Metadata

I went to one of my two assigned stores at Lidl, Charlottenstraße 2. I believe I went on October 27th, 2018 at around 2pm.

Data

```
In [1]: from scipy import stats import numpy as np import matplotlib.pyplot as plt import pystan import pandas as pd
```

```
In [2]: df = pd.read csv("shop.csv", encoding="latin1")
    for i in range(df.shape[0]):
        for j in range(3):
            if df.iloc[i,(j+1)*2] in ["Evelina",'Kissed by Nature','Kissed By Nature',
     'Kissedbynature evelina','Apfel Evelina']:df.iloc[i,(j+1)*2] = "Evelina"
            elif df.iloc[i,(j+1)*2] in ['Rewe','Rewe Regional','Rewe Beste Wahl Snack
    Apfel Gala Royal', 'Rewe Bio', 'REWE best wahl Italian Granny Smith', 'REWE Regional
    Rote Tafelapfel Shampion', 'Rewe Regional Rote Tal pfel', 'rewe', 'REWE Regional Tafe
    lapfel Elstar', 'REWE Bio', 'REWE best wahl Elstar', 'Rewe beste wahl']:df.iloc[i,(j+
    1)*2] = "Rewe"
            elif df.iloc[i,(j+1)*2] in ["ALDI",'Gutbio','GutBio']:df.iloc[i,(j+1)*2]
    = "ALDI"
            elif df.iloc[i,(j+1)*2] in ['Edeka', 'Bauersbeste', 'Edeka Granny Smith', 'Ed
    eka Royal Gala/Tenroy']:df.iloc[i,(j+1)*2] = "Edeka"
            elif df.iloc[i,(j+1)*2] in ["Honeycrunch",'Apfel rot Honeycrunch','rot Hon
    eycrunch', 'Honey crunch', 'Edeka Granny Smith']:df.iloc[i,(j+1)*2] = "Honeycrunch"
            elif df.iloc[i,(j+1)*2] in ['Snack Apfel','Snackapfel']:df.iloc[i,(j+1)*2]
            elif df.iloc[i,(j+1)*2] in ['Demeter', 'Jemeter']: df.iloc[i,(j+1)*2] = 'D
    emeter'
            elif df.iloc[i,(j+1)*2] in ['FRUVEG','Kanzi','Sanifrutta']: continue
            else: df.iloc[i,(j+1)*2] = "No brand"
        for j in range(3):
            if df.iloc[i, (j+4)*2] in ['Faitrade Bio Bananen', 'Fairtrade Bio', 'Bio Fai
    rtrade', 'Fairtrade bio bananen', 'Bio fairtrade', 'Bio fairtrade bananen', 'Gut Bio F
    airtrade Bio Bananen']: df.iloc[i, (j+4)*2] = "ALDI"
            elif df.iloc[i, (j+4)*2] in ['Fairglobe','Lidl','Lidl Fairglobe','Fairglob
    e bio','Fairglobe']: df.iloc[i, (j+4)*2] = "LIDL"
            elif df.iloc[i, (j+4)*2] in ['Chiqita', 'chiquita', 'Chiquita Bananen', 'Chic
    quita']: df.iloc[i, (j+4)*2] = 'Chiquita'
            elif df.iloc[i, (j+4)*2] in ['Tuccan','Tuccan','Tuscan']: df.iloc[i, (j+4)*
    2] = "Tucan"
            elif df.iloc[i, (j+4)*2] in ['Edeka','Gut & Gunstig','Mini','Gut & Gunstig
     ','Mini edeka','Gut & Gunstig','Edeka Bio','Edeka Bio Bananen','Eedeka','Edeka Ban
    anen']: df.iloc[i, (j+4)*2] = 'Edeka'
            elif df.iloc[i, (j+4)*2] in ['rewe','REWE Bio','REWE Bio Bananen','Rewe be
    ste wahl', Rewe beste wahi', REWE best wahl bananen', Rewe Bio', REWE Beste Wahl B
    ananen','Rewe Beste Wahl']: df.iloc[i, (j+4)*2] = "Rewe"
            elif df.iloc[i, (j+4)*2] in ['Fyffes','Greenyard Fresh','Demeter']: contin
            else: df.iloc[i, (j+4)*2] = "No brand"
        for j in range(3):
            if df.iloc[i,(j+7)*2] in ['REWE bio cherry rispentomaten','REWE Regional r
    omatomaten', 'Rewe bio', 'Rewe regional rise', 'Rewe Rispentomaten', 'REWE Regional',
    Rewe Normal', 'REWE Regional rispentomaten', 'REWE Cocktail-rispentomaten', 'Cherry
    REWE Regional', 'Rewe Regional Rispentomaten', 'REWE rispentomaten', 'Rewe', 'Rewe Reg
    ional', 'Rewe Beste Wahl Snack Apfel Gala Royal', 'Rewe Bio', 'REWE best wahl Italian
    Granny Smith', 'REWE Regional Rote Tafelapfel Shampion', 'Rewe Regional Rote Tal_pfe
    l','rewe','REWE Regional Tafelapfel Elstar','REWE Bio','REWE best wahl Elstar','Re
    we beste wahl']:df.iloc[i,(j+7)*2] = "Rewe"
            elif df.iloc[i,(j+7)*2] in ['Gut Bio Bio Rispentomaten','Gutbio rispentoma
    ten', "ALDI", 'Gutbio', 'GutBio']:df.iloc[i,(j+7)*2] = "ALDI"
            elif df.iloc[i,(j+7)*2] in ['Edeka Cherry','Gut & Gunstig','Edeka Bio','Mi
    ni edeka', 'Edeka', 'Bauersbeste', 'Edeka Granny Smith', 'Edeka Royal Gala/Tenroy']:df
    .iloc[i,(j+7)*2] = "Edeka"
            elif df.iloc[i,(j+7)*2] in ["Honeycrunch",'Apfel rot Honeycrunch','rot Hon
    eycrunch', 'Honey crunch', 'Edeka Granny Smith']:df.iloc[i,(j+7)*2] = "Honeycrunch"
            elif df.iloc[i,(j+7)*2] in ['Snack Apfel','Snackapfel']:df.iloc[i,(j+7)*2]
    = 'Snack Apfel'
            elif df.iloc[i,(j+7)*2] in ['Barther Strauchtomaten','Barther Gemùsegarten
     ', 'Barther Tomaten', ]: df.iloc[i,(j+7)*2] = 'Barther'
            elif df.iloc[i,(j+7)*2] in ['FRUVEG','Kanzi','Sanifrutta']: continue
            else: df.iloc[i,(j+7)*2] = "No brand"
        for j in range(3):
```

```
In [3]: branddf = df.iloc[:,0::2].iloc[:,1:]
    pricesdf = pd.concat([df.iloc[:,0], df.iloc[:,1::2].iloc[:,1:]], axis = 'columns')
    df.iloc[50,1] = 13
    store_dict = { 1: 'Lidl', 2: 'Rewe', 3: 'Aldi', 4: 'Edeka' }
    type_dict = {1:"Apple", 2:"Banana", 3:"Tomatoes", 4:"Potatoes", 5:"Flour", 6:"Rice
     ', 7:"Milk", 8:"Butter", 9:"Eggs", 10:"Chicken"}
    area dict = {1: "Mitte", 2: "Schoneberg", 3: "Neukooln", 4: "Kreuzberg", 5: "Friedrichs
    hain", 6: "Prenzlauer Berg", 7: "Tiergarten",
                  8: "Alt-Trepof", 9: "Wedding", 10: "Gesundbrunnen", 11: "Moabit", 12: "Rum
    melsburg", 13:"Lichtenberg" }
    inv brand dict = {j:i for i,j in enumerate(pd.unique(df.iloc[:,::2].iloc[:,1:].val
    ues.ravel('K')))}
    x = []
    for i in range(10):
        for j in range(55):
             for g,k in enumerate(pricesdf.iloc[:,3*i+1:3*i+4].values[j]):
                 if not np.isnan(k):
                     x.append([i+1, df.iloc[j,0], int(df.iloc[j,1]), k, inv brand dict[
    branddf.iloc[:,3*i:3*i+3].values[j][g]]])
    data = {
        'N' : len(x),
        'Prices': np.array(x)[:,3].tolist(),
        'Area': list(map(int, np.array(x)[:,2].tolist())),
        'Store': list(map(int,np.array(x)[:,1].tolist())),
        'Product': list(map(int,np.array(x)[:,0].tolist())),
        'Brand': list(map(int,(np.array(x)[:,4]+1).tolist()))
    }
```

Model

In this model, there were 6 parameters: the base prices, the multipliers for the stores, the multipliers for the area, the multipliers for the brand, the lambda from which the base prices are exponentially distributed and drawn, and the sigma for the normal distribution that determines the final prices.

I made a few major assumptions about my model:

- The base prices were exponentially distributed based on the parameter lambda
- The parameter lambda itself has a prior in the form of a gamma distribution at (1,1)
- The three multipliers are drawn from a cauchy distribution centered at (1,0.5)
- The prices were normally distributed, with a mean of base store multiplier area multiplier * brand multiplier, and with standard deviation sigma
- sigma itself has a cauchy prior centered at (0,1)

```
In [4]: | stan_code = """
    data {
        int<lower=1> N;
        real<lower=0> Prices[N];
        int<lower=1, upper=13> Area[N];
        int<lower=1, upper=4> Store[N];
        int<lower=1, upper=10> Product[N];
        int<lower=0> Brand[N];
    }
    parameters {
        real<lower=0> base[10];
        real<lower=0> mul store[4];
        real<lower=0> mul area[13];
        real<lower=0> mul_brand[54];
        real<lower = 0> lambda;
        real<lower = 0> sigma;
    }
    model {
        lambda \sim gamma(1,1);
        sigma \sim cauchy(0,1);
        for (i in 1:10){
           base[i] ~ exponential(lambda);
        for (i in 1:4){
            mul_store[i] ~ cauchy(1,0.5);
        for (i in 1:13){
            mul_area[i] ~ cauchy(1,0.5);
        for (i in 1:54){
            mul_brand[i] ~ cauchy(1,0.5);
         }
        for (i in 1:N) {
            Prices[i] ~ normal(base[Product[i]] * mul_area[Area[i]] * mul_store[Store[
     i]] * mul brand[Brand[i]], sigma);
         }
    0.00
    stan_model = pystan.StanModel(model_code=stan_code)
```

INFO:pystan:COMPILING THE C++ CODE FOR MODEL anon_model_2d5c9d785c9d14baa75221c7 0ebcff7e NOW.

```
In [12]: fit = stan_model.sampling(data=data, chains=8, iter=20000, seed = 69)
```

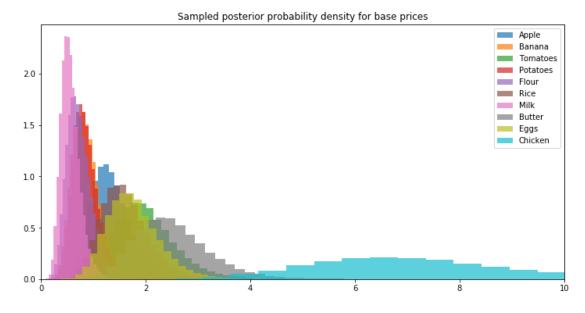
The multiplier for the base prices are given below. Unsurprisingly, the most expensive product is by far the chicken at a price of 7 euros per kilogram. The next two closest are the butter and tomatoes, at approximately 2.53 and 2.02 euros per kilogram respectively.

```
In [15]: print(fit.stansummary(pars=['base'], probs=[0.025, 0.5, 0.975]))
posterior = fit.extract()

plt.figure(figsize = (12,6))
plt.title('Sampled posterior probability density for base prices')
for i in range(10):
    plt.hist(posterior['base'][:,i],bins=50, density = True, alpha = 0.7, label = type_dict[i+1])
plt.xlim((0,10))
plt.legend()
plt.show()
```

	mean	se_mean	sd	2.5%	50%	97.5%	n_eff	Rhat
base[1]	1.34	4.9e-3	0.39	0.7	1.29	2.23	6375	1.0
base[2]	0.88	3.3e-3	0.27	0.45	0.85	1.51	6932	1.0
base[3]	2.01	7.4e-3	0.58	1.06	1.94	3.35	6216	1.0
base[4]	0.84	3.1e-3	0.26	0.43	0.81	1.44	6917	1.0
base[5]	0.73	2.6e-3	0.25	0.35	0.7	1.3	8716	1.0
base[6]	1.61	5.9e-3	0.47	0.85	1.56	2.69	6379	1.0
base[7]	0.56	2.1e-3	0.19	0.27	0.54	1.0	7869	1.0
base[8]	2.51	9.2e-3	0.73	1.34	2.43	4.18	6211	1.0
base[9]	1.77	6.5e-3	0.52	0.94	1.72	2.96	6319	1.0
base[10]	7.18	0.03	2.06	3.83	6.96	11.88	6110	1.0

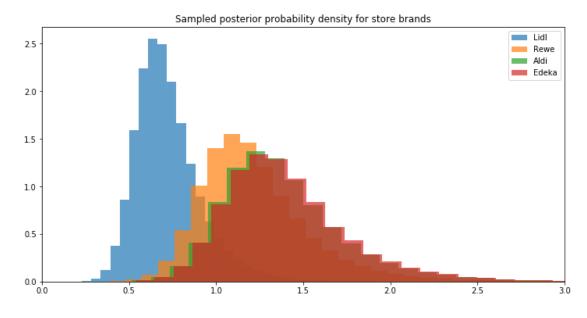
Samples were drawn using NUTS at Tue Nov 13 22:13:00 2018. For each parameter, n_eff is a crude measure of effective sample size, and Rhat is the potential scale reduction factor on split chains (at convergence, Rhat=1).



The multipliers for the stores showed less variability. The most expensive store was Edeka, followed by Aldi, Rewe, and Lidl. However, Edeka, Rewe and Aldi are within one standard deviation of each other, so the differences between them are not statistically significant under a frequentist interpretation of probability.

	mean	se_mean	sd	2.5%	50%	97.5%	n_eff	Rhat
mul_store[1]	0.72	2.1e-3	0.19	0.44	0.69	1.19	8464	1.0
<pre>mul_store[2]</pre>	1.22	3.5e-3	0.32	0.74	1.17	2.01	8352	1.0
mul_store[3]	1.39	4.0e-3	0.37	0.85	1.33	2.29	8354	1.0
<pre>mul_store[4]</pre>	1.41	4.1e-3	0.37	0.86	1.35	2.32	8275	1.0

Samples were drawn using NUTS at Tue Nov 13 22:13:00 2018. For each parameter, n_{eff} is a crude measure of effective sample size, and Rhat is the potential scale reduction factor on split chains (at convergence, Rhat=1).

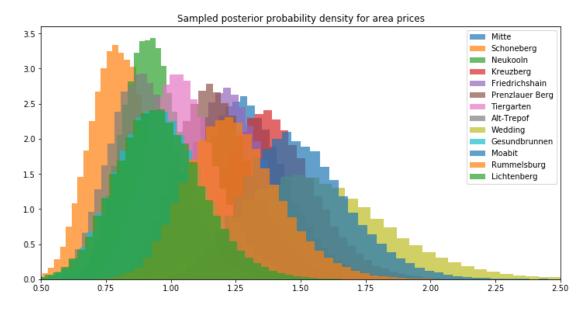


As for the neighborhoods, the most expensive neighborhood was found to be Wedding, and the cheapest was Alt-Trepof.

```
In [22]: print(fit.stansummary(pars=['mul_area'], probs=[0.025, 0.5, 0.975]))
plt.figure(figsize = (12,6))
plt.title('Sampled posterior probability density for area prices')
for i in range(13):
    plt.hist(posterior['mul_area'][:,i], bins=50, density=True, alpha = 0.7, label
    area_dict[i+1])
plt.xlim((0.5,2.5))
plt.legend()
plt.show()
```

	mean	se_mean	sd	2.5%	50%	97.5%	n_eff	Rhat
<pre>mul_area[1]</pre>	1.3	1.8e-3	0.16	1.01	1.29	1.65	7788	1.0
<pre>mul_area[2]</pre>	0.82	1.2e-3	0.12	0.6	0.81	1.08	11302	1.0
<pre>mul_area[3]</pre>	0.93	1.3e-3	0.12	0.72	0.93	1.19	8268	1.0
<pre>mul_area[4]</pre>	1.39	1.9e-3	0.17	1.08	1.38	1.76	7898	1.0
<pre>mul_area[5]</pre>	1.24	1.7e-3	0.15	0.96	1.23	1.57	7906	1.0
<pre>mul_area[6]</pre>	1.18	1.6e-3	0.15	0.91	1.17	1.5	8394	1.0
<pre>mul_area[7]</pre>	1.04	1.5e-3	0.14	0.79	1.04	1.35	9228	1.0
<pre>mul_area[8]</pre>	0.91	1.3e-3	0.14	0.66	0.9	1.2	11989	1.0
<pre>mul_area[9]</pre>	1.56	2.3e-3	0.28	1.08	1.54	2.18	15262	1.0
mul_area[10]	0.96	1.3e-3	0.17	0.66	0.96	1.32	15764	1.0
mul_area[11]	1.49	2.1e-3	0.2	1.14	1.47	1.93	9185	1.0
mul_area[12]	1.25	1.7e-3	0.18	0.93	1.23	1.63	10683	1.0
mul_area[13]	0.96	1.3e-3	0.17	0.65	0.95	1.32	16795	1.0

Samples were drawn using NUTS at Tue Nov 13 22:13:00 2018. For each parameter, n_eff is a crude measure of effective sample size, and Rhat is the potential scale reduction factor on split chains (at convergence, Rhat=1).

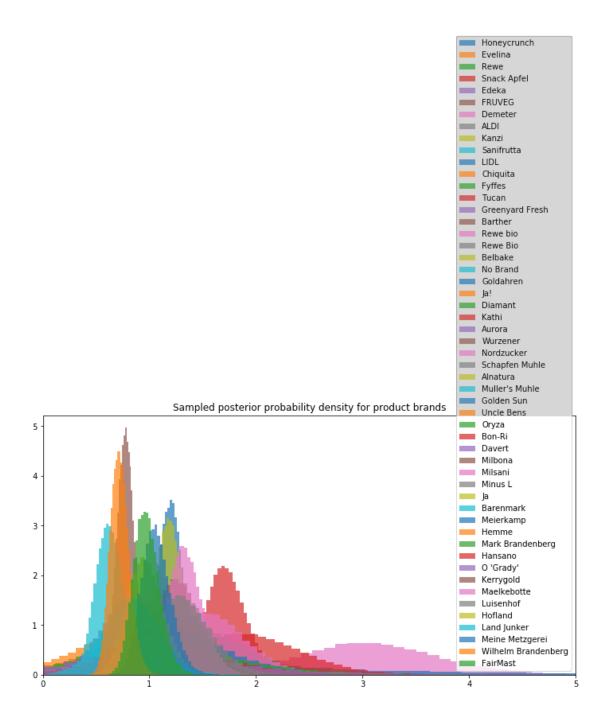


The most expensive brand, quite surprisingly, is 'Rewe bio'. There may be significant overfitting here.

```
In [32]: print(fit.stansummary(pars=['mul_brand'], probs=[0.025, 0.5, 0.975]))
plt.figure(figsize = (12,6))
plt.title('Sampled posterior probability density for product brands')
brand_dict = {i:; for i, j in enumerate(pd.unique(df.iloc[:,::2].iloc[:,1:].values.
ravel('K')))}
for i in range(53):
    plt.hist(posterior['mul_brand'][:,i], bins=50, density=True, alpha = 0.7, labe
l = brand_dict[i+1])
plt.xlim((0,5))
plt.legend()
plt.show()
```

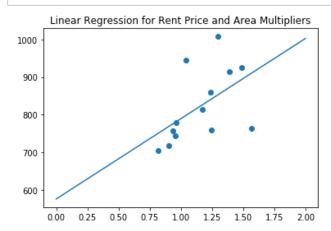
	mean	se mean	sd	2.5%	50%	97.5%	n eff	Rhat
mul brand[1]	1.21	1.2e-3	0.12	1.0	1.21	1.47	9388	1.0
mul brand[2]	1.22	1.6e-3	0.35	0.58	1.2	1.99	46259	1.0
mul brand[3]	0.99	1.3e-3	0.3	0.39	0.99	1.61	51657	1.0
mul brand[4]	1.73	1.8e-3	0.19	1.39	1.72	2.13	10952	1.0
mul brand[5]	1.01	1.7e-3	0.39	0.25	1.0	1.85	50761	1.0
mul brand[6]	0.79	8.0e-4	0.08	0.64	0.78	0.97	11095	1.0
mul brand[7]	0.98	1.9e-3	0.44	0.15	0.96	1.95	52753	1.0
mul_brand[8]	1.11	1.3e-3	0.29	0.58	1.1	1.72	49448	1.0
mul brand[9]	1.2	1.2e-3	0.13	0.97	1.19	1.48	11561	1.0
mul brand[10]	0.98	1.4e-3	0.29	0.41	0.98	1.59	45028	1.0
mul brand[11]	1.39	2.6e-3	0.7	0.34	1.26	3.15	70230	1.0
mul brand[12]	1.48	2.4e-3	0.64	0.48	1.37	3.05	70118	1.0
mul_brand[13]	1.23	1.9e-3	0.5	0.38	1.18	2.41	67375	1.0
mul brand[14]	1.13	2.3e-3	0.64	0.15	1.04	2.72	73969	1.0
mul brand[15]	1.19	2.3e-3	0.62	0.2	1.11	2.73	70896	1.0
mul brand[16]	1.04	2.1e-3	0.54	0.14	0.99	2.32	65952	1.0
mul brand[17]	3.11	3.9e-3	0.63	1.97	3.08	4.45	26337	1.0
mul_brand[18]	1.12	2.3e-3	0.59	0.17	1.05	2.56	67671	1.0
mul brand[19]	1.27	2.6e-3	0.67	0.22	1.16	2.95	68675	1.0
mul brand[20]	1.15	1.8e-3	0.49	0.29	1.1	2.3	72826	1.0
mul brand[21]	1.27	1.6e-3	0.39	0.63	1.22	2.19	56973	1.0
mul brand[22]	0.82	1.8e-3	0.3	0.03	0.81	1.65	50816	1.0
mul brand[23]	0.96	1.8e-3	0.44	0.15	0.94	1.93	59134	1.0
mul brand[24]	0.97	1.6e-3	0.37	0.13	0.96	1.75	51746	1.0
mul brand[25]	1.11	1.9e-3	0.45	0.31	1.08	2.13	56955	1.0
mul brand[26]	1.39	1.9e-3	0.45	0.68	1.33	2.15	54611	1.0
mul brand[27]	0.85	1.2e-3	0.43	0.37	0.85	1.34	42128	1.0
mul brand[28]	1.22	2.5e-3	0.67	0.37	1.11	2.93	70245	1.0
mul brand[29]	1.32	2.5e-3	0.67	0.29	1.11	3.02	70243	1.0
mul brand[30]	1.07	1.9e-3	0.48	0.23	1.04	2.16	64535	1.0
mul brand[31]	1.79	5.2e-3	1.29	0.22	1.39	5.33	61754	1.0
mul brand[32]	1.13	1.2e-3	0.27	0.64	1.11	1.7	46777	1.0
mul brand[33]	1.25	1.2e-3 1.6e-3	0.27	0.59	1.22	2.1	56948	1.0
mul_brand[34]		2.5e-3	0.38	1.13	1.22		38682	
mul_brand[34]	1.97		0.48	0.28	0.81	3.0	43167	1.0 1.0
	0.8	1.3e-3				1.33		
mul_brand[36]	1.54	2.0e-3	0.43	0.82	1.5	2.51	46685	1.0
mul_brand[37]	1.62	1.9e-3	0.33	1.05	1.59	2.34	30480	1.0
mul_brand[38]	0.97	1.6e-3	0.34	0.31	0.97	1.67	47018	1.0
mul_brand[39]	1.23	2.5e-3	0.64	0.23	1.14	2.84	67492	1.0
mul_brand[40]	0.63	7.9e-4	0.13	0.38	0.62	0.9	27849	1.0
mul_brand[41]	1.39	2.0e-3	0.5	0.59	1.31	2.57	62311	1.0
mul_brand[42]	1.11	1.9e-3	0.47	0.27	1.07	2.2	63662	1.0
mul_brand[43]	1.32	2.4e-3	0.63	0.33	1.22	2.9	69143	1.0
mul_brand[44]	1.2	2.1e-3	0.56	0.26	1.13	2.55	69913	1.0
mul_brand[45]	1.19	2.5e-3	0.73	0.16	1.08	3.07	81185	1.0
mul_brand[46]	1.29	1.3e-3	0.21	0.91	1.28	1.75	25099	1.0
mul_brand[47]	1.35	1.4e-3	0.16	1.06	1.34	1.69	13689	1.0
mul_brand[48]	1.34	1.4e-3	0.26	0.88	1.32	1.9	32442	1.0
mul_brand[49]	0.97	1.0e-3	0.17	0.64	0.96	1.33	28295	1.0
mul_brand[50]	0.83	1.3e-3	0.26	0.3	0.83	1.35	42376	1.0
mul_brand[51]	1.07	1.1e-3	0.14	0.82	1.06	1.36	15858	1.0
mul_brand[52]	0.73	7.7e-4	0.09	0.56	0.72	0.92	13798	1.0
<pre>mul_brand[53]</pre>	0.97	1.0e-3	0.12	0.75	0.97	1.23	14523	1.0
<pre>mul_brand[54]</pre>	1.34	1.4e-3	0.15	1.08	1.33	1.66	11425	1.0

Samples were drawn using NUTS at Tue Nov 13 22:13:00 2018. For each parameter, n_{eff} is a crude measure of effective sample size, and Rhat is the potential scale reduction factor on split chains (at convergence, Rhat=1).



When compared with rental prices, there was a moderate correlation between the area multiplier and the rent price.

```
In [33]: mitte = [1044,1048,1154,1090,1002,1090,999,902,942,893,932,957,1048]
     schoneberg = [797,705,778,855,844,701,703,629,609,678,633,621,611]
     neukooln = [812,872,820,743,801,836,757,617,640,680]
     kreuzberg = [865,854,895,941,908,1005,934,826,1005]
     friedrichschain = [976,877,846,842,942,892,809,863,976,736,752,809]
     prenzauler_berg = [856,893,902,719,766,802,886,769,739]
     tiergarten = [1048,957,859,916]
     alt_tempelhof = [743,755,730,641]
     wedding = [769,778,773,741,753]
     gesundbrunnen = [802,893,739,746,719]
     moabit = [932,957,886]
     rummelsburg = [774,804,702]
     lichtenburg = [739,736,752,809,734,691]
     empiricalmeans = []
     for i in [mitte, schoneberg, neukooln, kreuzberg, friedrichschain, prenzauler_berg
     , tiergarten, alt tempelhof, wedding, gesundbrunnen, moabit, rummelsburg, lichtenb
     urg]:
         empiricalmeans.append(np.mean(i))
     x= stats.linregress(np.mean(posterior['mul area'], axis=0), empiricalmeans)
     slope, intercept, r = x[0:3]
     x = np.linspace(0,2)
     plt.scatter(np.mean(posterior['mul_area'], axis=0),empiricalmeans)
     plt.plot(x, intercept + slope*x)
     plt.title("Linear Regression for Rent Price and Area Multipliers")
     # plt.xlabel('Area Multipliers')
     # plt.ylabel('Rent Prices')
     plt.show()
     print('The pearsons coefficient is: ' + str(r))
```



The pearsons coefficient is: 0.5214691891279987