MISSING VALUES

• Reasons we could have missing values in our dataset:

There are three main reasons that will change how we deal with the problem:

- Missing Completely at Random (MCAR) Example: The dataset was corrupted during a transfer and some data went missing.
- Missing at Random (MAR) Example: A dataset of car information, if we sample on old cars then we would have a lot more missing values than on brand new cars.
- Missing not at Random (MNAR) Example: 2016 US presidential election results where the predictions were wrong because people were more hesitant to fill out fields admitting their support of Donald Trump.

• Dealing with missing values:

i. Listwise Deletion:

We delete every row that has at least one missing value. In python: df.dropna(inplace=True)

ii. Dropping Variables:

Usually applicable if a variable has more than 60% of missing values and the variable isn't essential for the next steps. In python: df=df.drop(['Name of variable'], axis=1)

iii. Imputation: Mean, Median and Mode

Replacing the missing values of a variable with the mean, Median or mode when the variable is numerical of course.

In python:

df["Name_of_variable"].fillna(df["Name_of_variable"].mean(),
inplace=True)

IMBALANCED DATA

- Arises in classification tasks.
- We say we have imbalanced data if one or more classes have significantly less data points than the majority classes.
- This could be caused by the data collection process.
- Majority Class: The classes with a lot of examples.
- Minority Class: The class with a relatively small number of examples.
- Could be solved by data augmentation

Example: we are trying to build a cats/dogs image classifier and we have a dataset of 1000 dog images and 10 cat images.

OUTLIERS

In this case the data isn't missing but we have some abnormal values.

Types of outliers:

a. Global Outliers:

Global outliers are points in the dataset that are far from all the other points.

b. Contextual Outliers:

Values that significantly deviate from the rest of the data points in the same context.

Example: A dataset of yearly raspatory issues deaths with a change of context because of the 2020 pandemic.

c. Collective Outliers:

A group of outliers that are close to each other. This is harder to detect than the previous two cases.

• Detecting outliers:

a. Z-Score:

- The z-score of an observation is a measurement of how far the data point is from the mean.
- Formula: $z = (x \mu) / \sigma$ where μ is the mean and σ is the standard deviation.
- Usually we pick 2.5, 3, 3.5 or more standard deviations.
- In python:

```
df['sales_zscore']=(df.NA_Sales-
df.NA_Sales.mean() ) / df.NA_Sales.std()
df=df[df['sales_zscore']>3]
```

CATEGORICAL DATA ENCODING

We have to adapt our variables to machine learning algorithms that only accept numeric values.

One Hot Encoding

The non-numerical variable will be converted to a numerical variable by mapping each unique label to a binary vector; the method is called one hot because for each vector only one value is non-null (hot) and the others are all zeros.

In python: y = pd.get_dummies(df.Genre, prefix='Genre')