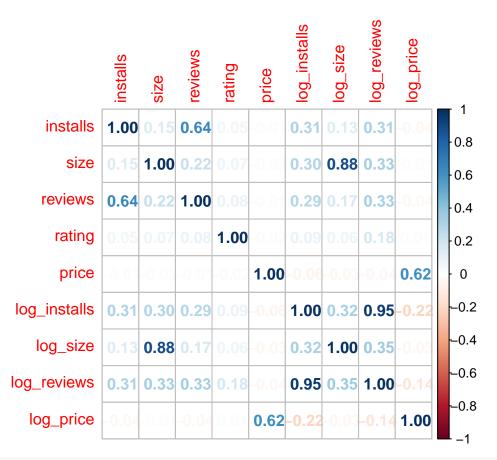
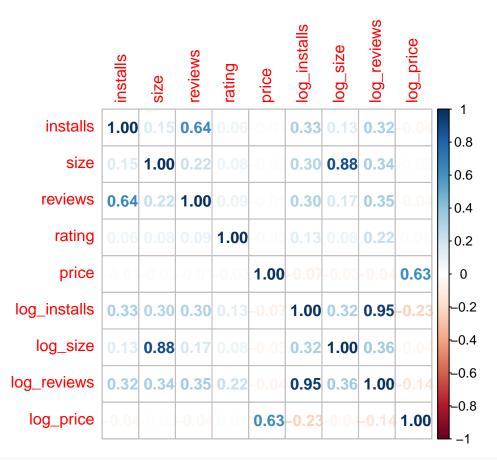
## eda

```
#install.packages('GGally')
#install.packages('moments')
#install.packages("corrplot")
install.packages('GGally', repos='https://ftp.osuosl.org/pub/cran/')
install.packages('moments', repos='https://ftp.osuosl.org/pub/cran/')
install.packages("corrplot", repos = "http://cran.us.r-project.org")
library(GGally)
library(ggplot2)
library(lmtest)
library(moments)
library(sandwich)
library(stargazer)
library(tidyverse)
library(corrplot)
library(data.table)
library(lubridate)
# various functions for wrangling
source('./functions/get robust se.R')
source('./functions/get_clean_dataset.R')
source('./functions/eda calculate stats by group.R')
source('./functions/eda_build_quantile_table.R')
d <- read.csv('data/googleplaystore.csv')</pre>
summary(d)
##
                         Category
                                               Rating
                                                               Reviews
        App
    Length: 10841
                       Length: 10841
                                                 : 1.000
##
                                           Min.
                                                             Length: 10841
##
    Class :character
                       Class :character
                                           1st Qu.: 4.000
                                                             Class : character
##
    Mode :character
                       Mode :character
                                           Median : 4.300
                                                             Mode :character
##
                                           Mean
                                                 : 4.193
##
                                           3rd Qu.: 4.500
##
                                           Max.
                                                 :19.000
##
                                           NA's :1474
##
        Size
                         Installs
                                               Туре
                                                                  Price
##
  Length: 10841
                       Length: 10841
                                           Length: 10841
                                                               Length: 10841
    Class : character
                       Class : character
                                           Class : character
                                                               Class : character
    Mode :character
                       Mode : character
                                           Mode :character
                                                               Mode :character
##
##
##
##
##
                                           Last.Updated
                                                               Current.Ver
##
    Content.Rating
                           Genres
   Length: 10841
                       Length: 10841
                                           Length: 10841
                                                               Length: 10841
  Class : character
                       Class :character
                                           Class : character
                                                               Class : character
```

```
Mode :character
                       Mode :character
                                          Mode :character
                                                              Mode :character
##
##
##
##
##
   Android.Ver
   Length: 10841
##
##
   Class : character
##
   Mode : character
##
##
##
##
d <- get_clean_dataset(minimum_review_count = 0)</pre>
# summary of dataset
summary(d)
##
       installs
                              size
                                              reviews
                                                                   rating
##
   Min.
                                : 0.85
                                                              Min.
                                                                    :1.000
          :
                     1
                         Min.
                                           Min.
                                                          1
##
   1st Qu.:
                 10000
                         1st Qu.: 5.80
                                           1st Qu.:
                                                         97
                                                               1st Qu.:4.000
##
   Median:
                100000
                         Median : 15.00
                                           Median:
                                                       2039
                                                              Median :4.300
##
   Mean
               7646081
                               : 24.30
                                                    279761
                                                              Mean
                         Mean
                                           Mean
                                                                     :4.171
##
   3rd Qu.:
               1000000
                         3rd Qu.: 35.00
                                           3rd Qu.:
                                                      35930
                                                               3rd Qu.:4.500
##
   Max.
          :1000000000
                         Max.
                                :100.00
                                           Max.
                                                  :44893888
                                                              Max.
                                                                    :5.000
       price
##
                       is free
                                        last_updated
                                                         android version
##
          : 0.000
                      Mode :logical
                                       Min.
                                              :0.00000
                                                         Min.
                                                                 :1.000
   1st Qu.: 0.000
##
                      FALSE:531
                                       1st Qu.:0.06301
                                                         1st Qu.:4.000
##
   Median :
             0.000
                      TRUE :6695
                                       Median :0.25343
                                                         Median :4.000
          : 1.139
##
   Mean
                                       Mean
                                              :0.79610
                                                         Mean
                                                                 :3.837
##
   3rd Qu.: 0.000
                                       3rd Qu.:1.06575
                                                         3rd Qu.:4.100
           :400.000
##
  Max.
                                       Max.
                                              :8.21644
                                                         Max.
                                                                 :8.000
   current_version
##
                        category
                                          is_family_category is_game_category
##
  Min.
          : 0.000
                      Length:7226
                                          Mode :logical
                                                             Mode :logical
   1st Qu.: 1.100
                                          FALSE: 5655
                                                             FALSE: 6292
                      Class : character
  Median : 2.000
                      Mode :character
                                          TRUE :1571
                                                             TRUE :934
##
##
   Mean
          : 5.241
##
   3rd Qu.: 3.700
          :858.000
##
   is_tools_category
                         genre
                                          content_rating
                                                             is_content_everyone
## Mode :logical
                      Length:7226
                                          Length:7226
                                                             Mode :logical
##
  FALSE:6622
                      Class :character
                                          Class : character
                                                             FALSE: 1432
##
   TRUE :604
                      Mode :character
                                          Mode :character
                                                             TRUE: 5794
##
##
##
##
                       install_group
                                         log_installs
        type
                                                           log_size
##
   Length:7226
                       Min. : 1.00
                                        Min.
                                             :0.000
                                                        Min.
                                                              :-0.07058
##
   Class : character
                       1st Qu.: 9.00
                                        1st Qu.:4.000
                                                        1st Qu.: 0.76343
##
   Mode :character
                       Median :11.00
                                        Median :5.000
                                                        Median: 1.17609
                                               :5.019
##
                       Mean
                              :10.92
                                        Mean
                                                        Mean
                                                               : 1.15074
##
                       3rd Qu.:13.00
                                        3rd Qu.:6.000
                                                        3rd Qu.: 1.54407
##
                       Max.
                              :19.00
                                        Max.
                                               :9.000
                                                        Max.
                                                              : 2.00000
##
      log_price
                      log_current_version log_last_updated
                                                              log_reviews
```

```
## Min.
           :0.00000
                      Min.
                              :0.0000
                                           Min.
                                                   :0.00000
                                                              Min.
                                                                     :0.000
## 1st Qu.:0.00000
                      1st Qu.:0.3222
                                           1st Qu.:0.02654
                                                              1st Qu.:1.987
## Median :0.00000
                      Median : 0.4771
                                           Median :0.09810
                                                              Median :3.309
## Mean
           :0.05045
                      Mean
                              :0.5417
                                           Mean
                                                   :0.19366
                                                              Mean
                                                                      :3.298
    3rd Qu.:0.00000
                      3rd Qu.:0.6721
                                           3rd Qu.:0.31508
                                                              3rd Qu.:4.555
## Max.
           :2.60314
                      Max.
                              :2.9340
                                                   :0.96456
                                                                     :7.652
                                           Max.
                                                              Max.
# save a data.table version for some easier wrangling downstream
d_dt <- as.data.table(d)</pre>
numeric_cols <- c(</pre>
  'installs',
  'size',
  'reviews',
  'rating',
  'price',
  'log_installs',
  'log_size',
  'log_reviews',
  'log_price'
)
table_quantile_numeric <- rbindlist(lapply(numeric_cols,eda_build_quantile_table))
table_quantile_numeric
##
                                                       50%
                                                                      75%
               0%
                            5%
                                        25%
## 1: 1.00000000 100.0000000 10000.000000 100000.000000 1000000.000000
## 2: 0.85000000
                    2.2000000
                                   5.800000
                                                15.000000
                                                                35.000000
## 3: 1.00000000
                    6.0000000
                                  97.000000
                                              2039.000000
                                                             35930.250000
## 4:
      1.00000000
                    3.1000000
                                   4.000000
                                                  4.300000
                                                                 4.500000
## 5: 0.0000000
                    0.0000000
                                   0.000000
                                                 0.000000
                                                                 0.000000
## 6: 0.00000000
                    2.0000000
                                   4.000000
                                                 5.000000
                                                                 6.000000
## 7: -0.07058107
                    0.3424227
                                   0.763428
                                                  1.176091
                                                                 1.544068
## 8: 0.00000000
                    0.7781513
                                   1.986772
                                                  3.309417
                                                                 4.555460
## 9: 0.0000000
                    0.0000000
                                   0.000000
                                                  0.000000
                                                                 0.000000
##
                   95%
                                     100%
                                              variable diff_min_vs_max
## 1: 10000000.0000000 1000000000.000000
                                               installs 99999999.000000
## 2:
            78.3500000
                               100.000000
                                                   size
                                                               99.150000
## 3:
        837933.7500000
                          44893888.000000
                                               reviews
                                                         44893887.000000
## 4:
             4.8000000
                                 5.000000
                                                rating
                                                                4.000000
## 5:
                               400.000000
                                                              400.000000
             1.9900000
                                                 price
## 6:
             7.000000
                                 9.000000 log_installs
                                                                9.000000
## 7:
             1.8940387
                                 2.000000
                                              log_size
                                                                2.070581
                                           log_reviews
## 8:
             5.9232082
                                 7.652187
                                                                7.652187
## 9:
             0.4756712
                                 2.603144
                                             log_price
                                                                2.603144
# Corrplot across variables
corrplot(cor(d[,numeric_cols], use = "complete.obs"),
         method = 'number')
```

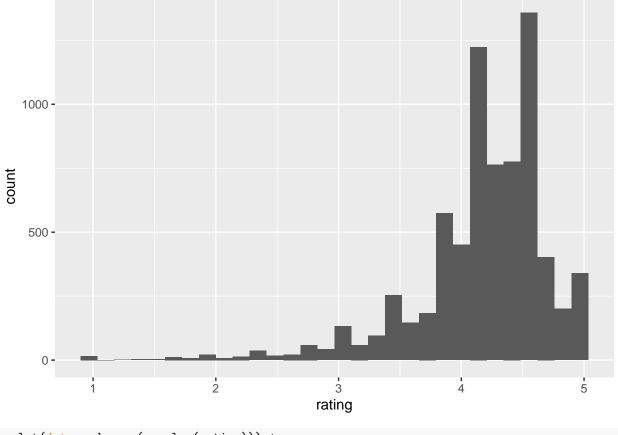




```
installs
                         1.00 0.15
                                   0.64
                                                   0.38 0.13
                                                              0.37
                                                                           8.0
                   size
                         0.15 1.00 0.23 0.09
                                                   0.28 0.89 0.33
                                                                           0.6
                         0.64 0.23 1.00 0.11
               reviews
                                                   0.35 0.18 0.41
                                                                           0.4
                 rating
                         0.07 0.09 0.11 1.00
                                                   0.17 0.10 0.29
                                                                           0.2
                  price
                                                                            0
                                              1.00-0.08-0.04
                                                                   0.65
                                                                           -0.2
           log_installs
                         0.38 0.28 0.35 0.17-0.08
                                                   1.00 0.29 0.92-0.26
                                                                           -0.4
              log_size
                              0.89 0.18 0.10 - 0.0
                                                   0.29 1.00 0.34 0.0
                                                                           -0.6
           log_reviews
                         0.37 0.33 0.41 0.29 0.06
                                                   0.92 0.34 1.00 -0.15
                                                                           -0.8
             log_price
                                              0.65-0.26
                                                                   1.00
# Distribution of numeric columns
```

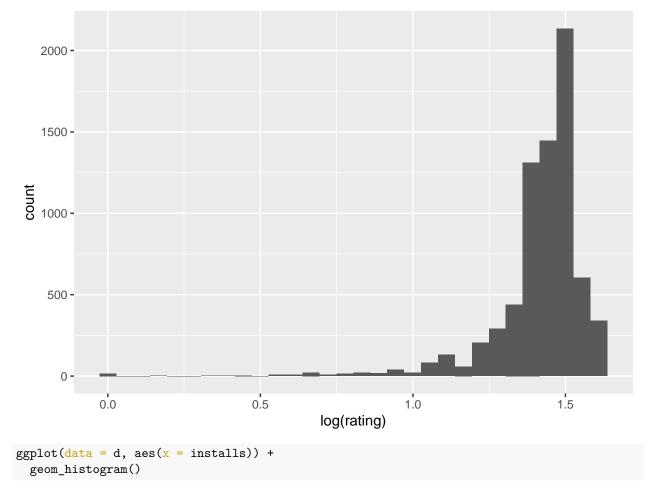
```
ggplot(data = d, aes(x = rating)) +
  geom_histogram()
```

## `stat\_bin()` using `bins = 30`. Pick better value with `binwidth`.

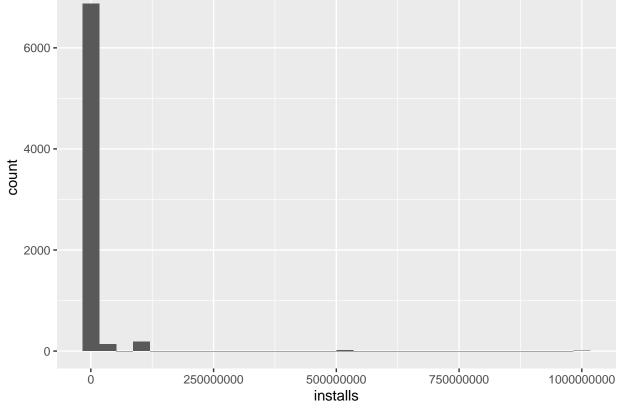


ggplot(data = d, aes(x = log(rating))) +
 geom\_histogram()

## `stat\_bin()` using `bins = 30`. Pick better value with `binwidth`.

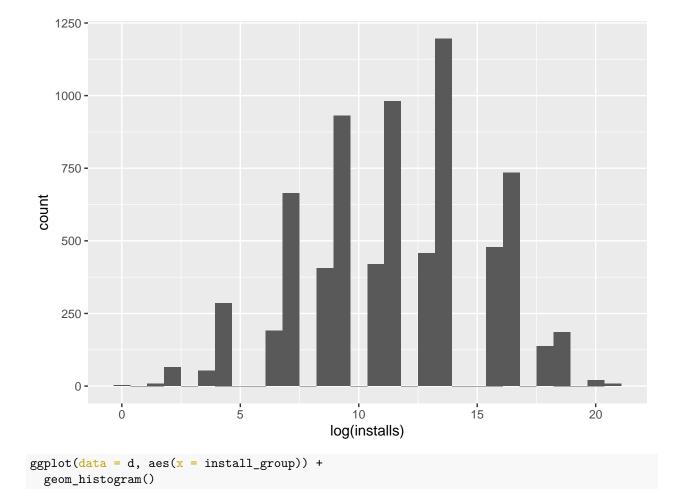


## `stat\_bin()` using `bins = 30`. Pick better value with `binwidth`.

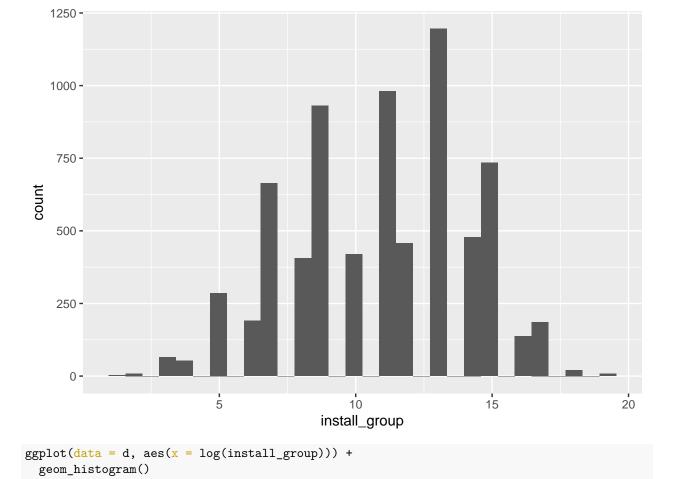


ggplot(data = d, aes(x = log(installs))) +
 geom\_histogram()

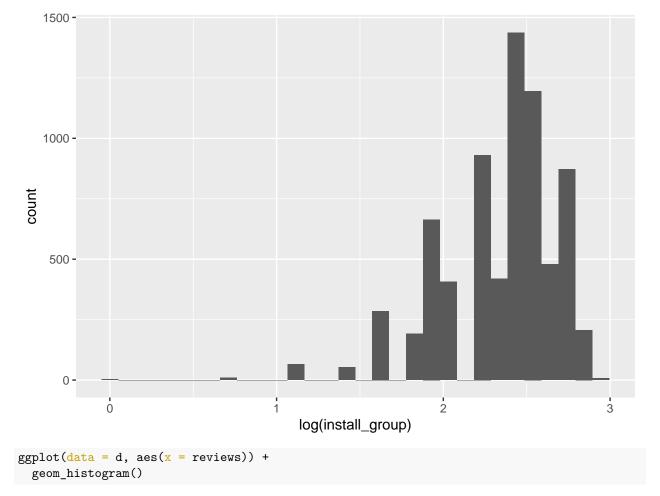
## `stat\_bin()` using `bins = 30`. Pick better value with `binwidth`.



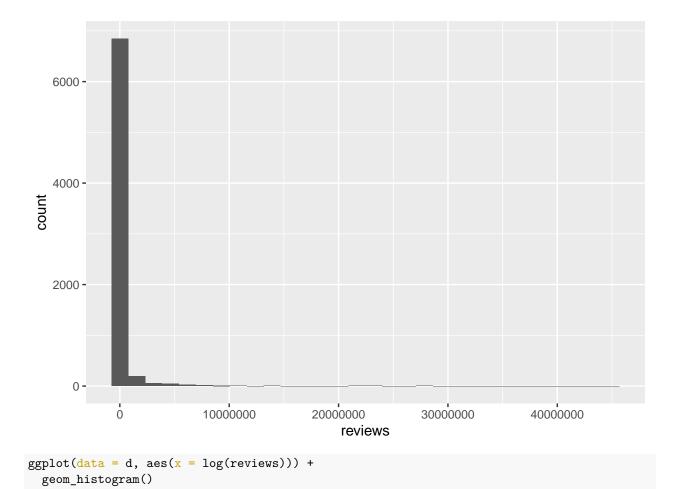
## `stat\_bin()` using `bins = 30`. Pick better value with `binwidth`.



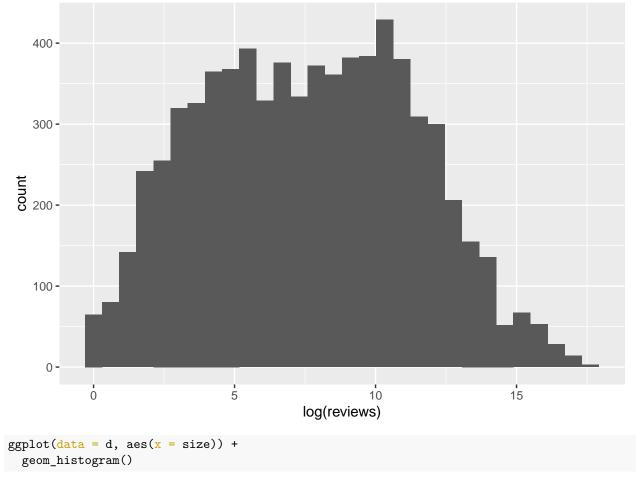
## `stat\_bin()` using `bins = 30`. Pick better value with `binwidth`.



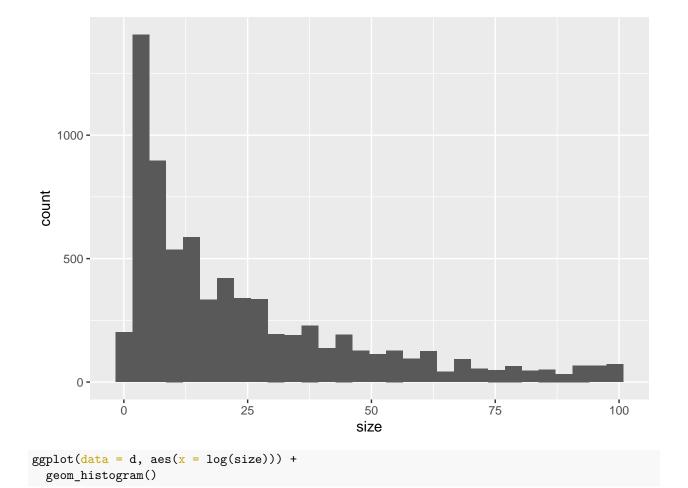
## `stat\_bin()` using `bins = 30`. Pick better value with `binwidth`.



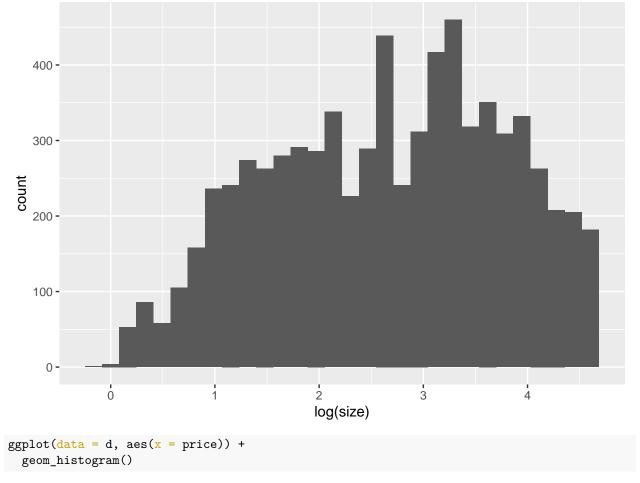
## `stat\_bin()` using `bins = 30`. Pick better value with `binwidth`.



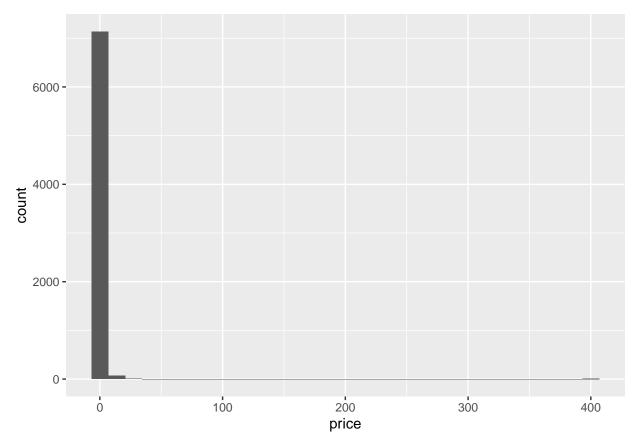
## `stat\_bin()` using `bins = 30`. Pick better value with `binwidth`.



## `stat\_bin()` using `bins = 30`. Pick better value with `binwidth`.



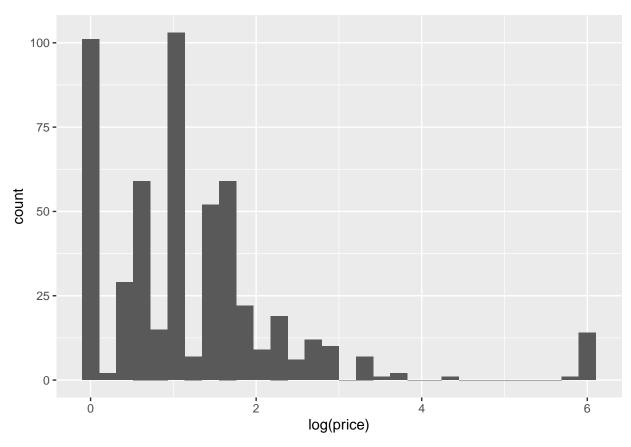
## `stat\_bin()` using `bins = 30`. Pick better value with `binwidth`.



```
ggplot(data = d, aes(x = log(price))) +
  geom_histogram()
```

## `stat\_bin()` using `bins = 30`. Pick better value with `binwidth`.

## Warning: Removed 6695 rows containing non-finite values (stat\_bin).



```
categorical_cols <- c(
    'category',
    'type',
    'content_rating',
    'current_version',
    'android_version'
)

# perform function across all categorical columns
table_long_cat <- rbindlist(lapply(categorical_cols, eda_calculate_stats_by_group))
table_quantile_cat <- rbindlist(lapply(categorical_cols, eda_calculate_stats_by_group,quantile_table=TR)
# compare mean install grp across variable values
table_long_cat</pre>
```

##		<pre>group_by_column</pre>	count_apps	<pre>install_group_avg</pre>	<pre>install_count_med</pre>
##	1:	GAME	934	12.933619	1000000
##	2:	PHOTOGRAPHY	220	12.277273	1000000
##	3:	SHOPPING	154	12.194805	1000000
##	4:	VIDEO_PLAYERS	107	11.635514	500000
##	5:	SPORTS	230	11.282609	100000
##	6:	COMMUNICATION	197	11.274112	500000
##	7:	SOCIAL	162	11.012346	100000
##	8:	HEALTH_AND_FITNESS	190	10.900000	500000
##	9:	TRAVEL_AND_LOCAL	143	10.804196	100000
##	10:	PRODUCTIVITY	223	10.699552	100000

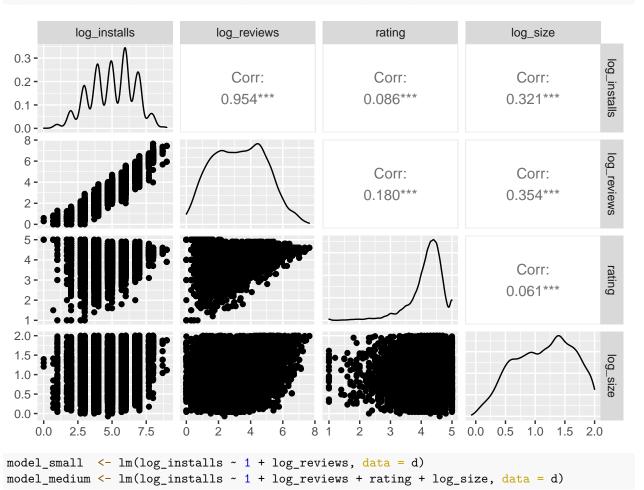
```
## 11:
                      FAMILY
                                     1571
                                                   10.654360
                                                                          100000
## 12:
        NEWS_AND_MAGAZINES
                                     157
                                                   10.496815
                                                                           50000
                       TOOLS
                                                   10.435430
                                                                           50000
## 13:
                                     604
## 14:
                                     141
                                                                          100000
                      DATING
                                                   10.354610
  15:
            PERSONALIZATION
                                     268
                                                   10.287313
                                                                           50000
## 16: BOOKS AND REFERENCE
                                     141
                                                   10.092199
                                                                           50000
## 17:
                                     260
                                                    9.996154
                     FINANCE
                                                                           10000
## 18:
                                     265
                  LIFESTYLE
                                                    9.833962
                                                                           50000
## 19:
                    BUSINESS
                                     221
                                                    9.090498
                                                                            10000
## 20:
                    MEDICAL
                                     272
                                                    8.426471
                                                                            10000
## 21:
                        Free
                                     6695
                                                   11.156236
                                                                          100000
## 22:
                                     531
                                                    7.919021
                                                                             5000
                        Paid
## 23:
               Everyone 10+
                                     293
                                                   12.679181
                                                                         1000000
## 24:
                                                                         1000000
                        Teen
                                     810
                                                   11.907407
                                                   11.269939
## 25:
                 Mature 17+
                                     326
                                                                          500000
## 26:
                    Everyone
                                     5794
                                                   10.670866
                                                                          100000
## 27:
                           4
                                     108
                                                                         1000000
                                                   12.22222
## 28:
                         4.1
                                     108
                                                   11.953704
                                                                         1000000
## 29:
                         1.9
                                     103
                                                   11.776699
                                                                          500000
## 30:
                         1.7
                                     126
                                                   11.706349
                                                                          500000
## 31:
                         3.1
                                     158
                                                   11.689873
                                                                          500000
## 32:
                         2.2
                                     163
                                                   11.674847
                                                                          500000
## 33:
                         1.4
                                     218
                                                   11.582569
                                                                          500000
## 34:
                         2.4
                                     112
                                                   11.482143
                                                                          300000
## 35:
                         2.3
                                                   11.365079
                                     126
                                                                          100000
## 36:
                         1.8
                                     117
                                                   11.094017
                                                                          100000
## 37:
                         2.1
                                     259
                                                   10.930502
                                                                          100000
## 38:
                         1.6
                                     140
                                                   10.885714
                                                                          100000
## 39:
                           3
                                     164
                                                   10.780488
                                                                          100000
## 40:
                         1.5
                                     176
                                                   10.715909
                                                                          100000
## 41:
                         1.2
                                     439
                                                   10.587699
                                                                          100000
## 42:
                         1.3
                                     281
                                                   10.533808
                                                                          100000
## 43:
                         1.1
                                     591
                                                   10.345178
                                                                          100000
## 44:
                           2
                                     327
                                                    9.963303
                                                                           50000
## 45:
                           1
                                     1173
                                                    9.128730
                                                                            10000
## 46:
                         4.1
                                     1839
                                                   11.374116
                                                                          500000
## 47:
                         4.4
                                     723
                                                   11.128631
                                                                          100000
## 48:
                           4
                                     2180
                                                   10.920642
                                                                          100000
                         4.2
## 49:
                                     305
                                                   10.888525
                                                                          100000
## 50:
                           5
                                     433
                                                   10.872979
                                                                          100000
## 51:
                         2.3
                                     784
                                                   10.838010
                                                                          100000
## 52:
                         2.1
                                                   10.612613
                                                                           50000
                                     111
## 53:
                         4.3
                                     178
                                                   10.556180
                                                                          100000
## 54:
                           3
                                     205
                                                   10.107317
                                                                           50000
## 55:
                         2.2
                                     197
                                                    9.375635
                                                                            10000
##
            group_by_column count_apps install_group_avg install_count_med
##
               variable
##
    1:
               category
##
    2:
               category
    3:
##
               category
##
    4:
               category
##
    5:
               category
##
    6:
               category
    7:
##
               category
```

```
8:
              category
##
    9:
              category
## 10:
              category
## 11:
              category
## 12:
              category
## 13:
              category
## 14:
              category
## 15:
              category
## 16:
              category
## 17:
              category
## 18:
              category
## 19:
              category
## 20:
              category
## 21:
                  type
## 22:
                  type
## 23:
        content_rating
## 24:
        content_rating
## 25:
        content_rating
## 26:
        content_rating
## 27: current_version
## 28: current_version
## 29: current version
## 30: current_version
## 31: current version
## 32: current_version
## 33: current version
## 34: current_version
## 35: current_version
## 36: current_version
## 37: current_version
## 38: current_version
## 39: current_version
## 40: current_version
## 41: current_version
## 42: current version
## 43: current_version
## 44: current version
## 45: current_version
## 46: android_version
## 47: android_version
## 48: android version
## 49: android_version
## 50: android version
## 51: android_version
## 52: android_version
## 53: android_version
## 54: android_version
## 55: android_version
              variable
# compare distribution of mean install grp across variable values
table_quantile_cat
             0%
                       25%
                                 50%
                                          75%
                                                   100%
                                                               variable
## 1: 8.426471 10.238535 10.676956 11.27624 12.93362
                                                               category
```

```
7.919021 8.728325 9.537628 10.34693 11.15624
## 3: 10.670866 11.120171 11.588673 12.10035 12.67918 content rating
       9.128730 10.651804 11.094017 11.68236 12.22222 current version
##
       9.375635 10.570288 10.855495 10.91261 11.37412 android_version
      diff_min_vs_max
##
## 1:
             4.507148
## 2:
             3.237215
## 3:
             2.008314
## 4:
             3.093492
## 5:
             1.998482
```

I.I.D. data: According to the Kaggle authors, this data set was collected by randomly scraping the Google Play Store. Since no clusters of applications were specifically targeted, we can reasonably use the entirety of the store as our reference population. We recognize that applications likely have some degree of interdependence, especially within genres. For example, the success of one application probably has a negative impact on other applications of the same type. Due to the large size of this data set (7226 records), however, we expect any dependencies to be negligible. We also have reason to believe that the data are identically distributed, as they are drawn from the same population of applications. One could argue that since the Google Play Store changes over time, the distribution also shifts in response. Because the authors do not mention the time frame across which the data was collected, we will assume that they originated from a single snapshot of the Play Store and that no shifts in the underlying distribution occurred.

ggpairs(d[, c('log\_installs', 'log\_reviews', 'rating', 'log\_size')])



```
model_large <- lm(log_installs ~ 1 + log_reviews + rating + log_size + factor(type), data = d)
stargazer(
  model_small,
  model_medium,
  model_large,
  type = 'text',
  se = list(get_robust_se(model_small), get_robust_se(model_medium))
)</pre>
```

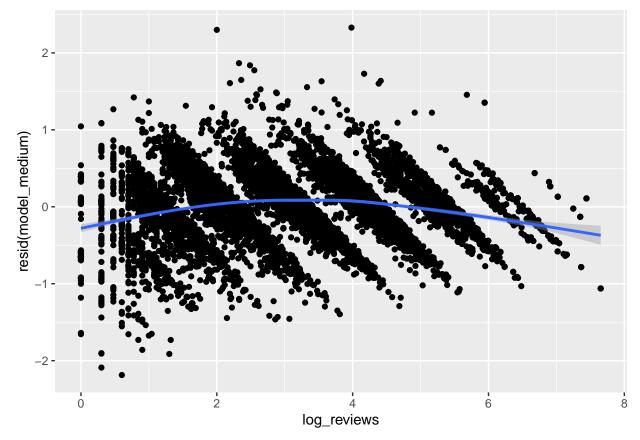
	Dependent variable:				
· : :	(1)	log_installs (2)	(3)		
log_reviews	0.944***	0.966***	0.947***		
<b>G</b> _	(0.004)	(0.004)	(0.003)		
rating		-0.256***	-0.235***		
•		(0.013)	(0.009)		
log_size		-0.066***	-0.053***		
		(0.012)	(0.011)		
factor(type)Paid			-0.617***		
- <del></del>			(0.020)		
Constant	1.907***	2.974***	2.984***		
	(0.015)	(0.053)	(0.040)		
: :					
Observations	7,226	7,226	7,226		
R2	0.910	0.918	0.927		
Adjusted R2	0.910	0.918	0.927		
Residual Std. Error	0.481 (df = 7224)	0.460 (df = 7222)	0.432 (df = 7)		
F Statistic	72,962.100*** (df = 1; 7224)	26,842.640*** (df = 3; 7222)	2) 23,068.790*** (df		

- 2. No Perfect Colinearity: We can immediately conclude that log\_installs, log\_reviews, rating, and log\_size are not perfectly colinear as otherwise the regression above would have failed. We can also assess near perfect colinearity for these variables by observing the robust standard errors returned by the regression model. In general, highly colinear features will have large standard errors. Since the standard error of the coefficients are small relative to their magnitude, we can reasonably conclude that they are not nearly colinear.
- 3. Linear Conditional Expectation: To verify the assumption of linear conditional expectations, we seek to show that there is no relationship between the model residuals and any of the predictor variables. That is, the model does not systematically underpredict or overpredict in certain regions of the input space. Plots 1 through 3 show the relationships between the model residuals and individual predictors. The residuals are generally well-centered around zero, although the model seems to underpredict when log\_reviews is high and rating is low. The fourth plot shows the model residuals as a function of the model predictions.

Here, the model seems to underpredict in the left-most and right-most regions, and slightly overpredict in the middle. Overall, there are no strong non-linear relationships between the model residuals and the input features, and we do not find enough evidence to reject the assumption of linear conditional expectation.

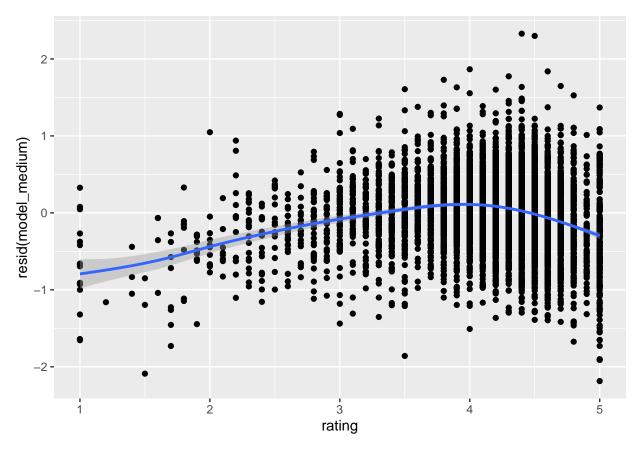
```
# Reviews versus residuals
plot_1 <- ggplot(data = d, mapping = aes(x = log_reviews, y = resid(model_medium))) +
   geom_point() + stat_smooth()
plot_1</pre>
```

## `geom\_smooth()` using method = 'gam' and formula 'y ~ s(x, bs = "cs")'



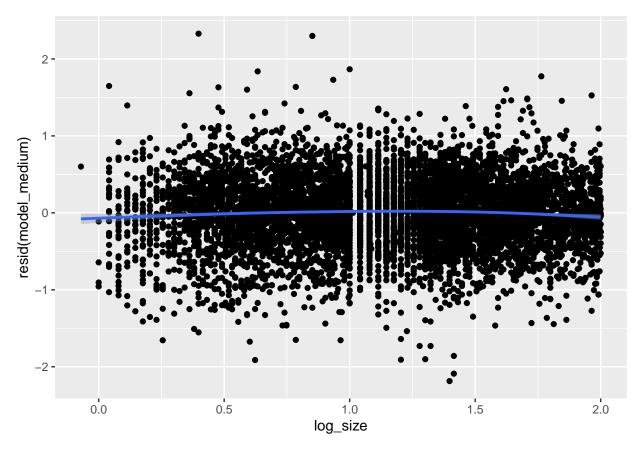
```
# Ratings versus residuals
plot_2 <- ggplot(data = d, mapping = aes(x = rating, y = resid(model_medium))) +
   geom_point() + stat_smooth()
plot_2</pre>
```

## `geom\_smooth()` using method = 'gam' and formula 'y ~ s(x, bs = "cs")'



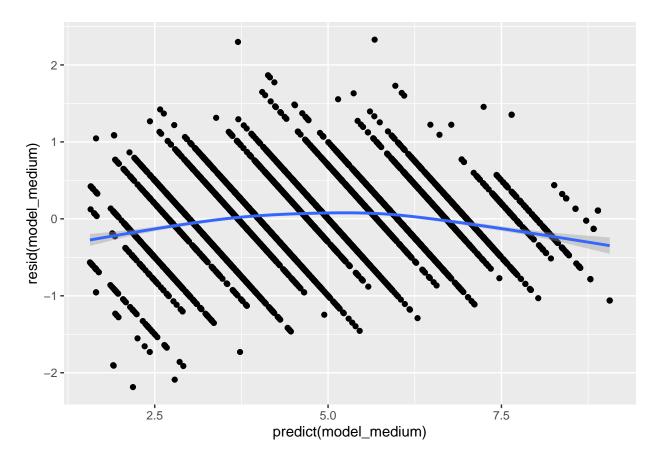
```
# Size versus residuals
plot_3 <- ggplot(data = d, mapping = aes(x = log_size, y = resid(model_medium))) +
   geom_point() + stat_smooth()
plot_3</pre>
```

##  $geom_smooth()$  using method = gam' and formula  $y \sim s(x, bs = cs')'$ 



```
# Model predictions versus residuals
plot_4 <- ggplot(data = d, mapping = aes(x = predict(model_medium), y = resid(model_medium))) +
   geom_point() + stat_smooth()
plot_4</pre>
```

##  $geom_smooth()$  using method = gam' and formula  $y \sim s(x, bs = cs')'$ 

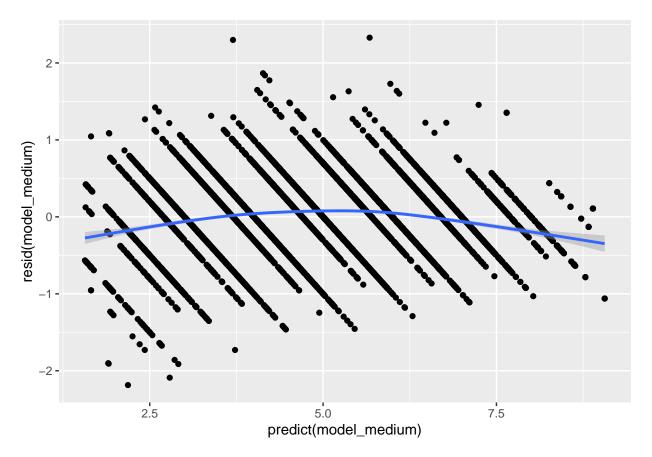


4. Homoskedastic Errors: When assessing homoskedastic errors, we seek to determine if there is a relationship between the variance of the model residuals and the predictors. If the homoskedastic assumption is satisfied, then we should observe a lack of relationship; conversely, if the data are heteroskedastic then the conditional variance will depend on the predictors. The first plot is an eyeball test of homoskedasticity, showing the model residuals as a function of the model predictions. We notice that the spread of the residuals is mostly consistent throughout the data, although the right-hand side is somewhat narrower. As a more concrete assessment, we also perform a Breush-Pagan test with the null hypothesis that there are no heteroskedastic errors in the model. Since the p-value falls below our significance threshold of 0.001, we find enough evidence to reject the null hypothesis. In response to this failed assumption, we report robust standard errors (adjusted for heteroskedasticity) instead of non-adjusted errors.

```
# Breusch-Pagan test
bp_test <- bptest(model_small)
bp_test

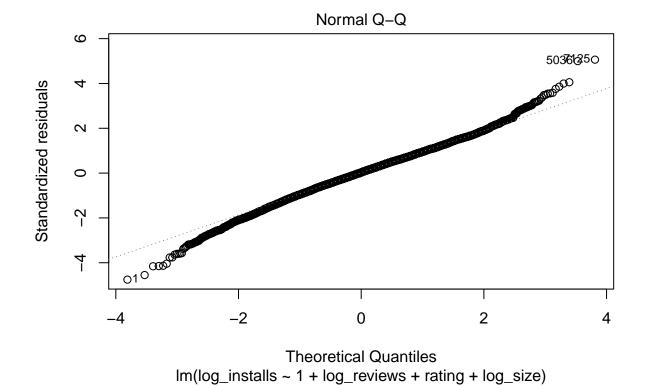
##
## studentized Breusch-Pagan test
##
## data: model_small
## BP = 206.05, df = 1, p-value < 0.00000000000000022
plot_4

## `geom_smooth()` using method = 'gam' and formula 'y ~ s(x, bs = "cs")'</pre>
```



5. Normally Distributed Errors: When assessing the normality of the error distribution, we seek to determine if the model residuals are approximately Gaussian. If so, then the sample quantiles of the residuals should closely match the theoretical quantiles of a normal distribution in a Q-Q plot. Below, we plot the Q-Q plot associated with our model. In general, the residuals seem to follow a normal distribution, as the middle quantiles match the corresponding theoretical quantiles. However, the tails of the residual distribution are fatter than expected; the first quantiles occur at smaller than expected values, and the last quantiles occur at larger than expected values. Overall, the assumption of normally distributed errors seems imperfect but reasonably justified.

```
# Q-Q plot
plot_5 <- plot(model_medium, which = 2)</pre>
```



plot\_5

## ## NULL

\*\* Reverse Causality: \*\* We have to consider the possibility that high average reviews could lead to a higher number of installations which could lead to a higher average review. We will want to test for a reverse causality relationship between these two variables to determine if the best linear predictor is valid. If we regress average reviews on installs, the installs coefficient (Gamma1) will have a positive slope. Since Beta1 (average review slope coefficient) > 0, we know higher average review leads to more installs. Since Gamma1 (installs slope cofficent for reverse causality) is > 0, this leads to positive feedback. Given we have two potentially positive coefficents, this could be a bias away from zero which is a concern that a reverse causality relationship exists between the two variables. We could consider dropping average reviews as a variable and determine if there are other leading variables that can explain the number of installs for an app.

```
model_small <- lm(log_installs ~ 1 + log_reviews, data = d)</pre>
model_reverse <- lm(log_reviews ~ 1 + log_installs, data = d)</pre>
stargazer(
  model small,
  model_reverse,
  type = 'text',
  se = list(get_robust_se(model_small), get_robust_se(model_medium))
)
##
```

##

Dependent variable:

##			
##		log_installs (1)	log_reviews (2)
##		` ,	
##	log_reviews	0.944***	
##	108_10716WB	(0.004)	
##		(0.004)	
	log ingtalls		0.964
##	log_installs		0.904
##			
	Comptont	1 007-16-16-16	1 E / Oakalada
	Constant	1.907***	-1.542***
##		(0.015)	(0.053)
##			
##			
##	Observations	7,226	7,226
##	R2	0.910	0.910
##	Adjusted R2	0.910	0.910
##	Residual Std. Error (df = 7224)	0.481	0.487
##	F Statistic (df = 1; 7224)	72,962.100***	72,962.100***
##	=======================================		
##	Note:	*p<0.1; **p<0	.05; ***p<0.01