Simple Discretization Methods: Binning

1. Equal-Width (Distance) Partitioning

Formula:

$$W = \frac{B - A}{N}$$

where:

- W = Width of each interval
- A = Minimum value in the dataset
- B = Maximum value in the dataset
- N = Number of bins

Example: Given the dataset:

{1, 3, 7, 10, 15, 18, 22, 25}

Let N = 3, A = 1, B = 25.

Step 1: Compute Interval Width

$$W = \frac{25 - 1}{3} = \frac{24}{3} = 8$$

Step 2: Define Bins

- Bin 1: $[1,9) \to \text{contains } \{1,3,7\}$
- Bin 2: $[9,17) \rightarrow \text{contains } \{10,15\}$
- Bin 3: $[17, 25] \rightarrow \text{contains } \{18, 22, 25\}$

This method is simple and intuitive, but outliers and skewed data can make it less effective.

2. Equal-Depth (Frequency) Partitioning

Concept: Each bin should have approximately the same number of elements.

Example: Given the dataset:

$$\{1, 3, 7, 10, 15, 18, 22, 25\}$$

Let N=3. Since there are 8 elements, each bin should have about $\frac{8}{3}\approx 3$ elements.

Step 1: Sort Data

 $\{1, 3, 7, 10, 15, 18, 22, 25\}$

Step 2: Assign Bins

- Bin 1: $\{1,3,7\}$
- **Bin 2:** {10, 15, 18}
- Bin 3: {22,25}

This method ensures equal distribution of data points in each bin, making it better for skewed data.

Bin Processing Methods

1. Bin Means

Concept: Replace all values in a bin with the mean (average) of that bin.

Example: Using the same bins from equal-width partitioning:

- Bin 1: $\{1,3,7\} \to \text{Mean} = \frac{1+3+7}{3} = 3.67 \to \{3.67,3.67,3.67\}$
- Bin 2: $\{10,15\} \to \text{Mean} = \frac{10+15}{2} = 12.5 \to \{12.5,12.5\}$
- Bin 3: $\{18, 22, 25\} \rightarrow \text{Mean} = \frac{18+22+25}{3} = 21.67 \rightarrow \{21.67, 21.67, 21.67\}$

Pros: Reduces variance. Cons: May hide important variations in data.

2. Bin Medians

Concept: Replace all values in a bin with the **median** of that bin. The **median** is the middle value when the numbers are sorted. If there is an even number of elements, the median is the average of the two middle values. **Example:**

- Bin 1: $\{1,3,7\} \to \text{Sorted: } \{1,3,7\}, \text{Median} = 3 \to \{3,3,3\}$
- Bin 2: $\{10,15\} \to \text{Sorted: } \{10,15\}, \text{ Median} = \frac{10+15}{2} = 12.5 \to \{12.5,12.5\}$
- Bin 3: $\{18, 22, 25\} \rightarrow \text{Sorted}: \{18, 22, 25\}, \text{ Median} = 22 \rightarrow \{22, 22, 22\}$

Pros: Handles outliers better than means. Cons: May not capture overall distribution well.

3. Bin Boundaries

Concept: Replace each value with the nearest boundary value in the bin. **Example:**

- Bin 1: $\{1,3,7\} \to \text{Boundaries: } 1,7 1 \to \underline{1}, 3 \to 1, 7 \to 7 \to \{1,1,7\}$
- Bin 2: $\{10, 15\} \to \text{Boundaries}$: $10, 15 10 \to 10, 15 \to 15 \to \{10, 15\}$
- Bin 3: $\{18, 22, 25\} \rightarrow \text{Boundaries: } 18, 25 18 \rightarrow 18, 22 \rightarrow 25, 25 \rightarrow 25 \rightarrow \{18, 25, 25\}$

Pros: Good for preserving extreme values. Cons: Can distort middle-range values.

Data Transformation: Normalization

1. Min-Max Normalization

Formula:

$$v' = \frac{v - \min_A}{\max_A - \min_A} \times (\text{new}_\max_A - \text{new}_\min_A) + \text{new}_\min_A$$

where:

- v = Original value
- \min_A = Minimum value of the original dataset
- $\max_A = \text{Maximum value of the original dataset}$
- $\operatorname{new_min}_A = \operatorname{Minimum}$ value of the new range
- $new_max_A = Maximum$ value of the new range
- v' = Normalized value

Example: Convert age = 30 to a range [0, 1], where min = 10 and max = 80:

$$v' = \frac{30 - 10}{80 - 10} = \frac{20}{70} = \frac{2}{7} \approx 0.2857$$

This transformation scales the value to fall between the new range, in this case, between 0 and 1.

2. Z-Score Normalization

Formula:

$$v' = \frac{v - \text{mean}_A}{\text{stand_dev}_A}$$

where:

- v = Original value
- $mean_A = Mean$ of the original dataset

$$\operatorname{mean}_A = \frac{1}{n} \sum_{i=1}^n x_i$$

• $\operatorname{stand_dev}_A = \operatorname{Standard} \operatorname{deviation} \operatorname{of} \operatorname{the} \operatorname{original} \operatorname{dataset}$

Population:
$$\sigma = \sqrt{\frac{1}{n} \sum_{i=1}^{n} (x_i - \text{mean}_A)^2}$$

Sample:
$$s = \sqrt{\frac{1}{n-1} \sum_{i=1}^{n} (x_i - \text{mean}_A)^2}$$

• v' = Normalized value

The Z-score normalization transforms the data to have a **mean of 0** and a **standard deviation of 1**, making it useful for comparing data from different distributions.

3. Normalization by Decimal Scaling

Formula:

$$v' = \frac{v}{10^j}$$

where j is the smallest integer such that:

$$\operatorname{Max}(|v'|) < 1$$

This transformation scales the data by dividing each value by a power of 10, where the exponent j is chosen to ensure the maximum absolute value of v' is less than 1.

Five-Number Summary

1. Even-Length Datasets

Formula:

 $\underline{\text{Five-number summary}} = (\underline{\text{Minimum}}, Q1, \underline{\text{Median }}(Q2), Q3, \underline{\text{Maximum}})$

where:

- Q1 = Median of the first half
- Q2 = Overall median (average of middle two values)
- Q3 = Median of the second half

Example 1: Given the dataset: [1, 2, 3, 4, 5, 6, 7, 8, 9, 10]

- Minimum: 1
- Maximum: 10
- Median (Q2): Average of 5th and 6th values = $\frac{5+6}{2} = 5.5$
- **Q1:** Median of [1, 2, 3, 4, 5] = 3
- **Q3:** Median of [6, 7, 8, 9, 10] = 8

Five-number summary: (1, 3, 5.5, 8, 10)

Example 2: Given the dataset: [1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12]

- Minimum: 1
- Maximum: 12
- Median (Q2): Average of 6th and 7th values = $\frac{6+7}{2} = 6.5$
- **Q1:** Median of $[1, 2, 3, 4, 5, 6] = \frac{3+4}{2} = 3.5$
- Q3: Median of $[7, 8, 9, 10, 11, 12] = \frac{9+10}{2} = 9.5$

Five-number summary: (1, 3.5, 6.5, 9.5, 12)

2. Odd-Length Datasets

Example 3: Given the dataset: [1, 2, 3, 4, 5, 6, 7, 8, 9]

- Minimum: 1
- Maximum: 9
- Median (Q2): 5th value = 5
- **Q1:** Median of $[1, 2, 3, 4] = \frac{2+3}{2} = 2.5$
- **Q3:** Median of $[6, 7, 8, 9] = \frac{7+8}{2} = 7.5$

Five-number summary: (1, 2.5, 5, 7.5, 9)

Example 4: Given the dataset: [1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11]

- Minimum: 1
- Maximum: 11
- Median (Q2): 6th value = 6
- **Q1:** Median of [1, 2, 3, 4, 5] = 3
- **Q3:** Median of [7, 8, 9, 10, 11] = 9

Five-number summary: (1,3,6,9,11)