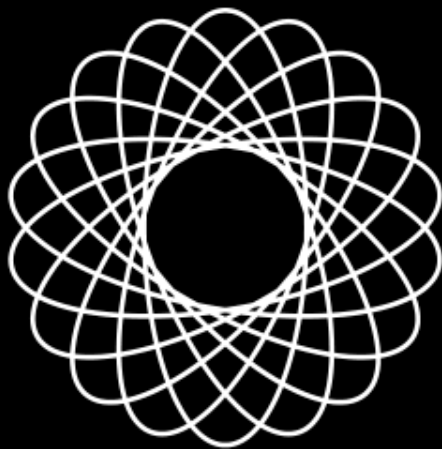


DATA SCIENCE



Agenda

Anova

- One Way
- Two Way
- Post Hoc Tests

Chi Square

- Association Tests
- Goodness-of-Fit Tests

Chi Square Parametric

- **Tests of Variance**



Chi-Square Test of Variance

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- To apply these tests, we do not need the underlying population to follow any specific distribution
- There are many kinds of non-parametric tests, an equivalent one for every parametric test
- Which types of test are preferable? Non-parametric, or parametric?



Non-Parametric Tests

- There are tests in statistics that do not require a specific distribution for your data – **non-parametric tests**
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 - Non-parametric tests are less powerful than parametric tests in the sense that they use more information and are sometimes less flexible in terms of testing different kinds of hypothesis
 - Also, as sample size increases, it turns out that non-parametric test distributions approximate normal distributions



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(Exact Chi Square Test)

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A Parametric Test

- This is a test of variance of sample tested against a population variance
- The CLT posits that the distribution of sample means will follow a normal distribution
- What about the variance of the samples?
 - The variance of samples will follow a Chi Square distribution



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- Currently average resolution time is **6.5** minutes, with a variance of **4.5** minutes.
- A new approach has been tested resulting in an average resolution time of **6** minutes, and a variance of **3** minutes across 30 calls.
 - Is the new approach sufficiently different from the standard to justify investment in it?



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A call center is experimenting with different approaches to improve customer experience, with the aim of consistent call resolution time.

- If our aim is consistency, we check if there is significant reduction in variance of resolution time:

H0: Variance = 4.5 minutes

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$$\text{DF} = 29$$



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We could use a table to compare calculated Test Stat against a critical Value

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Directly calculate p-values in Excel



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p-value = 0.002, therefore reject the null and conclude variance of calls has reduced



THANK YOU

