



Label and ordinal encoding:

Colab:

https://colab.research.google.com/drive/15X7PyFalGelg48IFxrvandVeTSMQJ_-u#scrollTo=Yq-sfeuM58yo

Label Encoding (Basics)

◆ What is Label Encoding?

Each unique category is assigned a **unique integer**.

Example

Color

Red

Blue

Green

Label encoding might give:

Color Encoded

Blue 0

Green 1

Red 2

⚠ Important:

The numbers are **arbitrary**, not meaningful.

◆ How it works in Python

```
from sklearn.preprocessing import LabelEncoder
```

```
colors = ['Red', 'Blue', 'Green', 'Blue']
```

```
le = LabelEncoder()
encoded_colors = le.fit_transform(colors)
```

```
print(encoded_colors)
```

Output:

```
[2 0 1 0]
```

◆ When to use Label Encoding?

✓ Good for:

- **Target variable (y)** in classification
- **Tree-based models** (Decision Trees, Random Forest, XGBoost)

✗ Risky for:

- **Nominal features** in linear models

Why?

Because the model may think:

Green (1) < Red (2)

which is **not logically true**.

4. Ordinal Encoding (Basics)

◆ What is Ordinal Encoding?

Categories are encoded **based on their natural order**.

The numbers **do have meaning**.

Example

Size

Small

Medium

Large

Ordinal encoding:

Size	Encoded
------	---------

Small	1
-------	---

Medium	2
--------	---

Size	Encoded
------	---------

Large	3
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Here:

Small < Medium < Large

✔ This makes sense.