

Group 11, diamonds dataset

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The Diamonds dataset

- ▶ This large dataset has 53940 rows (diamonds) of ten variables (approx 540,000 values)
- ▶ Slow to process!
- ▶ Nine of the variables are various measures of diamond size and quality, while the tenth is the price
- ▶ We selected diamonds because it was simple to understand what each variable was measuring, and to have the opportunity to work with a large dataset
- ▶ Particularly interested in which variables are most predictive of diamond price

The Variables

red font = categorical variable

- ▶ carat: the diamond's weight
- ▶ cut: a measure of quality
- ▶ color: a measure of colour quality
- ▶ clarity: a measure of clearness
- ▶ x: length in mm
- ▶ y: width in mm
- ▶ z: depth in mm
- ▶ depth: total depth percentage
- ▶ table: width of top of diamond relative to widest point
- ▶ price: the price of the diamond in US dollars

(List adapted from list at [kaggle.com](https://www.kaggle.com)).

The Response Variable

'Price' seemed to us to be the obvious response variable.

Data Visualization (the dataset)

##	carat	cut	color	clarity	depth	table	price	x	y	z
## 1	0.23	Ideal	E	SI2	61.5	55	326	3.95	3.98	2.43
## 2	0.21	Premium	E	SI1	59.8	61	326	3.89	3.84	2.31
## 3	0.23	Good	E	VS1	56.9	65	327	4.05	4.07	2.31
## 4	0.29	Premium	I	VS2	62.4	58	334	4.20	4.23	2.63
## 5	0.31	Good	J	SI2	63.3	58	335	4.34	4.35	2.75

Data Visualisation (pairs plot)

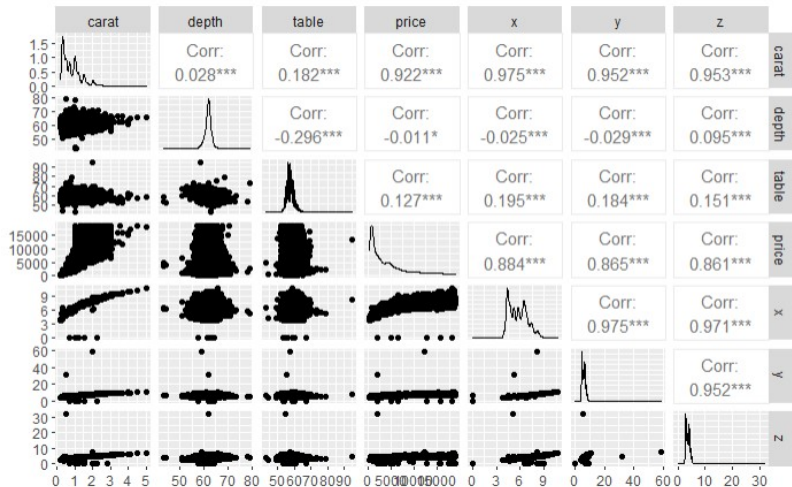


Figure 1: Pairs plot

Other things of interest

The EDA revealed the following:

- ▶ some variables not Normally distributed
- ▶ long right tails due to a few very expensive diamonds
- ▶ some zero values

Next Steps

- ▶ Principal Component Analysis
- ▶ Regression using the Principal Components
- ▶ Find best predictor variable for price