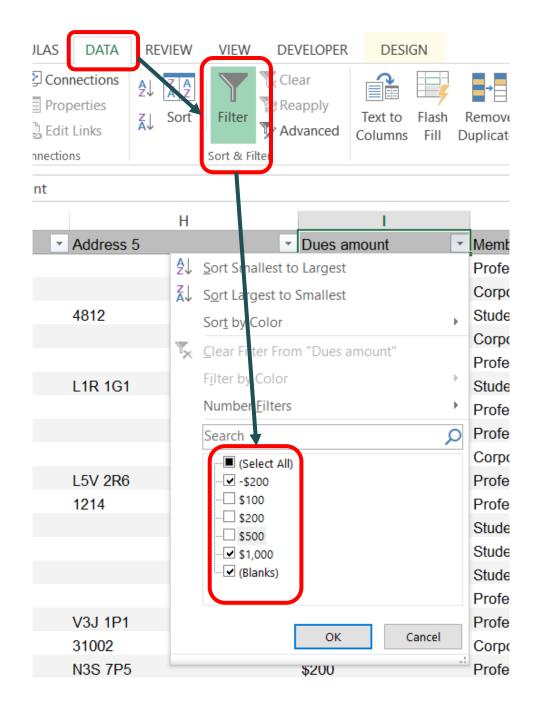
- Select the cell(s) containing the data you want to split.
- Go to the Data tab on the ribbon.
- Click on the "Text to Columns" button.
- In the "Convert Text to Columns Wizard" dialog box that appears, choose the type of data you want to split (e.g. delimited, fixed width, etc.) and click "Next".
- Depending on the type of data you selected, you may need to choose additional options (e.g. specify the delimiter character, set the column widths, etc.). Follow the on-screen instructions and click "Next" to proceed.
- Choose the format for each of the columns you want to create (e.g. general, text, date, etc.) and click "Finish".
- Excel will split the data in the original cell(s) into different cells based on the criteria you specified.



## Filtering data

Let's check for inconsistent data

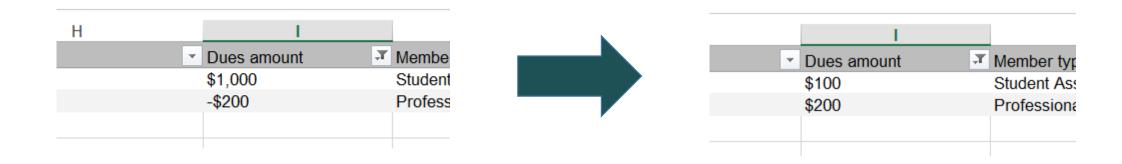
- 1. Select all range of cells that you want to filter.
- 2. Go to the "Data" tab in the ribbon menu at the top of the screen.
- 3. Click on the "Filter" button in the "Sort & Filter" group. This will add filter dropdowns to the header row of your data.
- 4. Click on the dropdown arrow in the header row of the column you want to filter. This will open the filter menu.



Let's say that we know that the dues range should be within \$100-500.

The filter menu shows us two inconsistent data. Let's choose them to examine in more details.

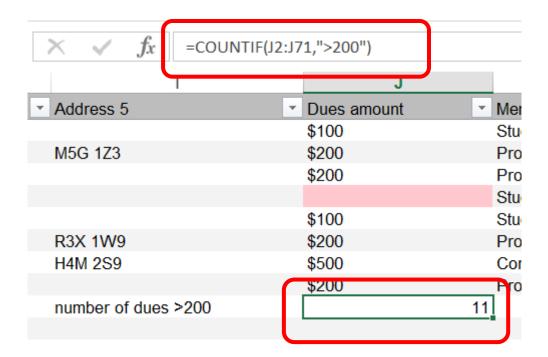
#### Fix inaccurate data.



## COUNTIF()

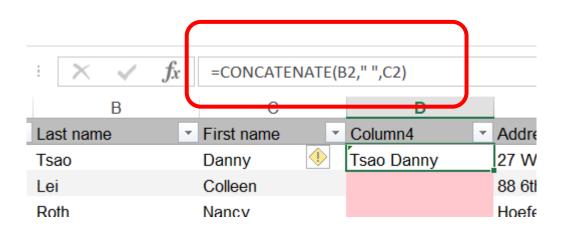
 count the number of cells in a range that contain numeric values with certain condition

Let's count the number of dues of the amount more than \$200.



## CONCATENATE()

• combine text from different cells into a single cell Let's combine last and first name of the members into one cell. For this purpose create new column and write corresponding function.



## 3. Process Data in R

## install.packages() and library()

- install packages from CRAN (Comprehensive R Archive Network), which is a repository of R packages maintained by the R community
- load packages that have been installed on your system into your R workspace so that you can use their functions

```
#basic package
install.packages("tidyverse")
library(tidyverse)

#useful for data processing and transformation
install.packages("dplyr")
library(dplyr)
install.packages("tidyr")
library(tidyr)

#to load the csv file
install.packages("utils")
library(utils)
```

#### read.csv()

 read a CSV (Comma-Separated Values) file and returns its contents as a data frame

## head()

view the first few rows of a data frame

```
#view first several rows of the table
head(data_stocks)
```

#### Result:

```
Date MSFT IBM AAPL MCD PG GOOG
1 2/01/2002 33.52 121.50 11.65 26.49 40.00 NA
2 3/01/2002 34.62 123.66 11.79 26.79 39.62 NA
3 4/01/2002 34.45 125.60 11.84 26.99 39.22 NA
4 7/01/2002 34.28 124.05 11.45 27.20 38.78 NA
5 8/01/2002 34.69 124.70 11.30 27.36 38.88 NA
6 9/01/2002 34.36 124.49 10.82 26.88 38.60 NA
```

```
#to view the exact number of first rows of the table
head(data_stocks, 3)
```

```
Date MSFT IBM AAPL MCD PG GOOG
1 2/01/2002 33.52 121.50 11.65 26.49 40.00 NA
2 3/01/2002 34.62 123.66 11.79 26.79 39.62 NA
3 4/01/2002 34.45 125.60 11.84 26.99 39.22 NA
```

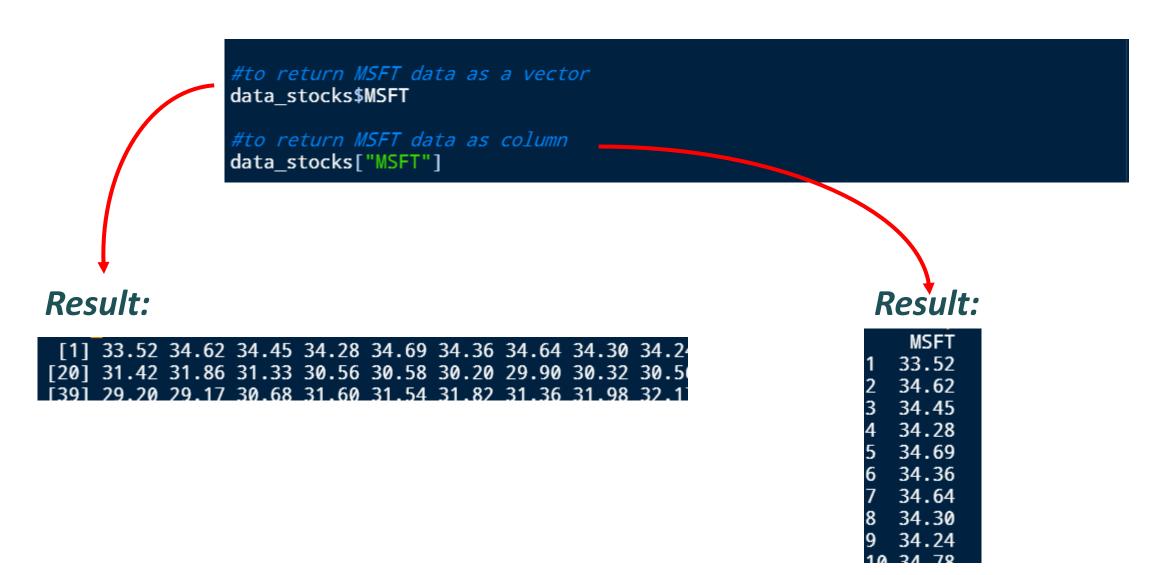
## tail()

view the last few rows of a data frame

```
#to view the tail of the table
tail(data_stocks)
tail(data_stocks, 2)
```

```
> tail(data_stocks)
           Date MSFT
                         TBM
                               AAPL
                                      MCD
                                             PG
                                                  GOOG
2779 21/12/2012 27.45 193.42 519.33 90.18 68.72 715.63
2780 24/12/2012 27.06 192.40 520.17 89.29 68.52 709.50
2781 26/12/2012 26.86 191.95 513.00 88.74 68.00 708.87
2782 27/12/2012 26.96 192.71 515.06 88.72 67.97 706.29
2783 28/12/2012 26.55 189.83 509.59 87.58 67.15 700.01
2784 31/12/2012 26.71 191.55 532.17 88.21 67.89 707.38
> tail(data stocks, 2)
                         IBM
                               AAPL
                                      MCD
                                             PG
                                                  GOOG
           Date MSFT
2783 28/12/2012 26.55 189.83 509.59 87.58 67.15 700.01
2784 31/12/2012 26.71 191.55 532.17 88.21 67.89 707.38
```

## Extract a specific column



#### Two options to return the specific value

```
#return the price of AAPL stock in 3th row
data_stocks[3,"AAPL"]
data_stocks[3,4] Number of the column

#return the values of AAPL stock in 3-5 rows
data_stocks[3:5,"AAPL"]
data_stocks[3:5, "AAPL"]
data_stocks[3:5, 4]
```

Create a table with MSFT daily returns.

Calculate daily returns of MSFT stocks

```
msft_ret <- diff(data_stocks$MSFT)
```

Assign the name of new data frame

## length()

 returns the number of elements in a vector or the number of columns or rows in a matrix or data frame

```
#check the number of values for MSFT columns and MSFT returns
length(data_stocks$MSFT)
length(msft_ret)
```

#### Result:

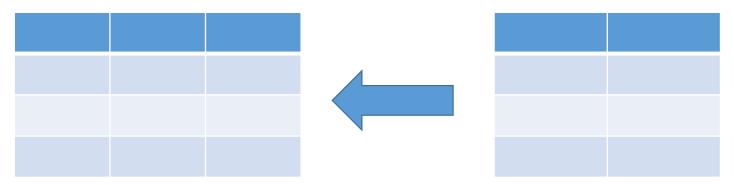
```
> length(data_stocks$MSFT)
[1] 2784
> length(msft_ret)
[1] 2783
```

```
#add a zero value to the beginning of the vector
msft_ret <- c(0, msft_ret)
#check the length
length(msft_ret)</pre>
```

```
> length(msft_ret)
[1] 2784
```

## cbind()

combine vectors, matrices, or data frames by column



```
#combine the tables adding the column msft_ret to the data_stocks table
data_stocks_r <- cbind(data_stocks, msft_ret)
head(data_stocks_r)</pre>
```

```
PG GOOG msft ret
            MSFT
                     IBM
                         AAPL
                                 MCD
       Date
 2/01/2002 33.52 121.50 11.65 26.49 40.00
                                                    0.00
2 3/01/2002 34.62 123.66 11.79 26.79 39.62
                                                    1.10
3 4/01/2002 34.45 125.60 11.84 26.99 39.22
                                                   -0.17
 7/01/2002 34.28 124.05 11.45 27.20 38.78
                                                   -0.17
5 8/01/2002 34.69 124.70 11.30 27.36 38.88
                                                    0.41
6 9/01/2002 34.36 124.49 10.82 26.88 38.60
                                                   -0.33
```

## rbind()

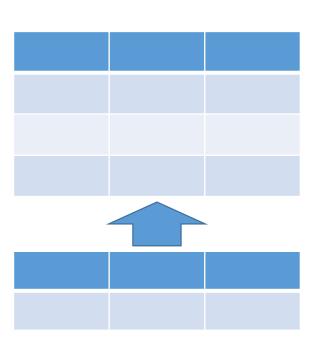
• combine vectors, matrices, or data frames by row

```
#create two dataframes from data_stocks
data_r1 <- data_stocks_r[1:10,] #first 10 rows
data_r2 <- data_stocks_r[2775:2784,] #last 10 rows

#combine the tables adding one under another
data_stocks_rbind <- rbind(data_r1, data_r2)

#check the results
head(data_stocks_rbind)
tail(data_stocks_rbind)</pre>
```

```
Date MSFT
                     IBM AAPL
                                 MCD
                                        PG GOOG msft ret
1 2/01/2002 33.52 121.50 11.65 26.49 40.00
                                                    0.00
2 3/01/2002 34.62 123.66 11.79 26.79 39.62
                                                    1.10
3 4/01/2002 34.45 125.60 11.84 26.99 39.22
                                                   -0.17
4 7/01/2002 34.28 124.05 11.45 27.20 38.78
                                                   -0.17
5 8/01/2002 34.69 124.70 11.30 27.36 38.88
                                                    0.41
6 9/01/2002 34.36 124.49 10.82 26.88 38.60
                                                   -0.33
  tail(data stocks rbind)
                               AAPL
                                      MCD
                                                  GOOG msft ret
                         IBM
           Date MSFT
2779 21/12/2012 27.45 193.42 519.33 90.18 68.72 715.63
                                                          -0.23
2780 24/12/2012 27.06 192.40 520.17 89.29 68.52 709.50
                                                          -0.39
2781 26/12/2012 26.86 191.95 513.00 88.74 68.00 708.87
                                                          -0.20
2782 27/12/2012 26.96 192.71 515.06 88.72 67.97 706.29
                                                           0.10
2783 28/12/2012 26.55 189.83 509.59 87.58 67.15 700.01
                                                          -0.41
2784 31/12/2012 26.71 191.55 532.17 88.21 67.89 707.38
                                                           0.16
```



## summary()

• summary of the central tendency, dispersion, and shape of a distribution for a given vector or data frame

```
#to examine the table and check for missing values
summary(data_stocks)
```

Date	MSFT	IBM	AAPL	MCD	PG	G00G
Length: 2784	Min. :15.15	Min. : 55.07	Min. : 6.56	Min. : 12.38	Min. :37.23	Min. :100.0
Class :character	1st Qu.:25.27	1st Qu.: 84.43	1st Qu.: 19.46	1st Qu.: 29.16	1st Qu.:52.61	1st Qu.:385.1
Mode :character	Median :26.92	Median : 99.34	Median : 94.00	Median : 50.80	Median :59.91	Median :486.5
	Mean :26.87	Mean :113.72	Mean :160.85	Mean : 50.48	Mean :57.79	Mean :469.9
	3rd Qu.:28.79	3rd Qu.:128.25	3rd Qu.:235.91	3rd Qu.: 66.71	3rd Qu.:63.85	3rd Qu.:579.8
	Max : :37.06	Max • 211 00	Max : .702 10	Max · 101 74	Max : :74.67	Max · ·768 0
	NA's :1		NA's :1			NA's :663

#### na.omit()

remove any rows with missing values from a data frame

```
#remove all rows with NA from data_stocks
data_stocks_naomit <- na.omit(data_stocks)
head(data_stocks)
head(data_stocks_naomit)</pre>
```

```
head(data stocks)
     Date MSFT
                   IBM AAPL
                               MCD
                                      PG GOOG
2/01/2002 33.52 121.50 11.65 26.49 40.00
                                           NA
3/01/2002 34.62 123.66 11.79 26.79 39.62
                                            NA
4/01/2002 34.45 125.60 11.84 26.99 39.22
                                            NA
7/01/2002 34.28 124.05 11.45 27.20 38.78
8/01/2002 34.69 124.70 11.30 27.36 38.88
9/01/2002 34.36 124.49 10.82 26.88 38.60
                                            > head(data stocks naomit)
                                                                                           GOOG
                                                                        AAPL
                                                                               MCD
                                                      Date
                                            663 19/08/2004 27.12 84.89 15.36 26.60 54.48 100.34
                                           664 20/08/2004 27.20 85.25 15.40 27.07 54.85 108.31
                                            665 23/08/2004 27.24 84.65 15.54 26.64 54.75
                                            666 24/08/2004 27.24 84.71 15.98 26.87 54.95 104.87
                                           667 25/08/2004 27.55 85.07 16.52 26.95 55.30 106.00
                                            668 26/08/2004 27.44 84.69 17.33 27.10 55.70 107.91
```

## 4. Data Transformation in R

#### subset()

extract a subset of a data frame based on certain conditions

```
Date MSFT IBM
1 2/01/2002 33.52 121.50
2 3/01/2002 34.62 123.66
3 4/01/2002 34.45 125.60
4 7/01/2002 34.28 124.05
5 8/01/2002 34.69 124.70
6 9/01/2002 34.36 124.49
```

## pivot\_longer()

convert table from wide to long format

```
Date Stock Price <chr> <chr> <chr> <chr> <chr> <chr> 1 2/01/2002 MSFT 33.5

        2 2/01/2002 IBM 122.

        3 2/01/2002 AAPL 11.6

        4 2/01/2002 MCD 26.5

        5 2/01/2002 FG 40

        6 2/01/2002 GOOG NA
```

## select()

• select specific columns from a data frame

```
# select only the columns Rank, Name, Year, and Global_Sales
vg_data_select <- select(vg_data, Rank, Name, Year, Global_Sales)
head(vg_data_select)

Name of dataset Columns to be selected</pre>
```

	Rank	Name	Year	Global_Sales
1	259	Asteroids	1980	4.31
2	545	Missile Command	1980	2.76
3	1768	Kaboom!	1980	1.15
4	1971	Defender	1980	1.05
5	2671	Boxing	1980	0.77
6	4027	Ice Hockey		0.49

## filter()

filter rows based on conditions

```
# filter the data to include only games released in or after 2010
vg_data_filtered <- filter(vg_data, Year >= 2010)
head(vg_data_filtered)

Name of dataset Filter condition
```

```
Name Platform Year
                                                                                 Publisher NA Sales EU Sales JP Sales
                                                        Genre
Rank
              Kinect Adventures!
                                                         Misc
                                                                   Microsoft Game Studios
  16
                                      X360 2010
                                                                                              14.97
                                                                                                         4.94
                                                                                                                  0.24
                                        D5 2010 Role-Playing
    Pokemon Black/Pokemon White
                                                                                 Nintendo
                                                                                               5.57
                                                                                                         3.28
                                                                                                                  5.65
         Call of Duty: Black Ops
                                      X360 2010
                                                                                Activision
                                                      Shooter
                                                                                               9.67
                                                                                                         3.73
                                                                                                                  0.11
  32
         Call of Duty: Black Ops
  41
                                       PS3 2010
                                                      Shooter
                                                                                Activision
                                                                                               5.98
                                                                                                         4.44
                                                                                                                  0.48
  55
                  Gran Turismo 5
                                                                                                                  0.81
                                       PS3 2010
                                                       Racing Sony Computer Entertainment
                                                                                               2.96
                                                                                                        4.88
                                                                   Microsoft Game Studios
                                                                                               7.03
                                                                                                                  0.08
                     Halo: Reach
                                      X360 2010
                                                      Shooter
                                                                                                         1.98
Other Sales Global Sales
       1.67
                   21.82
                   15.32
       0.82
       1.13
                   14.64
                   12.73
       1.83
                   10.77
       2.12
       0.78
                    9.88
```

## mutate()

create new columns based on existing columns

#### Result:

	Rank	Name	Platform Ye	ar Genre	Publisher	NA_Sales	EU_Sales	JP_Sales	Other_Sales	Global_Sales	Total_Sales
1	259	Asteroids	2600 19	30 Shooter	Atari	4.00	0.26	0	0.05	4.31	8.62
2	545	Missile Command	2600 19	30 Shooter	Atari	2.56	0.17	0	0.03	2.76	5.52
3	1768	Kaboom!	2600 19	80 Misc	Activision	1.07	0.07	0	0.01	1.15	2.30
4	1971	Defender	2600 19	80 Misc	Atari	0.99	0.05	0	0.01	1.05	2.10
5	2671	Boxing	2600 19	30 Fighting	Activision	0.72	0.04	0	0.01	0.77	1.54
6	4027	Ice Hockey			Activision		0.03	0	0.01	0.49	0.99

New column

#### group\_by () %>% summarize()

- group data by one or more columns
- compute summary statistics of grouped data

```
#group the data by genre and calculate the sum of global sales for each genre
vg_data_grouped <- group_by(vg_data, Genre) %>% summarize(sum(Global_Sales))
head(vg_data_grouped)
```

The pipe operator, which is used to chain together multiple functions in a single line of code

Genre	`sum(Global_Sales)`
<chr></chr>	<db1></db1>
Action	<u>1</u> 723.
Adventure	235.
Fighting	444.
Misc	798.
Platform	829.
Puzzle	242.

## 5. In-class Assignment

#### For questions related to R:

you will be working with the datasets built-in in R for practice\*:

- longley
- iris
- AirPassengers

Use head() function to get an idea what this data set is about.

<sup>\*</sup> For the more examples of datasets built-in in R use function data().

#### Longley

A macroeconomic data set which contains data on the US economy in the 1947-1962 period

> hea	ad(longley)						
	GNP.deflator	GNP	Unemployed	Armed.Forces	Population	Year	Employed
1947	83.0	234.289	235.6	159.0	107.608	1947	60.323
1948	88.5	259.426	232.5	145.6	108.632	1948	61.122
1949	88.2	258.054	368.2	161.6	109.773	1949	60.171
1950	89.5	284.599	335.1	165.0	110.929	1950	61.187
1951	96.2	328.975	209.9	309.9	112.075	1951	63.221
1952	98.1	346.999	193.2	359.4	113.270	1952	63.639

- **GNP.deflator**: GNP deflator (implicit price deflator for GNP)
- GNP: Gross National Product (in millions of dollars)
- Unemployed: Number of unemployed (in thousands)
- Armed.Forces: Size of armed forces (in thousands)
- **Population**: Population (in thousands)
- **Year**: Year (1947-1962)
- Employed: Number of employed (in thousands)

#### iris

A multivariate dataset which contains measurements for iris flowers from different specie.

>	head(iris)				
	Sepal.Length	Sepal.Width	Petal.Length	Petal.Width	Species
1	5.1	3.5	1.4	0.2	setosa
2	4.9	3.0	1.4	0.2	setosa
3	4.7	3.2	1.3	0.2	setosa
4	4.6	3.1	1.5	0.2	setosa
5	5.0	3.6	1.4	0.2	setosa
6	5.4	3.9	1.7	0.4	setosa

- Sepal.Length: The length of the sepal (in cm).
- Sepal.Width: The width of the sepal (in cm).
- Petal.Length: The length of the petal (in cm).
- Petal.Width: The width of the petal (in cm).
- Species: The species of the iris flower.

#### **AirPassengers**

A dataset which contains monthly totals of international airline passengers

```
> head(AirPassengers)
[1] 112 118 132 129 121 135
```

## 6. Home Assignment

Create an account in https://public.tableau.com/