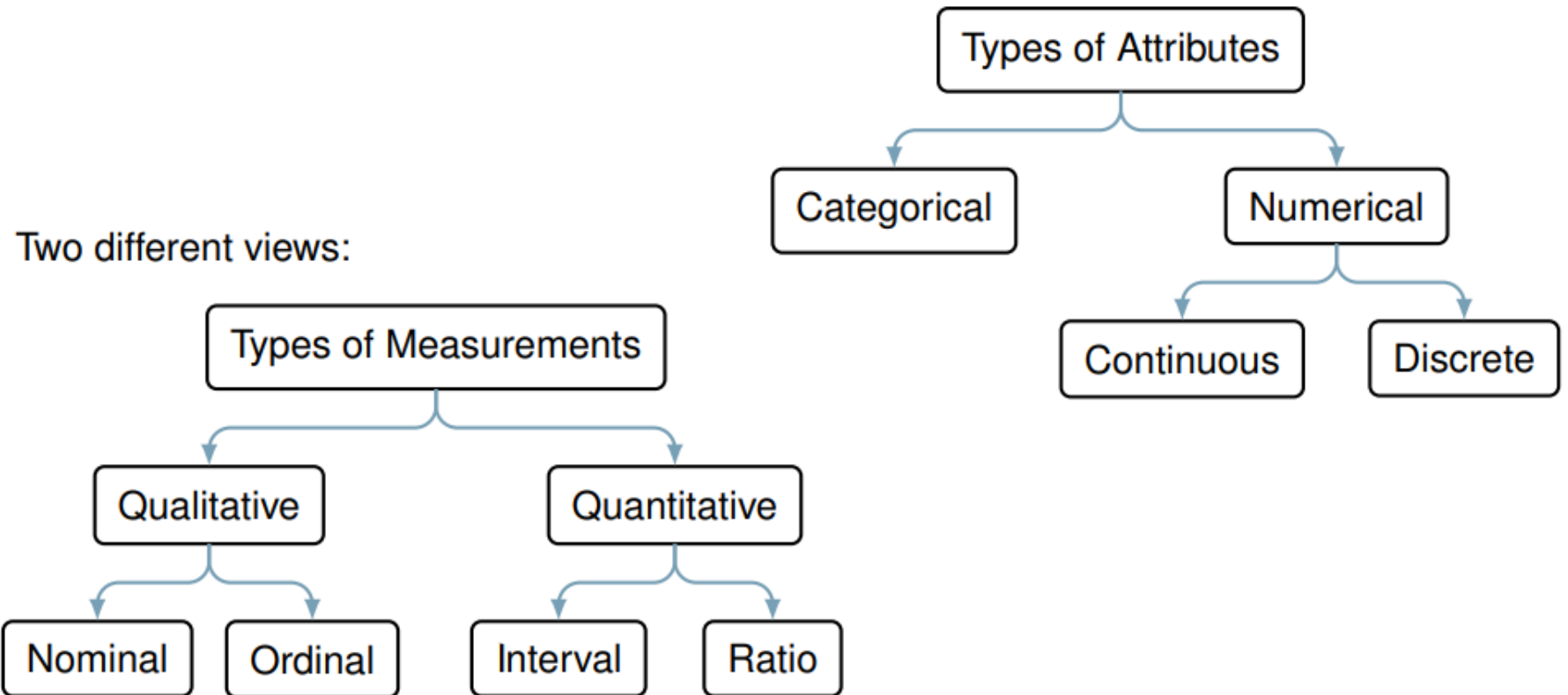


- Types of Variables
- The measure of Central Tendency
- Encoding Techniques
- Handle NaN Value
- Implementing using Python

- Based on Data Type
- Based on Measurement Scale
- Based on Role in Analysis
- Based on the Nature of the Data
- Based on Distribution

- Numerical
- Categorical
- Binary
- Text
- Date/Time



Nominal:

- Categories, states, or "names of things".
- E.g. `hair_color = {auburn, black, blond, brown, grey, red, white}`.
- Other examples: `marital_status`, `occupation`, `ID`, `ZIP code`.

Binary:

- Nominal attribute with only two states (0 and 1).
- **Symmetric binaries**: both outcomes equally important, such as `sex`.
- **Asymmetric binary**: outcomes not equally important.
E.g. medical test (positive vs. negative).
Convention: assign 1 to most important outcome (e.g. `diabetes`, `HIV positive`).

Ordinal:

- Values have a meaningful order (ranking), but magnitude between successive values is not known.
- E.g. `size = {small, medium, large}`, grades, army rankings.

Continuous Attributes

- Has real numbers as attribute values.
E.g. temperature, height, or weight.
- Practically, real values can only be measured and represented using a finite number of digits.
- Continuous attributes are typically represented as floating-point variables.

Discrete Attributes

- Has finite or countably infinite elements.
E.g. ZIP code, profession, or the set of words in a collection of documents.
- Sometimes represented as integer variables.

Note

Binary attributes are a special case of discrete attributes.

Measures of Central Tendency

Mean, Median, Mode

- **Mean:** The mean is the most popular and well known measure of central tendency.

$$\bar{x} = \frac{x_1 + x_2 + \dots + x_n}{n}$$

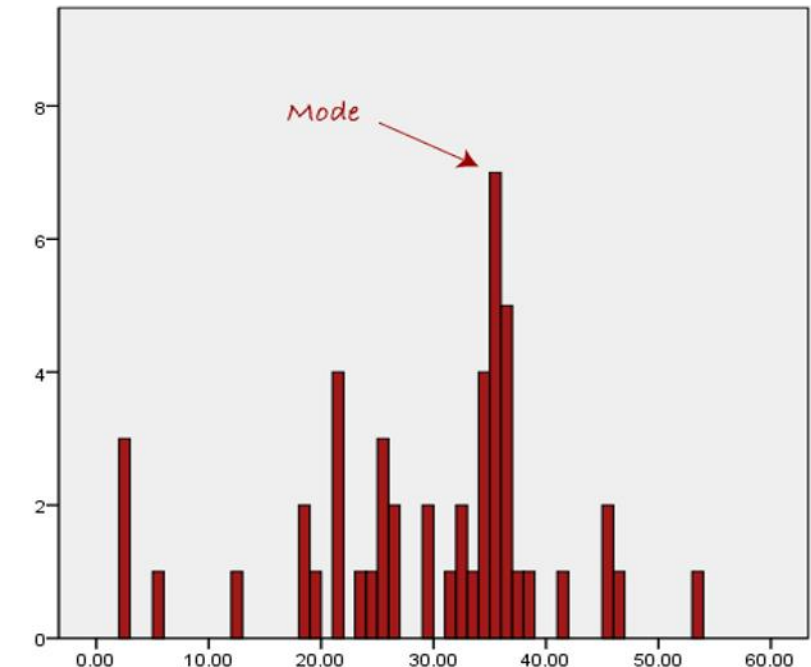
- **Median:** The median is the middle score for a set of data that has been arranged in order of magnitude.

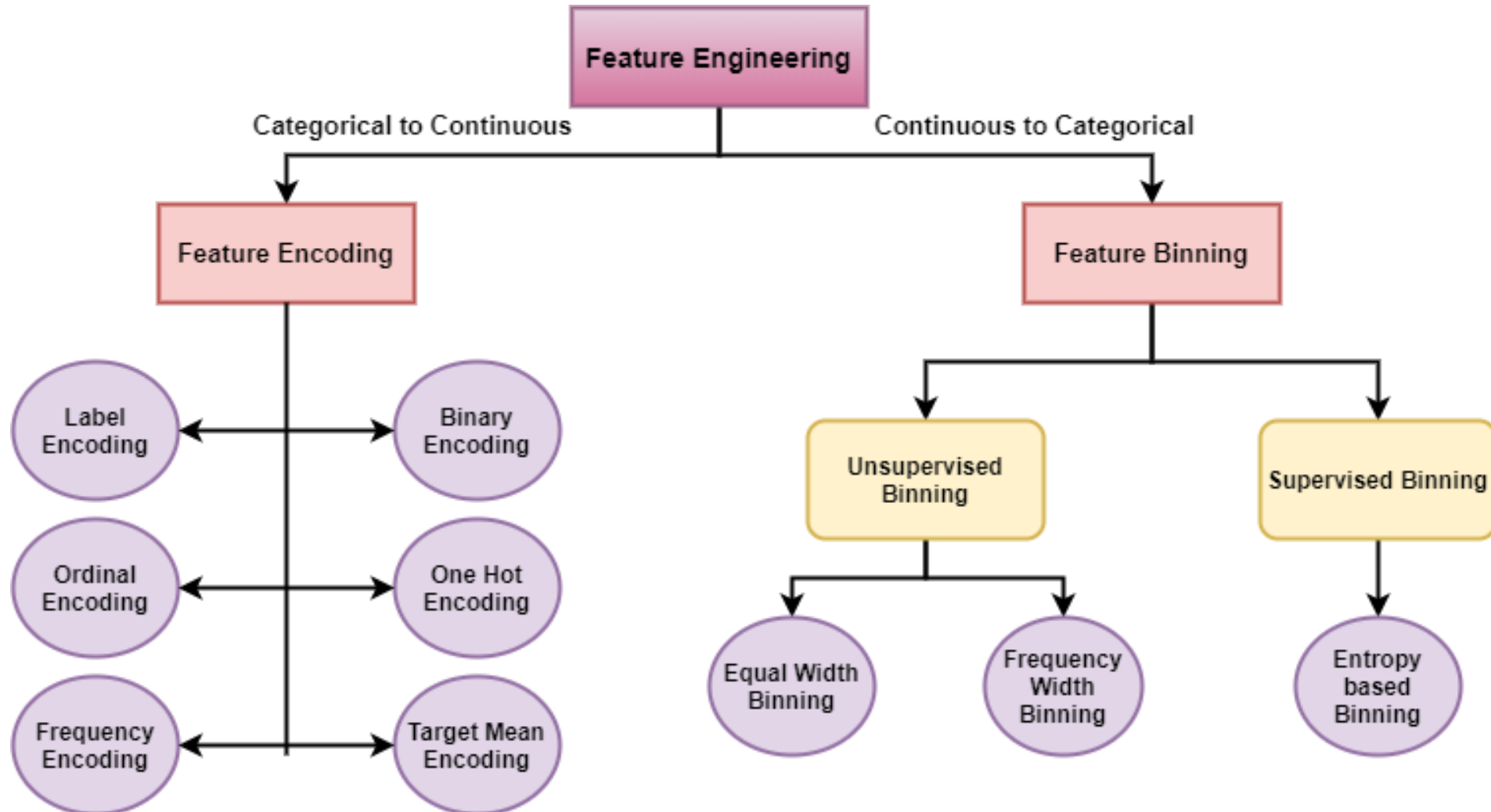
65	55	89	56	35	14	56	55	87	45	92
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We first need to rearrange that data into order of magnitude (smallest first):

14	35	45	55	55	56	56	65	87	89	92
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- **Mode:** The mode is the most frequent score in our data set.





Encoding is a technique of ***converting categorical variables into numerical values*** so that they can be easily fitted to a machine learning model. Since ***most algorithms work better with numerical inputs***, encoding is a crucial step for preparing and representing data, especially when dealing with non-numerical data types like ***categorical or textual data***.

Original Data			Label Encoded Data	
Team	Points		Team	Points
A	25	→	0	25
A	12		0	12
B	15		1	15
B	14		1	14
B	19		1	19
B	23		1	23
C	25		2	25
C	29		2	29

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Colour
Green
Red
Blue



Green	Red	Blue
0	1	1
1	1	1
1	0	1
0	0	0
0	1	0

Some common encoding techniques in machine learning:

1. **Label Encoding**
2. One-Hot Encoding
3. Binary Encoding
4. Ordinal Encoding
5. Frequency Encoding
6. Mean Encoding
7. Embedding

❖ **Label Encoding:**

Label encoding assigns each **unique category value a numerical code**. It is straightforward but introduces a new problem: the model might infer a natural ordering in categories, which might not be intended. For example: ["red" < "blue" < "green"] to [0, 1, 2]

• **Advantages:**

- Simple to implement and keeps the dataset's dimensionality unchanged.
- Useful for ordinal data or tree-based models that can handle ordinality.

• **Disadvantages:**

- Imposes an ordinal relationship where it might not exist, potentially leading to poor model performance for non-ordinal data.
- Not suitable for linear models unless the data is ordinal.

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2. **One-Hot Encoding**
3. Binary Encoding
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❖ One-Hot Encoding:

One-hot encoding transforms **each category value into a new binary column and assigns a 1 or 0** (presence or absence) value to the column. This method is widely used for nominal categories without intrinsic ordering.

Feature (Color)	One Hot Encoded Vector	Red	Green	Yellow
Red	[1,0,0]	1	0	0
Green	[0,1,0]	0	1	0
Yellow	[0,0,1]	0	0	1
Green	[0,1,0]	0	1	0
Red	[1,0,0]	1	0	0

❖ One-Hot Encoding:

One-hot encoding transforms **each category value into a new binary column and assigns a 1 or 0** (presence or absence) value to the column. This method is widely used for nominal categories without intrinsic ordering.

Feature (Color)		Red	Green
Red	One Hot Encoding →	1	0
Green		0	1
Yellow		0	0
Green		0	1
Red		1	0

Yellow Column dropped to avoid
the Dummy Variable Trap

❖ **One-Hot Encoding:**

One-hot encoding transforms **each category value into a new binary column and assigns a 1 or 0** (presence or absence) value to the column. This method is widely used for nominal categories without intrinsic ordering.

- **Advantages:**

- Eliminates any ordinal relationship, making it suitable for nominal data.
- Easy to understand and implement.

- **Disadvantages:**

- Can lead to a high-dimensional feature space, increasing memory and computational costs.
- Not suitable for high cardinality features (many unique values).

Label Encoding

Food Name	Categorical #	Calories
Apple	1	95
Chicken	2	231
Broccoli	3	50



One Hot Encoding

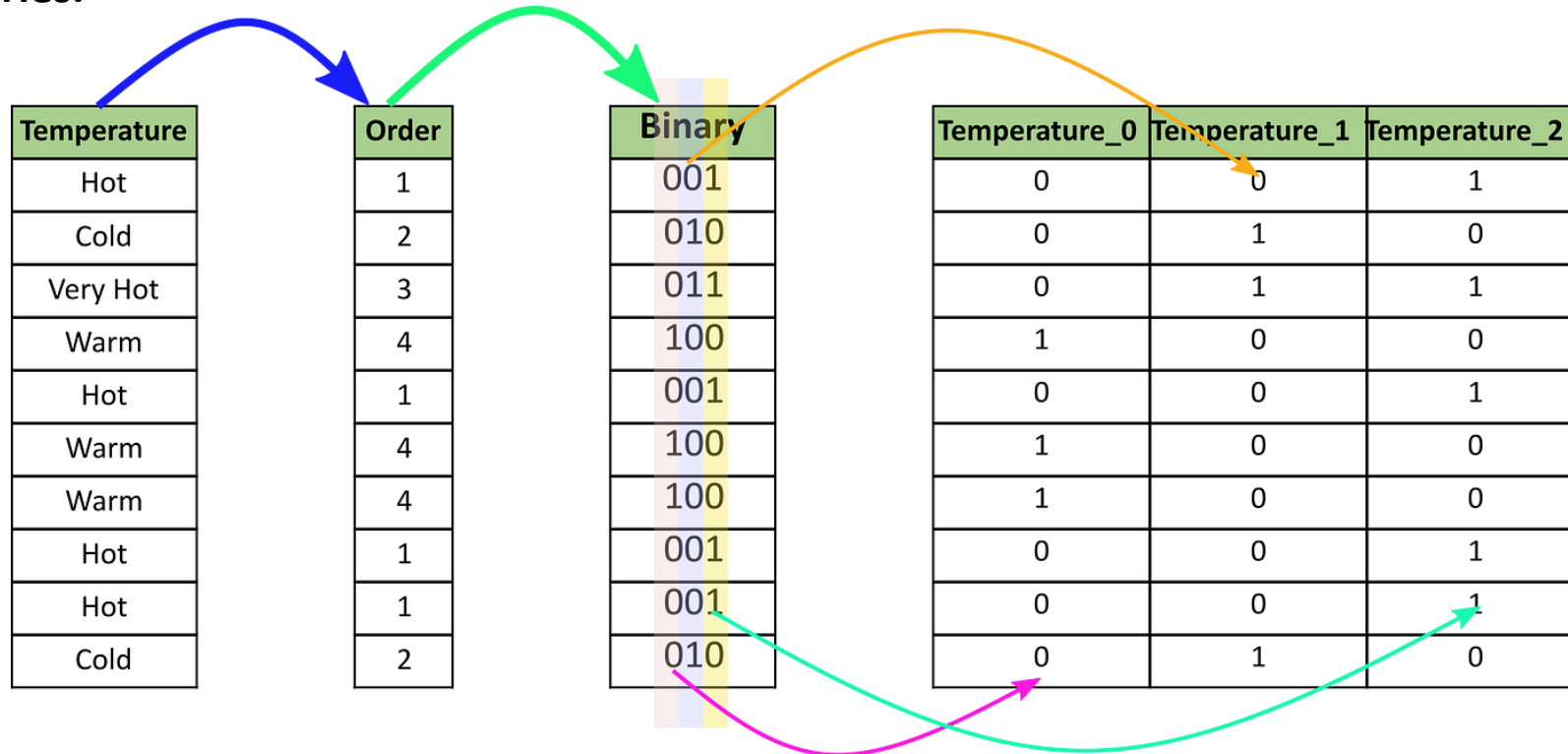
Apple	Chicken	Broccoli	Calories
1	0	0	95
0	1	0	231
0	0	1	50

Some common encoding techniques in machine learning:

1. Label Encoding
2. One-Hot Encoding
- 3. Binary Encoding**
4. Ordinal Encoding
5. Frequency Encoding
6. Mean Encoding
7. Embedding

❖ Binary Encoding:

Binary encoding **first converts categories into numerical labels** and **then transforms those labels into binary codes**. Each binary digit gets its column. This method can be **more efficient than one-hot encoding when dealing with many categories**.



❖ Binary Encoding:

Binary encoding **first converts categories into numerical labels** and **then transforms those labels into binary codes**. Each binary digit gets its column. This method can be **more efficient than one-hot encoding when dealing with many categories**.

- **Advantages:**

- Reduces the dimensionality compared to one-hot encoding for high cardinality features.
- Retains more information in fewer dimensions than label encoding.

- **Disadvantages:**

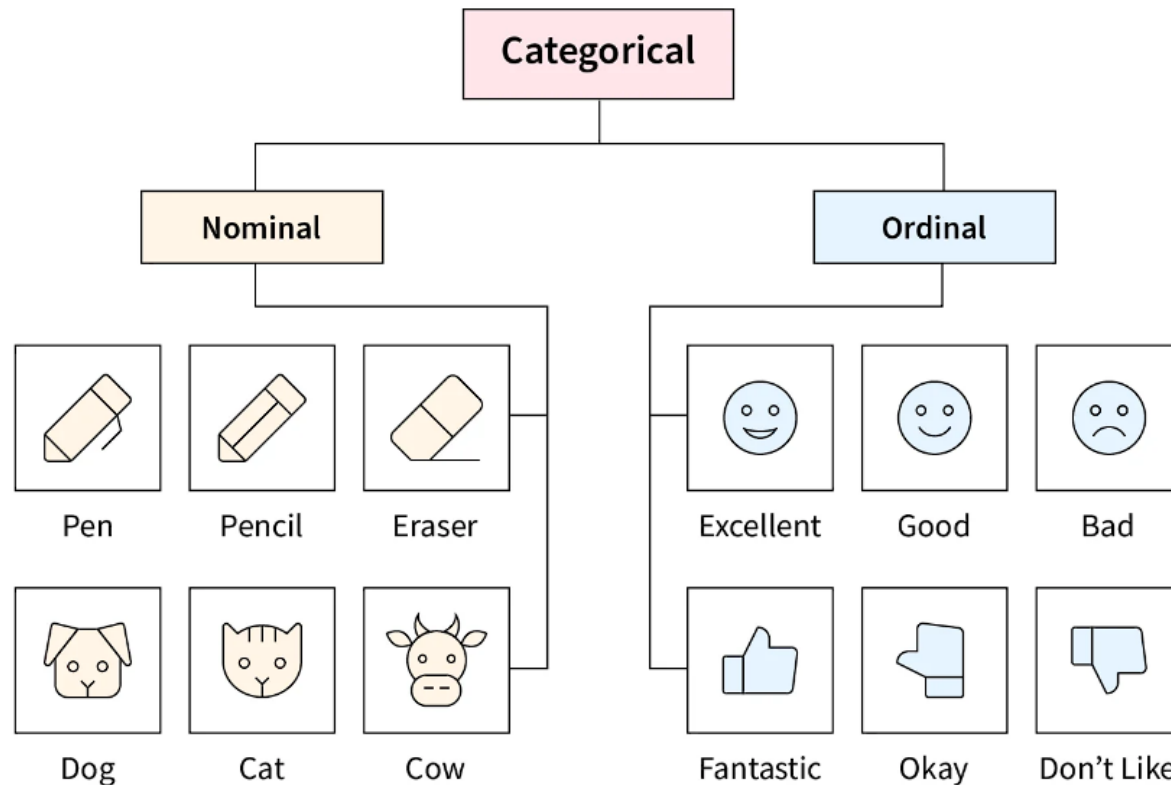
- More complex and harder to interpret than one-hot or label encoding.
- Binary representation can introduce relationships that do not exist in the original categorical data.

Some common encoding techniques in machine learning:

1. Label Encoding
2. One-Hot Encoding
3. Binary Encoding
- 4. Ordinal Encoding**
5. Frequency Encoding
6. Mean Encoding
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❖ Ordinal Encoding:

Ordinal encoding is like label encoding but specifically applies to ordinal data where the order of categories is important (Example: "low" < "medium" < "high"). The categories are converted into an ordered numerical scale.



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Instances: [extra large -> large -> medium -> small]

Encoded data: [0, 1, 2, 3]

cost	size	size_encoded
50	large	1.0
35	small	3.0
75	extra large	0.0
42	medium	2.0
54	large	1.0
71	extra large	0.0

❖ **Ordinal Encoding:**

Ordinal encoding is like label encoding but specifically applies to ordinal data where the order of categories is important (Example: "low" < "medium" < "high"). The categories are converted into an ordered numerical scale.

- **Advantages:**

- Directly encodes the order of the categories, making it suitable for ordinal data.
- Keeps the dataset's dimensionality unchanged.

- **Disadvantages:**

- Incorrect use on nominal data can introduce artificial ordinality, leading to misleading results.
- The choice of encoding values can impact model performance.

Some common encoding techniques in machine learning:

1. Label Encoding
2. One-Hot Encoding
3. Binary Encoding
4. Ordinal Encoding
- 5. Frequency Encoding**
6. Mean Encoding
7. Embedding

❖ Frequency Encoding:

Frequency encoding replaces categories with their frequencies or counts. This approach can help algorithms to understand the prominence of certain categories over others.

$$\text{Frequency Encoding} = \frac{\text{frequency}(\text{category})}{\text{size}(\text{data})}$$

Numerical value	Animal		Numerical value	Animal_freq
1.5	cat	Frequency encoding →	1.5	0.5
3.6	cat		3.6	0.5
42	dog		42	0.25
7.1	crocodile		7.1	0.25

❖ **Frequency Encoding:**

Frequency encoding replaces categories with their frequencies or counts. This approach can help algorithms to understand the prominence of certain categories over others.

- **Advantages:**

- Handles high cardinality data well by using frequencies, which can be more informative than labels.
- Can capture the importance of category frequency for the prediction task.

- **Disadvantages:**

- Loses information about the category itself, only retaining frequency.
- Similar frequencies can lead to collisions where different categories are represented by the same value.

❖ Mean Encoding:

Mean encoding replaces categorical values with the **mean target value** for that category. Mean encoding is particularly useful for categorical features with a high number of unique categories. It's particularly useful for high cardinality data and can help in tree-based algorithms.

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- **Advantages:**

- Incorporates target information, which can improve model performance.
- Efficient representation for high cardinality features.

- **Disadvantages:**

- Prone to overfitting, especially with small dataset sizes or categories with few instances.
- Requires careful regularisation or validation techniques to prevent data leakage.

❖ **Embedding:**

Embeddings are a sophisticated way to represent categories in high-dimensional spaces. This technique is often used in deep learning for handling textual data, where each word or category is represented by a dense vector of floating-point numbers.

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Embeddings are a sophisticated way to represent categories in high-dimensional spaces. This technique is often used in deep learning for handling textual data, where each word or category is represented by a dense vector of floating-point numbers.

• **Advantages:**

- Captures complex relationships and patterns in high-dimensional space, especially useful for deep learning models and NLP.
- Reduces dimensionality while retaining the richness of data, suitable for high cardinality and textual data.

• **Disadvantages:**

- Requires significant computational resources and data to train effectively.
- More complex and harder to interpret than other encoding techniques.

Thank you!