Kilger

MKT6971 2 credit course

Practicum I second semester

Exercise #3

Name:

This third exercise is to give you practice at creating and extracting a single construct (abstract constructs) from multiple variables.

You can copy and edit code from exercise 2 that created the variables for the market segmentation project and create a temporary SAS system file that you can then append your code for PROC FACTOR (your PCA analysis) to.

1. Run your PCA analysis on the eight or more variables that make up the abstract construct variables that you named in exercise #1 and extracted in exercise #2. Then answer the following questions:
2. Decide which extraction technique to use and tell me why
3. Decide which rotation method you are going to use and why
4. Run the PCA analysis.
   1. What is the criteria for determining that a factor was extracted?
   2. How many factors were extracted – hopefully just two factors? Was it the number you expected? If not, you may have to replace a variable or two that was not working and may have caused the excess number of factors and rerun it. Cut and paste the eigenvalue table.
   3. What percentage of the variance was explained by the extracted factors?
   4. Make a not so pretty scree plot in SAS. How do you interpret it? Cut and paste it.
   5. Find the correct Factor Pattern matrix and cut it and paste it. Circle which variables go with which factor.
   6. Interpret the two factors extracted.
   7. Turn in your report and the code that created the output.