

Chapter 1

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Overview

Reading

Course Notes - Chapter Introduction

Most quantitative research in the business and social sciences makes use of some kind of multivariate analysis. Research that considers only one variable at a time (a *univariate* analysis) can provide useful information – for example, about the average rate of inflation over time, the variability of a particular share’s return, or the relative proportion of the population that hold a certain opinion – but it is usually in the consideration of *relationships* between two or more variables that the most interesting and useful information is to be found. For example, what other variables are related to increases in the inflation rate or the rise in the price of a particular share? Is it interest rates? Foreign exchange rates? And what causes people to prefer one opinion over another? Is it their education level? Income? The newspaper they read? Simply put, any analysis that considers the relationship between two or more variables is a *multivariate* analysis.