

# Lab2

2023-04-16

## R Markdown

```
## Item_Identifier      Item_Weight      Item_Fat_Content      Item_Visibility
## Length:14204        Min.      : 4.555      Length:14204        Min.      :0.00000
## Class :character    1st Qu.: 8.710      Class :character    1st Qu.:0.02704
## Mode  :character    Median :12.600      Mode  :character    Median :0.05402
##                      Mean   :12.793                      Mean   :0.06595
##                      3rd Qu.:16.750                      3rd Qu.:0.09404
##                      Max.   :21.350                      Max.   :0.32839
##                      NA's   :2439
## Item_Type            Item_MRP            Outlet_Identifier
## Length:14204        Min.      : 31.29      Length:14204
## Class :character    1st Qu.: 94.01      Class :character
## Mode  :character    Median :142.25      Mode  :character
##                      Mean   :141.00
##                      3rd Qu.:185.86
##                      Max.   :266.89
##
## Outlet_Establishment_Year Outlet_Size      Outlet_Location_Type
## Min.      :1985          Length:14204      Length:14204
## 1st Qu.:1987          Class :character  Class :character
## Median :1999          Mode  :character  Mode  :character
## Mean   :1998
## 3rd Qu.:2004
## Max.   :2009
##
## Outlet_Type          Item_Outlet_Sales
## Length:14204        Min.      : 33.29
## Class :character    1st Qu.: 878.86
## Mode  :character    Median : 1828.27
##                      Mean   : 2099.33
##                      3rd Qu.: 2949.30
##                      Max.   :13086.97
##
## Item_Identifier      Item_Weight      Item_Fat_Content      Item_Visibility
## Length:13325        Min.      : 4.555      Length:13325        Min.      :0.003575
## Class :character    1st Qu.: 8.710      Class :character    1st Qu.:0.031396
## Mode  :character    Median :12.600      Mode  :character    Median :0.057851
##                      Mean   :12.807                      Mean   :0.070303
##                      3rd Qu.:16.750                      3rd Qu.:0.097618
##                      Max.   :21.350                      Max.   :0.328391
## Item_Type            Item_MRP            Outlet_Identifier
## Length:13325        Min.      : 31.29      Length:13325
```

```

## Class :character 1st Qu.: 94.14 Class :character
## Mode :character Median :142.28 Mode :character
## Mean :141.11
## 3rd Qu.:185.86
## Max. :266.89
## Outlet_Establishment_Year Outlet_Size Outlet_Location_Type
## Min. :1985 Length:13325 Length:13325
## 1st Qu.:1987 Class :character Class :character
## Median :1999 Mode :character Mode :character
## Mean :1998
## 3rd Qu.:2004
## Max. :2009
## Outlet_Type Item_Outlet_Sales
## Length:13325 Min. : 33.29
## Class :character 1st Qu.: 875.53
## Mode :character Median : 1821.63
## Mean : 2096.48
## 3rd Qu.: 2942.84
## Max. :13086.97

## Group.1 x
## 1 Grocery Store 154.7059
## 2 Supermarket Type1 147.3417
## 3 Supermarket Type2 146.5251
## 4 Supermarket Type3 148.8826

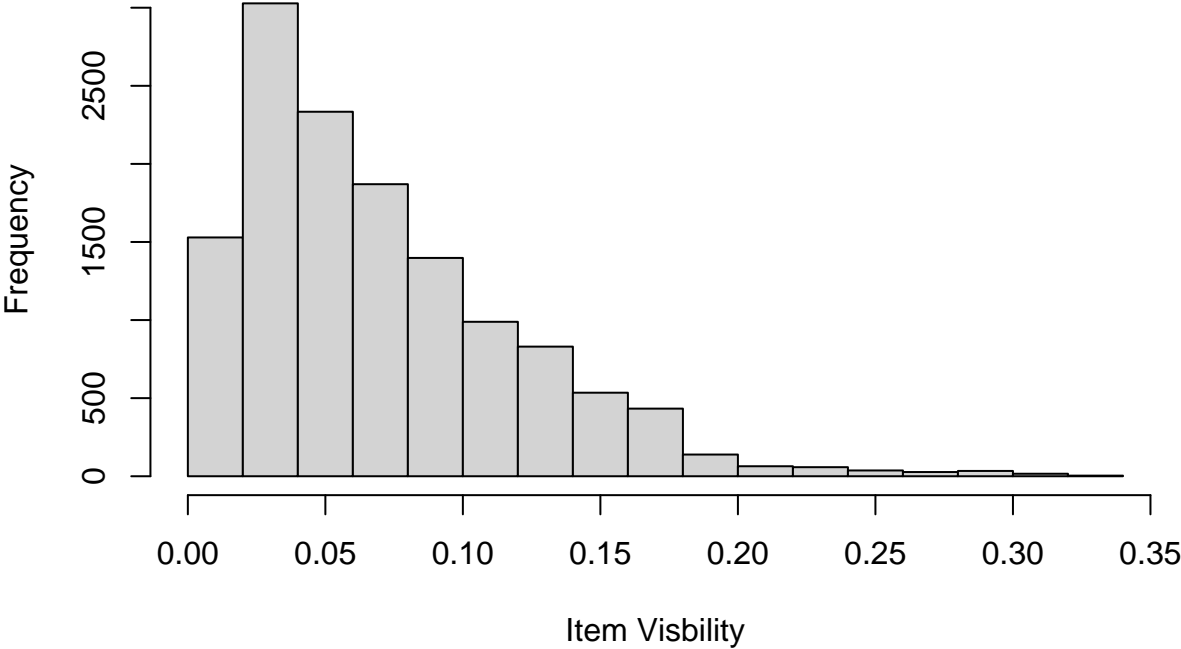
## Group.1 x
## 1 Grocery Store 141.2198
## 2 Supermarket Type1 144.1325
## 3 Supermarket Type2 144.4011
## 4 Supermarket Type3 143.4028

## Group.1 x
## 1 Grocery Store 140.2424
## 2 Supermarket Type1 137.9834
## 3 Supermarket Type2 136.9866
## 4 Supermarket Type3 138.5223

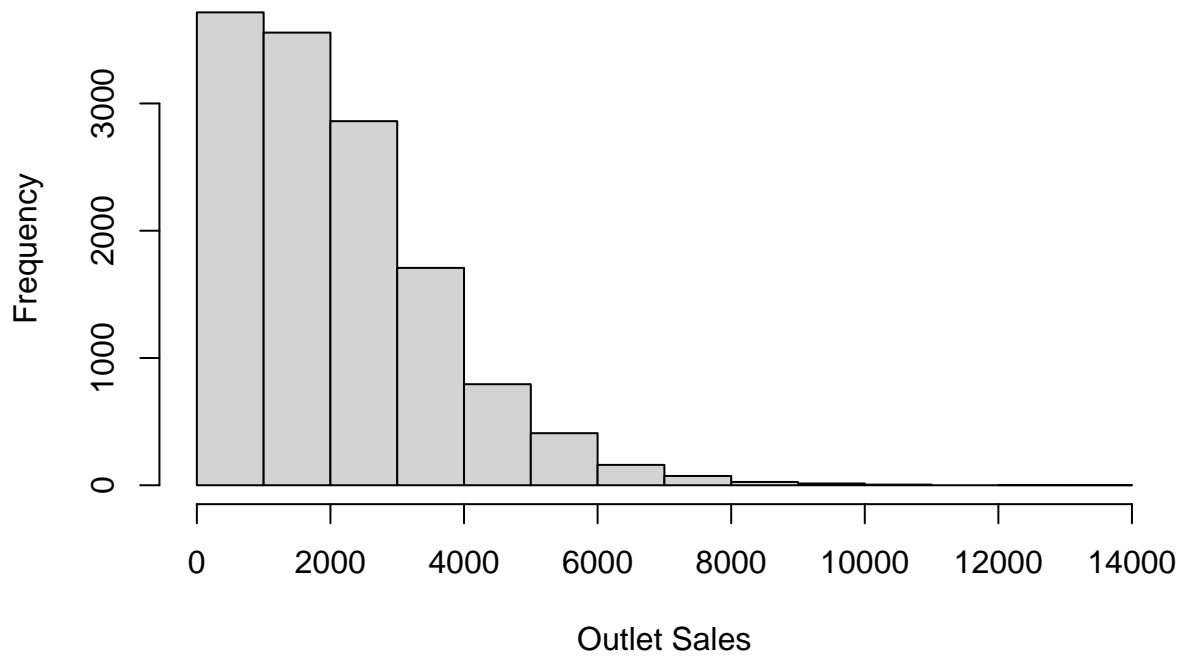
## Group.1 x
## 1 Grocery Store 148.0403
## 2 Supermarket Type1 146.6913
## 3 Supermarket Type2 145.8619
## 4 Supermarket Type3 145.7730

```

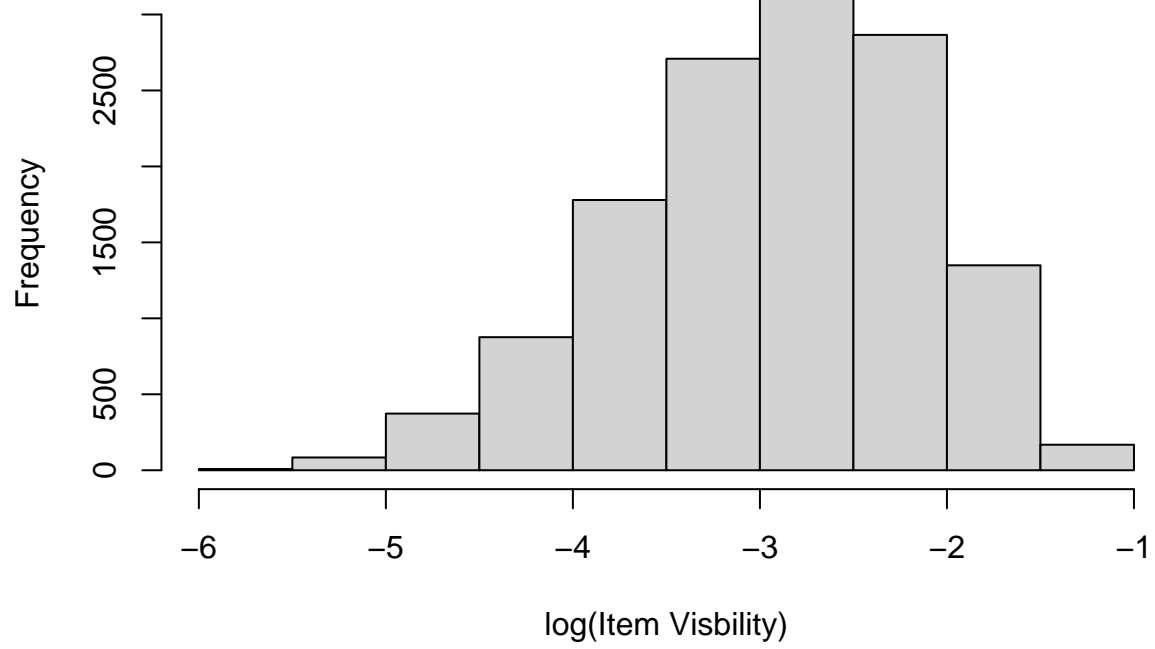
**Histogram of Item Visibility**



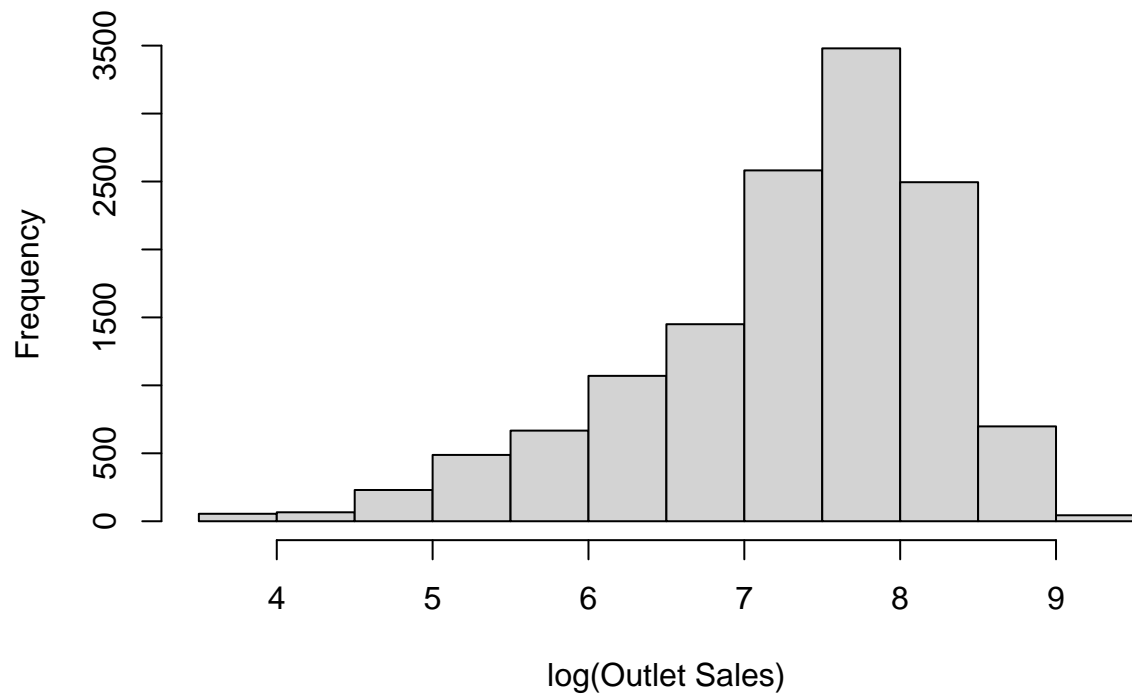
**Histogram of Outlet Sales**



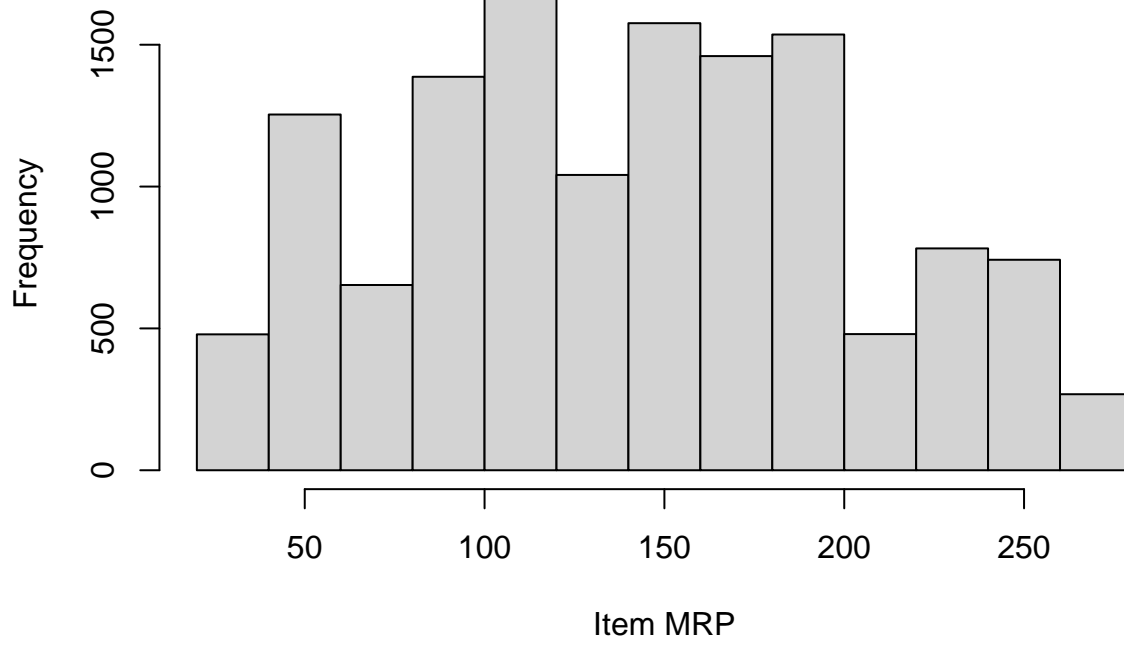
**Histogram of Log Item Visibility**



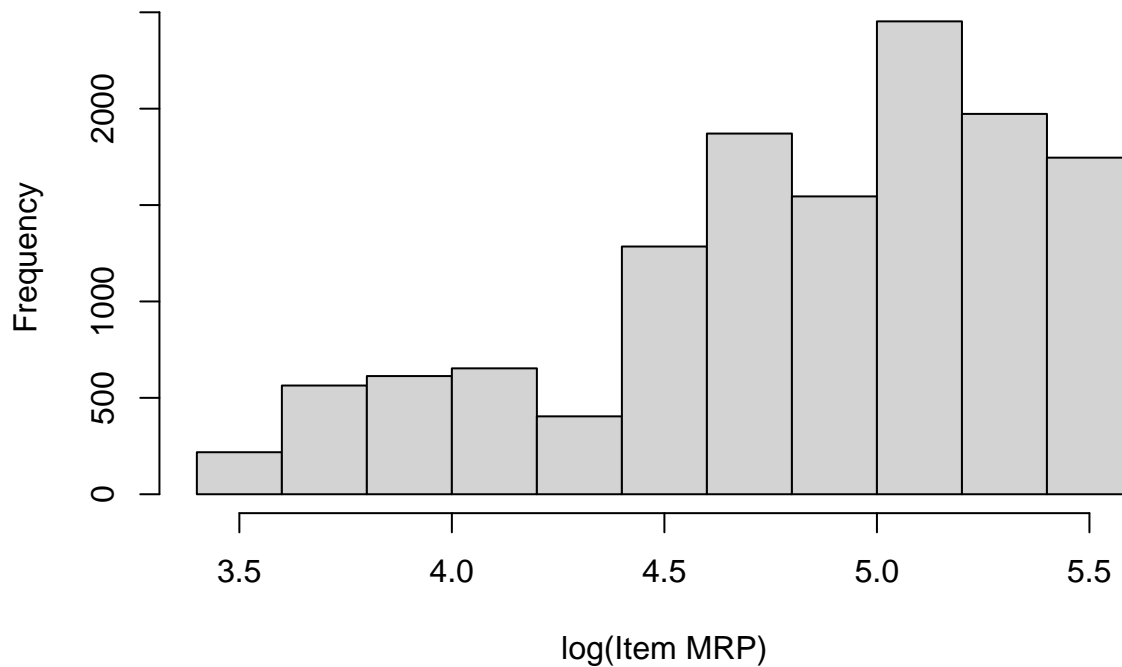
**Histogram of Log Outlet Sales**



**Histogram of Item MRP**



## Histogram of Log Item MRP



```
## Item_Identifier    Item_Weight    Item_Fat_Content    Item_Visibility
## Length:3998        Min.   : 4.555    Length:3998        Min.   :0.003598
## Class :character   1st Qu.: 8.645    Class :character   1st Qu.:0.031431
## Mode  :character   Median :12.600    Mode  :character   Median :0.057367
##                      Mean   :12.813                Mean   :0.070460
##                      3rd Qu.:16.750                3rd Qu.:0.097753
##                      Max.   :21.350                Max.   :0.325781
## Item_Type          Item_MRP        Outlet_Identifier
## Length:3998        Min.   : 31.29    Length:3998
## Class :character   1st Qu.: 93.81    Class :character
## Mode  :character   Median :141.91    Mode  :character
##                      Mean   :140.98
##                      3rd Qu.:186.58
##                      Max.   :266.69
## Outlet_Establishment_Year Outlet_Size    Outlet_Location_Type
## Min.   :1985        Length:3998    Length:3998
## 1st Qu.:1987        Class :character    Class :character
## Median :1999        Mode  :character    Mode  :character
## Mean   :1998
## 3rd Qu.:2004
## Max.   :2009
## Outlet_Type          Item_Outlet_Sales
## Length:3998        Min.   : 33.96
## Class :character   1st Qu.: 867.48
## Mode  :character   Median : 1824.82
##                      Mean   : 2102.60
```



```

##          3rd Qu.: 2965.59
##          Max.    :10306.58

## Item_Identifier  Item_Weight  Item_Fat_Content  Item_Visibility
## Length:9327      Min.       : 4.555      Length:9327      Min.       :0.003575
## Class :character  1st Qu.: 8.770      Class :character  1st Qu.:0.031388
## Mode  :character  Median :12.500      Mode  :character  Median :0.057993
##                               Mean   :12.805              Mean   :0.070236
##                               3rd Qu.:16.750              3rd Qu.:0.097605
##                               Max.    :21.350              Max.    :0.328391
## Item_Type        Item_MRP      Outlet_Identifier
## Length:9327      Min.       : 31.89      Length:9327
## Class :character  1st Qu.: 94.34      Class :character
## Mode  :character  Median :142.42      Mode  :character
##                               Mean   :141.16
##                               3rd Qu.:185.66
##                               Max.    :266.89
## Outlet_Establishment_Year Outlet_Size      Outlet_Location_Type
## Min.       :1985      Length:9327      Length:9327
## 1st Qu.:1987      Class :character  Class :character
## Median :1999      Mode  :character  Mode  :character
## Mean   :1998
## 3rd Qu.:2004
## Max.    :2009
## Outlet_Type        Item_Outlet_Sales
## Length:9327      Min.       : 33.29
## Class :character  1st Qu.: 884.18
## Mode  :character  Median : 1821.63
##                               Mean   : 2093.85
##                               3rd Qu.: 2931.52
##                               Max.    :13086.97

## Analysis of Variance Table
##
## Model 1: log(Item_Outlet_Sales) ~ log(Item_Visibility)
## Model 2: log(Item_Outlet_Sales) ~ log(Item_Visibility) * Item_MRP
## Model 3: log(Item_Outlet_Sales) ~ log(Item_Visibility) * Item_MRP + Outlet_Type
##   Res.Df    RSS Df Sum of Sq    F    Pr(>F)
## 1     3996 3727.0
## 2     3994 2630.7  2     1096.3 3000.1 < 2.2e-16 ***
## 3     3991  729.2  3     1901.5 3468.9 < 2.2e-16 ***
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

##
## Call:
## lm(formula = log(Item_Outlet_Sales) ~ log(Item_Visibility), data = train_data)
##
## Residuals:
##      Min       1Q   Median       3Q      Max
## -3.8772 -0.5390  0.1882  0.6938  1.9750
##
## Coefficients:

```

```

##               Estimate Std. Error t value Pr(>|t|)
## (Intercept)      6.62848    0.05921  111.94  <2e-16 ***
## log(Item_Visibility) -0.22635    0.01956  -11.57  <2e-16 ***
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 0.9658 on 3996 degrees of freedom
## Multiple R-squared:  0.03241, Adjusted R-squared:  0.03217
## F-statistic: 133.8 on 1 and 3996 DF, p-value: < 2.2e-16

##
## Call:
## lm(formula = log(Item_Outlet_Sales) ~ log(Item_Visibility) *
##     Item_MRP, data = train_data)
##
## Residuals:
##      Min       1Q   Median       3Q      Max
## -3.1425 -0.2266  0.2070  0.4991  1.6907
##
## Coefficients:
##               Estimate Std. Error t value Pr(>|t|)
## (Intercept)      5.3951221    0.1233659  43.733  < 2e-16 ***
## log(Item_Visibility) -0.2412542    0.0410961  -5.870  4.7e-09 ***
## Item_MRP          0.0088424    0.0008068  10.960  < 2e-16 ***
## log(Item_Visibility):Item_MRP 0.0001377    0.0002689   0.512   0.609
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 0.8116 on 3994 degrees of freedom
## Multiple R-squared:  0.317, Adjusted R-squared:  0.3165
## F-statistic: 618 on 3 and 3994 DF, p-value: < 2.2e-16

##
## Call:
## lm(formula = log(Item_Outlet_Sales) ~ log(Item_Visibility) *
##     Item_MRP + Outlet_Type, data = train_data)
##
## Residuals:
##      Min       1Q   Median       3Q      Max
## -2.23221 -0.18391  0.04723  0.22635  1.34806
##
## Coefficients:
##               Estimate Std. Error t value Pr(>|t|)
## (Intercept)      4.2447043    0.0660345  64.280  <2e-16 ***
## log(Item_Visibility) -0.0490431    0.0217316  -2.257   0.0241 *
## Item_MRP          0.0089782    0.0004250  21.124  <2e-16 ***
## Outlet_TypeSupermarket Type1  1.9471448    0.0206992  94.069  <2e-16 ***
## Outlet_TypeSupermarket Type2  1.8098845    0.0280190  64.595  <2e-16 ***
## Outlet_TypeSupermarket Type3  2.4757051    0.0277120  89.337  <2e-16 ***
## log(Item_Visibility):Item_MRP 0.0002159    0.0001417   1.524   0.1275
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 0.4274 on 3991 degrees of freedom

```

```

## Multiple R-squared:  0.8107, Adjusted R-squared:  0.8104
## F-statistic:  2848 on 6 and 3991 DF,  p-value: < 2.2e-16

##
## Call:
## lm(formula = log(Item_Outlet_Sales) ~ log(Item_Visibility) *
##     Item_MRP + Outlet_Type, data = fruits_and_veg)
##
## Residuals:
##      Min       1Q   Median       3Q      Max
## -2.25923 -0.16884  0.04431  0.23181  1.38000
##
## Coefficients:
##              Estimate Std. Error t value Pr(>|t|)
## (Intercept)      4.4812178   0.1049801  42.686   <2e-16 ***
## log(Item_Visibility)  0.0365214   0.0352955   1.035    0.301
## Item_MRP          0.0075757   0.0006835  11.083   <2e-16 ***
## Outlet_TypeSupermarket Type1  1.9760332   0.0311786  63.378   <2e-16 ***
## Outlet_TypeSupermarket Type2  1.8085048   0.0416820  43.388   <2e-16 ***
## Outlet_TypeSupermarket Type3  2.5863005   0.0415482  62.248   <2e-16 ***
## log(Item_Visibility):Item_MRP -0.0002271   0.0002310  -0.983    0.326
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 0.4313 on 1876 degrees of freedom
## Multiple R-squared:  0.8019, Adjusted R-squared:  0.8013
## F-statistic:  1266 on 6 and 1876 DF,  p-value: < 2.2e-16

##
## Call:
## lm(formula = log(Item_Outlet_Sales) ~ log(Item_Visibility) *
##     Item_MRP + Outlet_Type, data = snacks)
##
## Residuals:
##      Min       1Q   Median       3Q      Max
## -1.96651 -0.20981  0.04427  0.23508  1.25979
##
## Coefficients:
##              Estimate Std. Error t value Pr(>|t|)
## (Intercept)      4.3264755   0.1090881  39.660   <2e-16 ***
## log(Item_Visibility) -0.0211852   0.0348035  -0.609    0.543
## Item_MRP          0.0085399   0.0006864  12.442   <2e-16 ***
## Outlet_TypeSupermarket Type1  2.0043712   0.0330676  60.614   <2e-16 ***
## Outlet_TypeSupermarket Type2  1.8651096   0.0435913  42.786   <2e-16 ***
## Outlet_TypeSupermarket Type3  2.5229429   0.0435543  57.926   <2e-16 ***
## log(Item_Visibility):Item_MRP  0.0002020   0.0002231   0.906    0.365
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 0.4465 on 1865 degrees of freedom
## Multiple R-squared:  0.7774, Adjusted R-squared:  0.7767
## F-statistic:  1085 on 6 and 1865 DF,  p-value: < 2.2e-16

## [1] 15.19786 15.19786

```

##		GVIF	Df	$GVIF^{(1/(2*Df))}$	Interacts With
##	Item_Visibility	15.20331	1	3.899142	Item_MRP
##	Item_MRP	15.20331	1	3.899142	log(Item_Visibility)
##	Outlet_Type	1.05888	3	1.009581	--
##					Other Predictors
##	Item_Visibility				Item_Visibility, Outlet_Type
##	Item_MRP				Item_Visibility, Outlet_Type
##	Outlet_Type				Item_Visibility, Item_MRP

% Table created by stargazer v.5.2.3 by Marek Hlavac, Social Policy Institute. E-mail: marek.hlavac at gmail.com % Date and time: Wed, Apr 19, 2023 - 11:15:25 PM

Table 1: Regression Model Results Comparing Models

	<i>Dependent variable:</i>		
	Log(Outlet Sales)		
	(1)	(2)	(3)
Log(Visibility)	-0.226*** (0.020)	-0.241*** (0.041)	-0.049** (0.022)
Maximum Retail Price (MRP)		0.009*** (0.001)	0.009*** (0.0004)
Type 1 Supermarket			1.947*** (0.021)
Type 2 Supermarket			1.810*** (0.028)
Type 3 Supermarket			2.476*** (0.028)
Log(Visibility) - MRP Interaction		0.0001 (0.0003)	0.0002 (0.0001)
Constant	6.628*** (0.059)	5.395*** (0.123)	4.245*** (0.066)
Observations	3,998	3,998	3,998
R <sup>2</sup>	0.032	0.317	0.811
Adjusted R <sup>2</sup>	0.032	0.317	0.810
Residual Std. Error	0.966 (df = 3996)	0.812 (df = 3994)	0.427 (df = 3991)
F Statistic	133.843*** (df = 1; 3996)	618.009*** (df = 3; 3994)	2,848.379*** (df = 6; 3991)

*Note:*

\*p<0.1; \*\*p<0.05; \*\*\*p<0.01

% Table created by stargazer v.5.2.3 by Marek Hlavac, Social Policy Institute. E-mail: marek.hlavac at gmail.com % Date and time: Wed, Apr 19, 2023 - 11:15:25 PM

Table 2: Regression Model Results Comparing Item Data

	<i>Dependent variable:</i>	
	Log(Outlet Sales)	
	(1)	(2)
Log(Visibility)	0.037 (0.035)	−0.021 (0.035)
Maximum Retail Price (MRP)	0.008*** (0.001)	0.009*** (0.001)
Type 1 Supermarket	1.976*** (0.031)	2.004*** (0.033)
Type 2 Supermarket	1.809*** (0.042)	1.865*** (0.044)
Type 3 Supermarket	2.586*** (0.042)	2.523*** (0.044)
Log(Visibility) - MRP Interaction	−0.0002 (0.0002)	0.0002 (0.0002)
Constant	4.481*** (0.105)	4.326*** (0.109)
Observations	1,883	1,872
R <sup>2</sup>	0.802	0.777
Adjusted R <sup>2</sup>	0.801	0.777
Residual Std. Error	0.431 (df = 1876)	0.446 (df = 1865)
F Statistic	1,265.735*** (df = 6; 1876)	1,085.463*** (df = 6; 1865)
<i>Note:</i>		
*p<0.1; **p<0.05; ***p<0.01		