## HDDA Tutorial: Clustering

Department of Econometrics and Business Statistics, Monash University
Tutorial 4

## Concepts

- 1. Why might a researcher use cluster analysis?
- 2. Distinguish between hierarchical and non-hierarchical cluster techniques. In what situations would you use each of these techniques?

## Application

This section uses the mtcars dataset which is available with R.

- 1. Cluster the data using Ward's D2 method and Euclidean distance.
- 2. Produce a dendrogram for the above analysis
- 3. Discuss whether the following choices for the number of clusters are suitable or not
  - One-cluster
  - Two-cluster
  - Three-cluster
  - Four-cluster
- 4. For the 2-cluster solution, store the cluster membership in a new variable.
- 5. Repeat part 4 using:
  - (a) Average Linkage
  - (b) Centroid Method
  - (c) Complete Linkage Method
- 6. Find the adjusted Rand Index between your answer to question 4 and
  - (a) Your answer to 5 (a)
  - (b) Your answer to 5 (b)
  - (c) Your answer to 5 (c)