

Stat 6021: Pairwise Comparisons from R Output

Read this after going over the tutorial for this module.

1 Setting Up Our Example

In the tutorial, we looked at a data set that contains ratings of various wines produced in California. We focused on the response variable $y = \textit{Quality}$ (average quality rating), $x_1 = \textit{Flavor}$ (average flavor rating), and \textit{Region} indicating which of three regions (North / Central / Napa) in California the wine is produced in. We ended up creating two indicator variables to represent the three regions, with Napa as the reference class, i.e.,

$$\begin{aligned} I_1 &= \begin{cases} 1 & \text{if North} \\ 0 & \text{otherwise;} \end{cases} \\ I_2 &= \begin{cases} 1 & \text{if Central} \\ 0 & \text{otherwise;} \end{cases} \end{aligned}$$

The model is

$$y = \beta_0 + \beta_1 x_1 + \beta_2 I_1 + \beta_3 I_2 + \epsilon.$$

So the regression functions are:

North region: $E\{Y\} = \beta_0 + \beta_1 x_1 + \beta_2(1) + \beta_3(0) = (\beta_0 + \beta_2) + \beta_1 x_1$

Central region: $E\{Y\} = \beta_0 + \beta_1 x_1 + \beta_2(0) + \beta_3(1) = (\beta_0 + \beta_3) + \beta_1 x_1$

Napa region: $E\{Y\} = \beta_0 + \beta_1 x_1 + \beta_2(0) + \beta_3(0) = \beta_0 + \beta_1 x_1$

We note the following:

- The difference in mean quality rating between the North and Napa regions is denoted by β_2 .
- The difference in mean quality rating between the Central and Napa regions is denoted by β_3 .
- The difference in mean quality rating between the North and Central regions is denoted by $\beta_2 - \beta_3$.

2 R Output

After fitting the model, we have the following output from R for the coefficients

(Intercept)	Flavor	RegionNorth	RegionCentral
8.318	1.116	-1.223	-2.757

and the variance-covariance matrix for the coefficients

	(Intercept)	Flavor	RegionNorth	RegionCentral
(Intercept)	1.020	-0.170	-0.277	-0.277
Flavor	-0.170	0.030	0.037	0.037
RegionNorth	-0.277	0.037	0.160	0.113
RegionCentral	-0.277	0.037	0.113	0.202

The entries in the diagonals of this matrix give the estimated variance of the corresponding coefficient, for example, the estimated variance of β_0 is 1.020, and so its standard error is $\sqrt{1.020}$.

The entries in the off-diagonals of this matrix give the estimated covariance of the corresponding coefficients, for example, the estimated covariance between β_0 and β_1 is -0.170 .

3 Pairwise Comparisons using Bonferroni Procedure

Using the Bonferroni procedure, compute the 95% family confidence intervals for the difference in mean quality rating between wines in the

1. North and Napa regions;
2. Central and Napa regions;
3. North and Central regions.

As we are making three pairwise comparisons here, the multiplier for the confidence interval is $\Delta = t_{1-0.05/(2 \times g), n-p} = t_{1-0.05/6, 34} = 2.518$ since $g = 3$, $n = 38$ and $p = 4$, where g denotes the number of pairwise comparisons we are making.

For the difference in mean quality rating between wines in the North and Napa regions, we use the confidence interval for β_2 , i.e.,

$$\begin{aligned} \hat{\beta}_2 &\pm \Delta se(\hat{\beta}_2) \\ &= -1.223 \pm 2.518 \times \sqrt{0.160} \\ &= (-2.230, -0.216) \end{aligned}$$

Likewise, for the difference in mean quality rating between wines in the North and Napa regions, we use the confidence interval for β_3 , which results in $(-3.889, -1.625)$.

For the difference in mean quality rating between wines in the North and Central regions, we use the confidence interval for $\beta_2 - \beta_3$. We need to find the estimated variance of $\beta_2 - \beta_3$ first, i.e.,

$$\begin{aligned} Var\{\hat{\beta}_2 - \hat{\beta}_3\} &= Var\{\hat{\beta}_2\} + Var\{\hat{\beta}_3\} - 2Cov\{\hat{\beta}_2, \hat{\beta}_3\} \\ &= 0.160 + 0.202 - 2(0.113) \\ &= 0.136. \end{aligned}$$

using the general result (1) shown below. Therefore, the CI for $\beta_2 - \beta_3$ is

$$\begin{aligned} &(\hat{\beta}_2 - \hat{\beta}_3) \pm \Delta se\{\hat{\beta}_2 - \hat{\beta}_3\} \\ &= (-1.223 + 2.757) \pm 2.518\sqrt{0.136} \\ &= (1.192, 1.876). \end{aligned}$$

Note: A general result for the variance of any linear combination of random variables X and Y is

$$Var\{aX + bY\} = a^2Var\{X\} + b^2Var\{Y\} + 2ab \times Cov\{X, Y\} \quad (1)$$