

# BUS 41201 Homework 1 Assignment

Veronika Rockova  
Veronika.Rockova@ChicagoBooth.edu

4/8/2020

## Amazon Reviews

The dataset consists of 13 319 reviews for selected products on Amazon from Jan-Oct 2012. Reviews include product information, ratings, and a plain text review. The data consists of three tables:

`##Review subset.csv` is a table containing, for each review, its

- `ProductId`: Amazon ASIN product code
- `UserId`: ID of the reviewer
- `Score`: numeric 1-5 (the number of stars)
- `Time`: date of the review
- `Summary`: review summary in words
- `Nrev`: number of reviews by the user
- `Length`: number of words in the review
- `Prod Category`: Amazon product category
- `Prod Group`: Amazon product group

## Word freq.csv

is a simple triplet matrix of word counts from the review text including

- `Review ID`: the row index of `Review subset.csv`
- `Word ID`: the row index of `words.csv`
- `Times Word`: how many times the word occurred in the review

## Words.csv

contains 1125 alphabetically ordered words that occur in the reviews.

## Data exploration

The code below loads the data.

```
library(knitr) # library for nice R markdown output
```

```
# READ REVIEWS
```

```
data<-read.table("Review_subset.csv",header=TRUE)  
dim(data)
```

```
[1] 13319 9
```

```
# 13319 reviews  
# ProductID: Amazon ASIN product code  
# UserID: id of the reviewer  
# Score: numeric from 1 to 5  
# Time: date of the review  
# Summary: text review  
# nrev: number of reviews by this user  
# Length: length of the review (number of words)
```

```
# READ WORDS
```

```
words<-read.table("words.csv")  
words<-words[,1]  
length(words)
```

```
[1] 1125
```

```
#1125 unique words
```

```
# READ text-word pairings file
```

```
doc_word<-read.table("word_freq.csv")  
names(doc_word)<-c("Review ID", "Word ID", "Times Word" )  
# Review ID: row of the file Review_subset  
# Word ID: index of the word  
# Times Word: number of times this word occurred in the text
```

## Marginal Regression Screening

We would like to pre-screen words that associate with ratings. To this end, we run a series of (independent) marginal regressions of review Score on word presence in review text for each of 1125 words.

In the starter script below, you will find a code to run these marginal regressions (both in parallel and sequentially). The code gives you a set of p-values for a marginal effect of each word. That is, we fit

$$\text{stars}_i = \alpha + \beta_j I[x_{ji} > 0] + \epsilon_{ji}$$

for each word term  $j$  with count  $x_{ji}$  in review  $i$ , and return the p-value associated with a test of  $\beta_j \neq 0$ . We'll use these 1125 independent regressions to screen words.

```
# We'll do 1125 univariate regressions of  
# star rating on word presence, one for each word.  
# Each regression will return a p-value, and we can
```

```

# use this as an initial screen for useful words.

# Don't worry if you do not understand the code now.
# We will go over similar code in the class in a few weeks.

# Create a sparse matrix of word presence

library(gamlr)

## Loading required package: Matrix
spm<-sparseMatrix(i=doc_word[,1],
                  j=doc_word[,2],
                  x=doc_word[,3],
                  dimnames=list(id=1:nrow(data),words=words))

dim(spm)

[1] 13319 1125

# 13319 reviews using 1125 words

# Create a dense matrix of word presence

P <- as.data.frame(as.matrix(spm>0))

library(parallel)

margreg <- function(p){
  fit <- lm(stars~p)
  sf <- summary(fit)
  return(sf$coef[2,4])
}

# The code below is an example of parallel computing
# No need to understand details now, we will discuss more later

cl <- makeCluster(detectCores())

# Pull out stars and export to cores

stars <- data$Score

clusterExport(cl,"stars")

# Run the regressions in parallel

mrgpvals <- unlist(parLapply(cl,P,margreg))

# If parallel stuff is not working,
# you can also just do (in serial):
# mrgpvals <- c()
# for(j in 1:1125){
#   print(j)

```

```
#   mrgpvals <- c(mrgpvals,margreg(P[,j]))
# }
# make sure we have names

names(mrgpvals) <- colnames(P)

# The p-values are stored in mrgpvals
```

## Homework Questions:

- (1) Plot the p-values and comment on their distribution. (1 point)
- (2) Let's do standard statistical testing. How many tests are significant at the alpha level 0.05 and 0.01? (1 point)
- (3) What is the p-value cutoff for 1% FDR? Plot and describe the rejection region. (1 point)
- (4) How many discoveries do you find at  $q=0.01$  and how many do you expect to be false? (1 point)
- (5) What are the 10 most significant words? Do these results make sense to you? What are the advantages and disadvantages of our FDR analysis? (1 point)