## MLR Preprocessing

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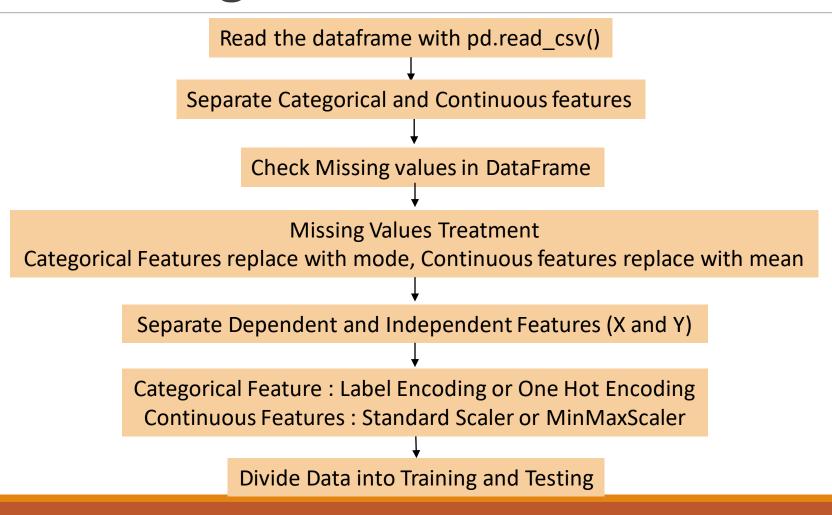
### Goal of Data Preprocessing

> Main Purpose of Data Preprocessing is to prepare the data for machine to understand

I cannot understand raw data directly
Pre-process the data for me to understand



# Basic Steps in creating a Data Preprocessing



# Machine does not understand text directly

Because machine does not understand Text directly we can use 2 approaches to convert categorical features to Numeric data: Label Encoding or One Hot Encoding

#### Label Encoding

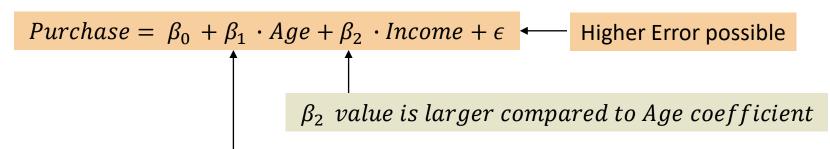
Food Name	Categorical #	Calories
Apple	1	95
Chicken	2	231
Broccoli	3	50

#### One Hot Encoding

Apple	Chicken	Broccoli	Calories
1	0	0	95
0	1	0	231
0	0	1	50

### Need for Scaling of continuous data

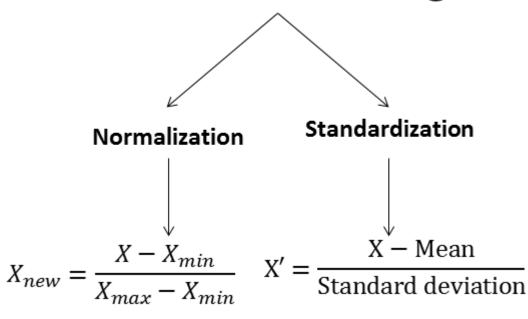
Age	Income	Purchase
25	50,000	1,000
30	60,000	2,000
35	70,000	3,000
40	125,000	4,000
45	150,000	5,000



 $\beta_1$  value becomes lower because of Age is smaller

## 2 methods to bring down data in same scale

#### Feature scaling



MinMaxScaler

StandardScaler

### MinMax Scaler

$$Age_{scaled} = \frac{age - \min(age)}{\max(age) - \min(age)} = \frac{age - 25}{45 - 25} = \frac{age - 25}{20}$$

$$Income_{scaled} = \frac{income - \min(income)}{\max(income) - \min(income)} = \frac{income - 50000}{150000 - 50000} = \frac{income - 50000}{100000}$$

Age	Income	Purchase
25	50,000	1,000
30	60,000	2,000
35	70,000	3,000
40	125,000	4,000
45	150,000	5,000

MinMaxScaler

Age	Income	Purchase
0	0	1,000
0.25	0.1	2,000
0.50	0.2	3,000
0.75	0.75	4,000
1	1	5,000

#### Standard Scaler - Z scores

$$Z_{age} = \frac{age - mean(age)}{stdev(age)} = \frac{age - 35}{7.9057}$$

$$Z_{income} = \frac{income - mean(income)}{stdev(income)} = \frac{income - 91000}{43931.7653}$$

Converts all data in

Mean = 0

Stdev = 1

Age	Income	Purchase
25	50,000	1,000
30	60,000	2,000
35	70,000	3,000
40	125,000	4,000
45	150,000	5,000

StandardScaler

Age	Income	Purchase
-1.2649	-0.9333	1,000
-0.6325	-0.7056	2,000
0.0000	-0.4780	3,000
0.6325	0.7739	4,000
1.2649	1.3430	5,000

## Thank You

PING ME ON SKYPE FOR ANY QUERIES