

DAY 8 - Data Preprocessing and Feature Engineering

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Data Pre processing and Feature Engineering



- Data preprocessing and Feature engineering is the process of selecting, manipulating, and transforming raw data into features that can be used in supervised learning.
- Data preprocessing is a technique that is used to convert the raw data into a clean data set.
- Feature Engineering is the preprocessing step of machine learning, which extract features from raw data.
- The process helps to represent an underlying problem to predictive models in a better way, which as a result, improve the accuracy of the model for unseen data.

Data Pre processing and Feature Engineering



- The Predictive model contains predictor variables and outcome variable and while data preprocessing and feature engineering process selects the most useful predictor variables for the model.
- The process can produce new features for both supervised and unsupervised learning, with the goal of simplifying and speeding up data transformations while also enhancing model accuracy.

Data Pre processing and Feature Engineering



Let's take a **simple example**. Below are the prices of properties in x city. It shows the area of the house and total price.

| Sq Ft. | Amount |
|--------|-------------|
| 2400 | 9 Million |
| 3200 | 15 Million |
| 2500 | 10 Million |
| 2100 | 1.5 Million |
| 2500 | 8.9 Million |

Fig.1

| Sq Ft. | Amount | Cost Per Sq Ft |
|--------|-------------|----------------|
| 2400 | 9 Million | 4150 |
| 3200 | 15 Million | 4944 |
| 2500 | 10 Million | 3950 |
| 2100 | 1.5 Million | 510 |
| 2500 | 8.9 Million | 3600 |

Fig.2

Now this data might have some errors or might be incorrect. To begin, we'll add a new column to display the cost per square foot.

This new feature will help us understand a lot about our data. So, we have a new column which shows cost per square ft.

Data Preprocessing and Feature engineering consists of various process –

1. Feature Creation: Creating features involves creating new variables which will be most helpful for our model. This can be adding or removing some features. As we saw above, the cost per sq. ft column was a feature creation.

2. Transformations: Feature transformation is simply a function that transforms features from one representation to another. The goal here is to plot and visualise data, if something is not adding up with the new features we can reduce the number of features used, speed up training, or increase the accuracy of a certain model.

3. Feature Extraction: Feature extraction is the process of extracting features from a data set to identify useful information. Without distorting the original relationships or significant information, this compresses the amount of data into manageable quantities for algorithms to process.

4. Exploratory Data Analysis : Exploratory data analysis (EDA) is a powerful and simple tool that can be used to improve your understanding of your data, by exploring its properties. The technique is often applied when the goal is to create new hypotheses or find patterns in the data. It's often used on large amounts of qualitative or quantitative data that haven't been analyzed before.

5. Benchmark : A Benchmark Model is the most user-friendly, dependable, transparent, and interpretable model against which you can measure your own. It's a good idea to run test datasets to see if your new machine learning model outperforms a recognised benchmark.

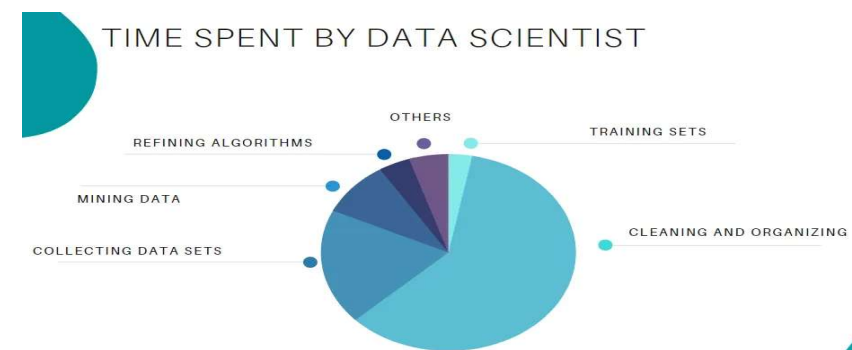
Importance Of Data Preprocessing:

Preprocessing data is an important step for data analysis. The following are some benefits of preprocessing data:

- **Improves accuracy and reliability.** Preprocessing data removes missing or inconsistent data values resulting from human or computer error, which can improve the accuracy and quality of a dataset, making it more reliable.
- **Makes data consistent.** When collecting data, it's possible to have data duplicates, and discarding them during preprocessing can ensure the data values for analysis are consistent, which helps produce accurate results.
- **Increases the data's algorithm readability.** Preprocessing enhances the data's quality and makes it easier for machine learning algorithms to read, use, and interpret it.

Importance Of Feature Engineering:

- Feature engineering refers to the process of designing artificial features into an algorithm. These artificial features are then used by that algorithm in order to improve its performance, or in other words reap better results. Data scientists spend most of their time with data, and it becomes important to make models accurate.
- When feature engineering activities are done correctly, the resulting dataset is optimal and contains all of the important factors that affect the business problem. As a result of these datasets, the most accurate predictive models and the most useful insights are produced.





Data Preprocessing and Feature Engineering Techniques:

1. Data Cleaning
2. Data Transform
3. Data Reduction
4. Categorical Encoding
5. Scaling

1.Data Cleaning

Data cleaning is not just about erasing data or filling in missing values. It's a comprehensive process involving various techniques to transform raw data into a format suitable for analysis.

- a) **Handling Missing Values:** Missing data can occur for various reasons, such as errors in data collection or transfer. There are several ways to handle missing data, depending on the nature and extent of the missing values
- b) **Removing Duplicates:** Duplicate entries can occur for various reasons, such as data entry errors or data merging. These duplicates can skew the data and lead to biased results. Techniques for removing duplicates involve identifying these redundant entries based on key attributes and eliminating them from the dataset.



- c) **Outlier Detection:** Outliers are data points that significantly deviate from other observations. They can be caused by variability in the data or errors. Outlier detection techniques are used to identify these anomalies.

a) Handling Missing Values

1.Imputation

When it comes to preparing your data for machine learning, missing values are one of the most typical issues. Human errors, data flow interruptions, privacy concerns, and other factors could all contribute to missing values. Missing values have an impact on the performance of machine learning models for whatever cause. The main goal of imputation is to handle these missing values. There are two types of imputation :

Numerical Imputation: Numerical data imputation algorithms replace missing values by estimates to leverage in- complete data sets. such as age, price, salary, and so on.

Eg.

#Filling all missing values with 0

data = data.fillna(0)

Data Pre processing and Feature Engineering



Importing the dataset

Loading the data using Pandas library using `read_csv()` method.

```
In [2]: 1 # Importing Dataset
        2 dataset = pd.read_csv('Data.csv')
        3 dataset
```

Out[2]:

| | Country | Age | Salary | Purchased |
|---|---------|------|---------|-----------|
| 0 | France | 44.0 | 72000.0 | No |
| 1 | Spain | 27.0 | 48000.0 | Yes |
| 2 | Germany | 30.0 | 54000.0 | No |
| 3 | Spain | 38.0 | 61000.0 | No |
| 4 | Germany | 40.0 | NaN | Yes |
| 5 | France | 35.0 | 58000.0 | Yes |
| 6 | Spain | NaN | 52000.0 | No |
| 7 | France | 48.0 | 79000.0 | Yes |
| 8 | Germany | 50.0 | 83000.0 | No |
| 9 | France | 37.0 | 67000.0 | Yes |

The 4th and 6th index have null values.

Data Pre processing and Feature Engineering



dropna() function that can be used to drop either row or columns with missing data. We can use *dropna()* to remove all the rows with missing data.

```
In [15]: 1 dataset_1 = dataset.dropna()
```

```
In [16]: 1 dataset_1
```

```
Out[16]:
```

| | Country | Age | Salary | Purchased |
|---|---------|------|---------|-----------|
| 0 | France | 44.0 | 72000.0 | No |
| 1 | Spain | 27.0 | 48000.0 | Yes |
| 2 | Germany | 30.0 | 54000.0 | No |
| 3 | Spain | 38.0 | 61000.0 | No |
| 5 | France | 35.0 | 58000.0 | Yes |
| 7 | France | 48.0 | 79000.0 | Yes |
| 8 | Germany | 50.0 | 83000.0 | No |
| 9 | France | 37.0 | 67000.0 | Yes |

We can see before there is 4th and 6th index have null values. Now as above we can see both rows with missing data has been removed.

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#Replacing Null values with Strategy:

For replacing null values we use the strategy that can be applied on a feature which has numeric data. We can calculate the *Mean*, *Median* or *Mode* of the feature and replace it with the missing values.

Mean (Download Speed) = 130

| Mobile ID | Mobile Package | Download Speed | Data Limit Usage |
|-----------|----------------|----------------|------------------|
| 1 | Fast+ | 157 | 80% |
| 2 | Lite | 99 | 70% |
| 3 | Fast+ | 167 | 10% |
| 4 | Fast+ | N/A | 80% |
| 5 | Lite | 76 | 70% |
| 6 | Fast+ | 155 | 10% |
| 7 | Fast+ | N/A | 95% |
| 8 | Lite | 76 | 77% |
| 9 | Fast+ | 180 | 95% |

| Mobile ID | Mobile Package | Download Speed | Data Limit Usage |
|-----------|----------------|----------------|------------------|
| 1 | Fast+ | 157 | 80% |
| 2 | Lite | 99 | 70% |
| 3 | Fast+ | 167 | 10% |
| 4 | Fast+ | 130 | 80% |
| 5 | Lite | 76 | 70% |
| 6 | Fast+ | 155 | 10% |
| 7 | Fast+ | 130 | 95% |
| 8 | Lite | 76 | 77% |
| 9 | Fast+ | 180 | 95% |

Median (Download Speed) = 155

| Mobile ID | Mobile Package | Download Speed | Data Limit Usage |
|-----------|----------------|----------------|------------------|
| 1 | Fast+ | 157 | 80% |
| 2 | Lite | 99 | 70% |
| 3 | Fast+ | 167 | 10% |
| 4 | Fast+ | N/A | 80% |
| 5 | Lite | 76 | 70% |
| 6 | Fast+ | 155 | 10% |
| 7 | Fast+ | N/A | 95% |
| 8 | Lite | 76 | 77% |
| 9 | Fast+ | 180 | 95% |

| Mobile ID | Mobile Package | Download Speed | Data Limit Usage |
|-----------|----------------|----------------|------------------|
| 1 | Fast+ | 157 | 80% |
| 2 | Lite | 99 | 70% |
| 3 | Fast+ | 167 | 10% |
| 4 | Fast+ | 155 | 80% |
| 5 | Lite | 76 | 70% |
| 6 | Fast+ | 155 | 10% |
| 7 | Fast+ | 155 | 95% |
| 8 | Lite | 76 | 77% |
| 9 | Fast+ | 180 | 95% |

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Replacing with Mean

```
In [19]: 1 dataset.fillna(dataset.mean(), inplace=True)
```

```
In [20]: 1 dataset
```

Out[20]:

| | Country | Age | Salary | Purchased |
|---|---------|-----------|--------------|-----------|
| 0 | France | 44.000000 | 72000.000000 | No |
| 1 | Spain | 27.000000 | 48000.000000 | Yes |
| 2 | Germany | 30.000000 | 54000.000000 | No |
| 3 | Spain | 38.000000 | 61000.000000 | No |
| 4 | Germany | 40.000000 | 63777.777778 | Yes |
| 5 | France | 35.000000 | 58000.000000 | Yes |
| 6 | Spain | 38.777778 | 52000.000000 | No |
| 7 | France | 48.000000 | 79000.000000 | Yes |
| 8 | Germany | 50.000000 | 83000.000000 | No |
| 9 | France | 37.000000 | 67000.000000 | Yes |

In the above line of code, it will affect the entire data-set and replaces every variable null values with their respective mean, and '*inplace = True*' indicates to affect the changes to dataset

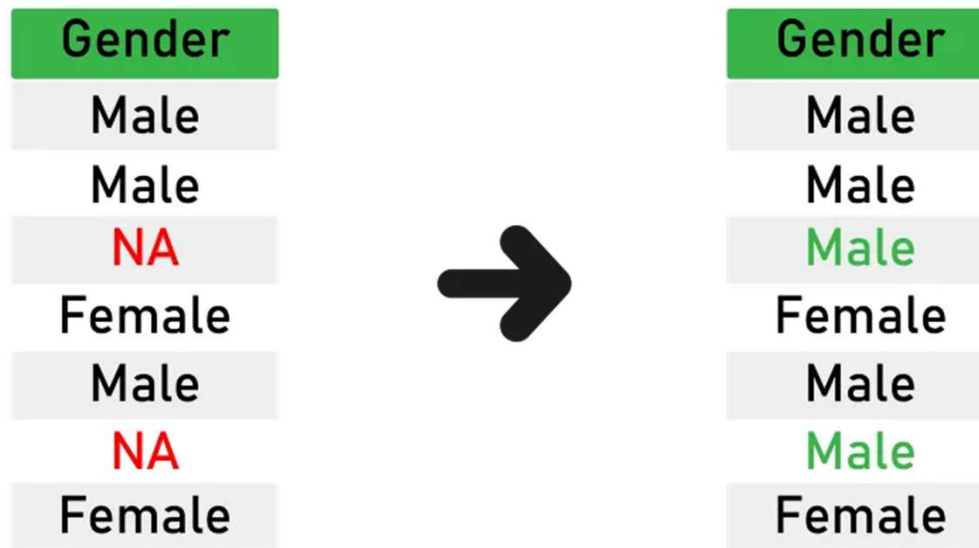
Categorical Imputation: When dealing with categorical columns, replacing missing values with the highest value in the column is a smart solution, or substitute missing values of each attribute by the most common value of the attribute

Eg.

#Max fill function for categorical columns

```
data['column_name'].fillna(data['column_name'].value_counts().idxmax(
), inplace=True)
```

Frequent category imputation — or **mode imputation** — consists of replacing all occurrences of missing values (NA) within a variable with the mode, or the most frequent value.



Frequent Category Imputation

Data Pre processing and Feature Engineering



```
In [25]: # Read and Load the Dataset
df=pd.read_csv('toy_dataset.csv')
df.head()
```

```
Out[25]:
```

| | Feature-1 | Feature-2 | Feature-3 | Feature-4 |
|---|-----------|-----------|-----------|-----------|
| 0 | Male | 23 | 24 | Yes |
| 1 | NaN | 24 | 25 | No |
| 2 | Female | 25 | 26 | Yes |
| 3 | Male | 26 | 27 | Yes |

The 1st index is having null value and it can be replaced with categorical imputation

```
In [33]: # Fill missing value with the most frequent value of that column
df = df.fillna(df.mode().iloc[0])
df.head()
```

```
Out[33]:
```

| | Feature-1 | Feature-2 | Feature-3 | Feature-4 |
|---|-----------|-----------|-----------|-----------|
| 0 | Male | 23 | 24 | Yes |
| 1 | Male | 24 | 25 | No |
| 2 | Female | 25 | 26 | Yes |
| 3 | Male | 26 | 27 | Yes |

b) Handling Outliers

Outliers are those data points that are significantly different from the rest of the dataset. They are often abnormal observations that skew the data distribution, and arise due to inconsistent data entry, or erroneous observations.

Outlier handling is a technique for removing outliers from a dataset. This method can be used on a variety of scales to produce a more accurate data representation.


The various methods of handling outliers include:

- **Removal:** Outlier-containing entries are deleted from the distribution. However, if there are outliers across numerous variables, this strategy may result in a big chunk of the datasheet being missed.
- **Replacing values:** Alternatively, the outliers could be handled as missing values and replaced with suitable imputation.
- **Capping:** Using an arbitrary value or a value from a variable distribution to replace the maximum and minimum values.

Example

Consider a small dataset, sample= [15, 101, 18, 7, 13, 16, 11, 21, 5, 15, 10, 9]. By looking at it, one can quickly say '101' is an outlier that is much larger than the other values.

| +-----+-----+ | |
|------------------|-----------------|
| with outlier | without outlier |
| +-----+-----+ | |
| Mean: 20.08 | Mean: 12.72 |
| Median: 14.0 | Median: 13.0 |
| Mode: 15 | Mode: 15 |
| Variance: 614.74 | Variance: 21.28 |
| Std dev: 24.79 | Std dev: 4.61 |
| +-----+-----+ | |



From the above calculations, we can clearly say the Mean is more affected than the Median.

Example

Consider a small dataset, sample= [15, 101, 18, 7, 13, 16, 11, 21, 5, 15, 10, 9]. By looking at it, one can quickly say ‘101’ is an outlier that is much larger than the other values.

1. Remove the outliers:-In this technique, we remove the outliers from the dataset.

```
# Trimming for i in sample_outliers: a = np.delete(sample,  
np.where(sample==i)) print(a) # print(len(sample), len(a))
```

Old dataset -[15, 101, 18, 7, 13, 16, 11, 21, 5, 15, 10, 9]

The outlier ‘101’ is deleted and the rest of the data points are copied to another array ‘a’.

New dataset -[15, 101, 18, 7, 13, 16, 11, 21, 5, 15, 10, 9]

2. Quantile Based Flooring and Capping

In this technique, the outlier is capped at a certain value above the 90th percentile value or floored at a factor below the 10th percentile value. Python code to delete the outlier and copy the rest of the elements to another array.

```
# Computing 10th, 90th percentiles and replacing the outliers  
tenth_percentile = np.percentile(sample, 10)  
ninetieth_percentile = np.percentile(sample, 90)  
# print(tenth_percentile, ninetieth_percentile)  
b = np.where(sample < tenth_percentile, tenth_percentile, sample)  
b = np.where(b > ninetieth_percentile, ninetieth_percentile, b)  
# print("Sample:", sample)  
print("New array:", b)
```



The above code outputs: **New array:** [15, 20.7, 18, 7.2, 13, 16, 11, 20.7, 7.2, 15, 10, 9]

The data points that are lesser than the 10th percentile are replaced with the 10th percentile value and the data points that are greater than the 90th percentile are replaced with 90th percentile value.



2. Data Transformation

Data transformation is the process of converting raw data into a format or structure that would be more suitable for the model or algorithm and also data discovery in general.

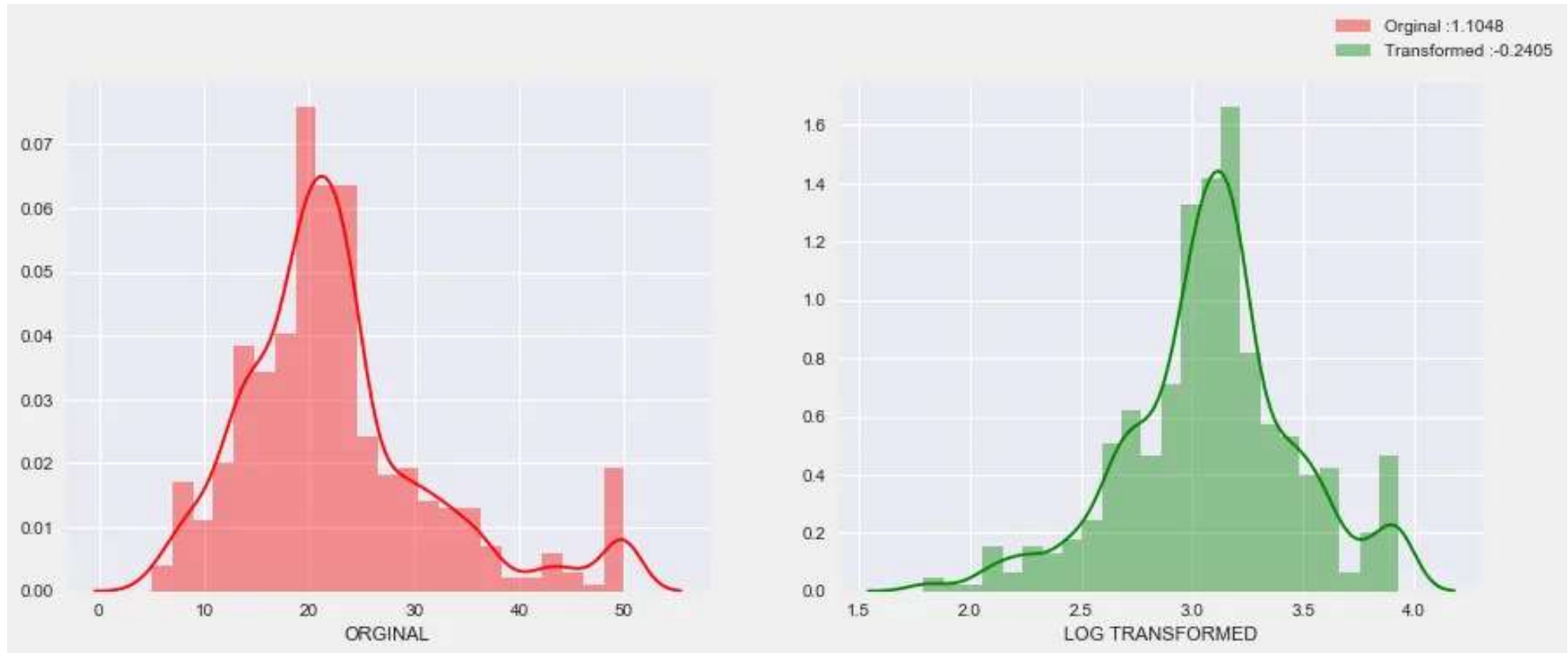
1. Log Transform
2. Square Root Transform
3. Reciprocal Transformation
4. Box-Cox Transformation

3. Log Transform

Log Transform is the most used technique among data scientists. It's mostly used to turn a skewed distribution into a normal or less-skewed distribution. We take the log of the values in a column and utilise those values as the column in this transform. It is used to handle confusing data, and the data becomes more approximative to normal applications.

```
import numpy as np
log_target = np.log1p(df["Target"])
```

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The above plot is the comparison of original and Log transformed data. Here we see the skewness is reduced in the transformed data. (best skew value should be nearly zero)

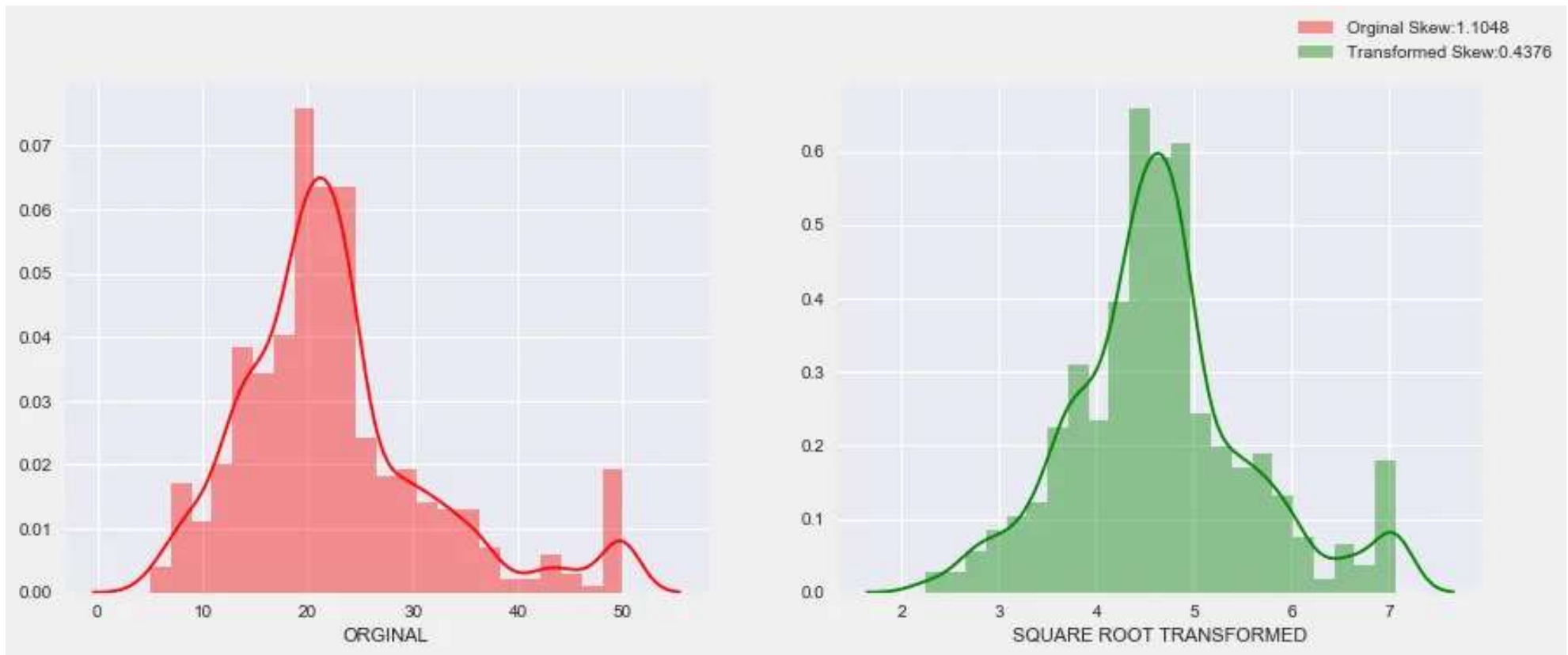


2. Square-Root Transformation

This transformation will give a moderate effect on distribution. The main advantage of square root transformation is, it can be applied to zero values. Here the x will replace by the \sqrt{x} . It is weaker than the Log Transformation.

```
sqrt_target = df["Target"]**(1/2)
```

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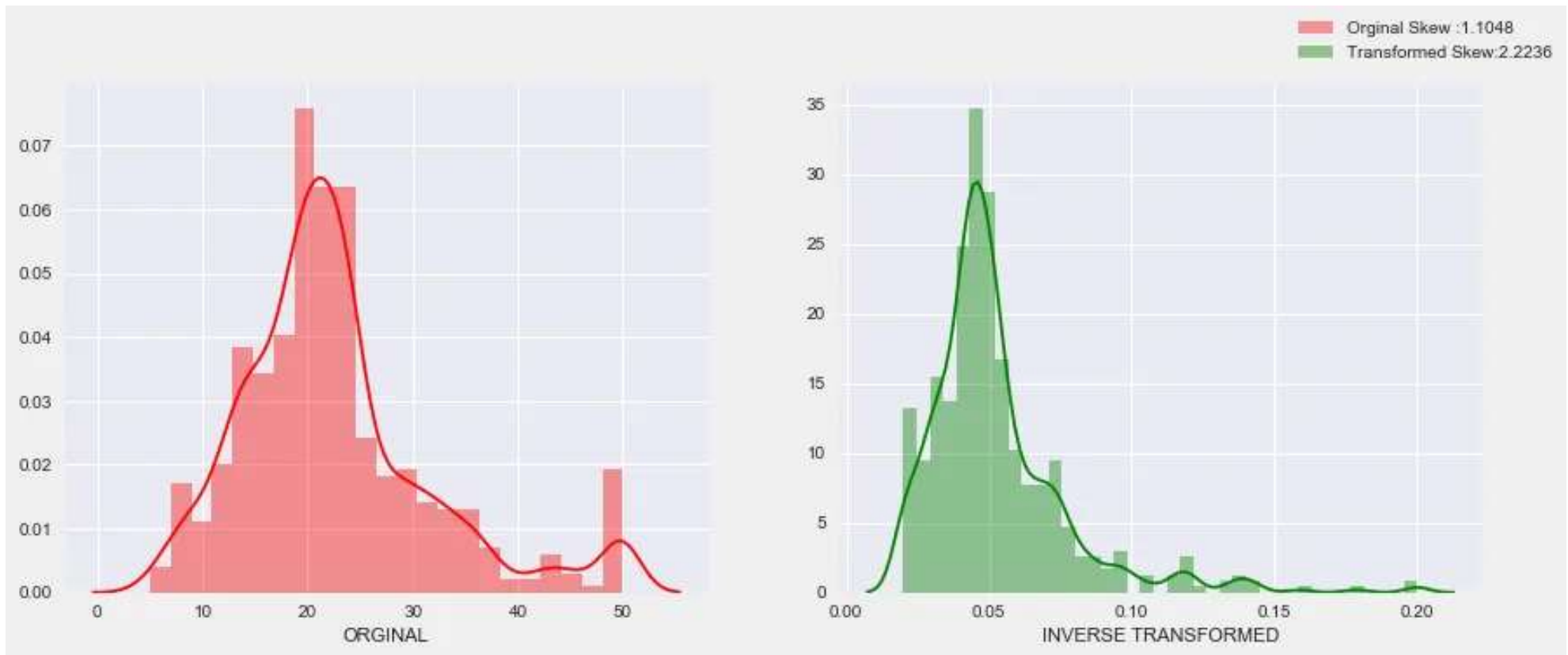


3. Reciprocal Transformation :

In this transformation, x will replace by the inverse of x ($1/x$).

The reciprocal transformation will give little effect on the shape of the distribution. This transformation can be only used for non-zero values.

```
reciprocal_target = 1/df["Target"]
```

The skewness for the transformed data is increased.

4. Box-Cox Transformation:

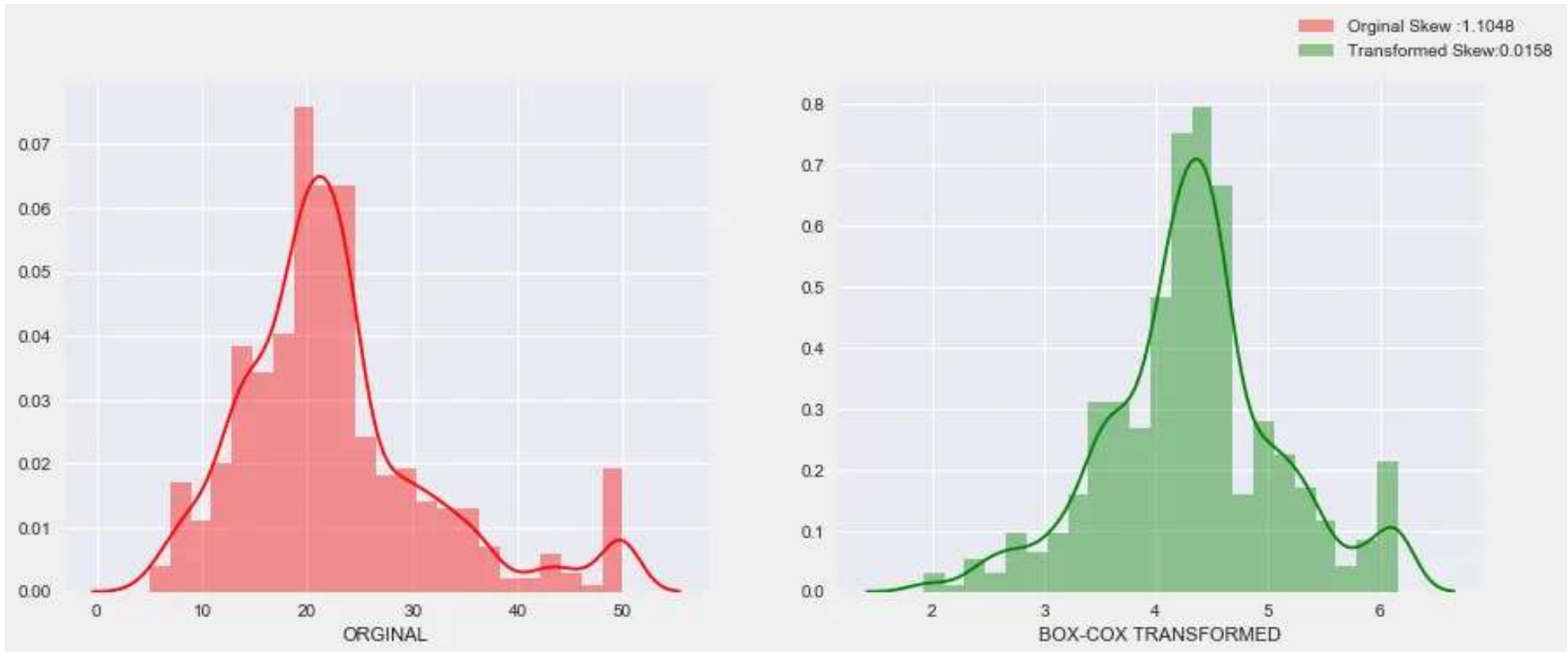
Box-cox transformation works pretty well for many data natures. The below image is the mathematical formula for Box-cox transformation.

$$y(\lambda) = \begin{cases} \frac{y^\lambda - 1}{\lambda}, & \text{if } \lambda \neq 0; \\ \log y, & \text{if } \lambda = 0. \end{cases}$$

All the values of lambda vary from -5 to 5 are considered and the best value for the data is selected. The “Best” value is one that results in the best skewness of the distribution.

```
from scipy.stats import boxcox  
bcx_target, lam = boxcox(df["Target"])  
#lam is the best lambda for the distribution
```

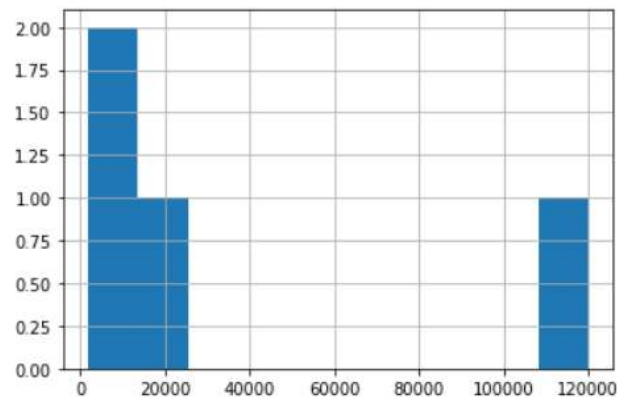
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Here, we noticed that the Box-cox function reduced the skewness and it is almost equal to zero. Worked well ; For this transformation, values strictly to be positive.

Consider an example for Log Transform with below dataset with features Income, Age and Management

| | Income | Age | Department |
|---|--------|-----|------------|
| 0 | 15000 | 25 | HR |
| 1 | 1800 | 18 | Legal |
| 2 | 120000 | 42 | Marketing |
| 3 | 10000 | 51 | Management |

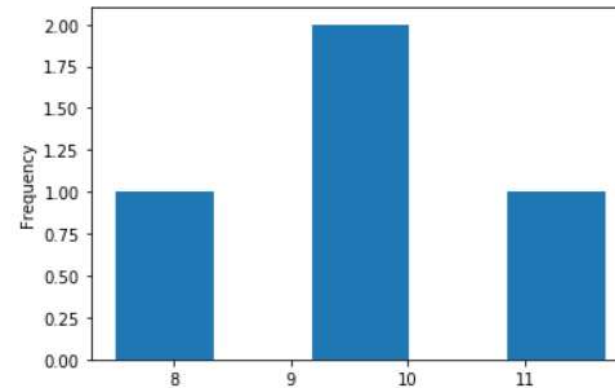


Apply log on income column:

```
df['log_income'] = np.log(df['Income'])
```

```
# We created a new column to store the log values
```

| | Income | Age | Department | log_income |
|---|--------|-----|------------|------------|
| 0 | 15000 | 25 | HR | 9.615805 |
| 1 | 1800 | 18 | Legal | 7.495542 |
| 2 | 120000 | 42 | Marketing | 11.695247 |
| 3 | 10000 | 51 | Management | 9.210340 |



While the Income column had extreme values ranging from 1800 to 1,20,000 – the log values are now ranging from approximately 7.5 to 11.7

Thus, the log operation had a dual role:

- Reducing the impact of too-low values
- Reducing the impact of too-high values.

4. Data Reduction

Data reduction is a technique used to reduce the size of a dataset while still preserving the most important information. This can be beneficial in situations where the dataset is too large to be processed efficiently, or where the dataset contains a large amount of irrelevant or redundant information. The methods are:-

- **Data Sampling**
- **Dimensionality Reduction**
- **Data Compression**
- **Data Discretization**
- **Feature Selection**



Data Sampling: This technique involves selecting a subset of the data to work with, rather than using the entire dataset. This can be useful for reducing the size of a dataset while still preserving the overall trends and patterns in the data.

Dimensionality Reduction: This technique involves reducing the number of features in the dataset, either by removing features that are not relevant or by combining multiple features into a single feature.

Data Compression: This technique involves using techniques such as lossy or lossless compression to reduce the size of a dataset.

Data Discretization: This technique involves converting continuous data into discrete data by partitioning the range of possible values into intervals or bins.

Feature Selection: This technique involves selecting a subset of features from the dataset that are most relevant to the task at hand.



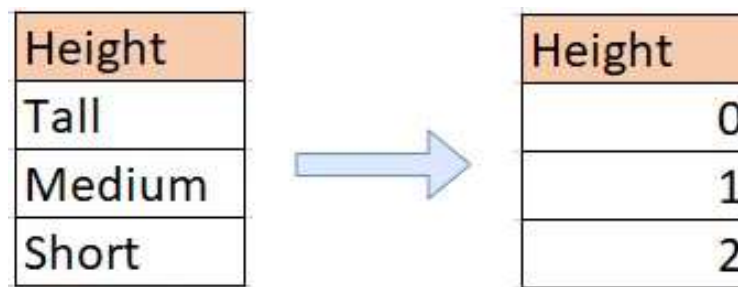
4. Categorical Encoding

The process of encoding categorical data into numerical data is called “categorical encoding.” It involves transforming categorical variables into a numerical format suitable for machine learning models.

1. *Label Encoding or Ordinal Encoding*
2. *One-hot encoding*
3. *Effect Encoding*
4. *Binary Encoding*
5. *Base-N Encoding*
6. *Hash Encoding*
7. *Target Encoding*

1. Label Encoding or Ordinal Encoding:

This encoding technique assigns a unique integer value to each category of the categorical variable. It is used when the categorical variable has an inherent order or hierarchy. For example, encoding T-shirt sizes as 0 for Small, 1 for Medium, and 2 for Large.


A diagram illustrating the process of label encoding. A light blue arrow points from a table on the left to a table on the right. The left table has a header 'Height' and three rows: 'Tall', 'Medium', and 'Short'. The right table has the same header 'Height' but with numerical values: 0, 1, and 2, corresponding to the categories in the left table.

| Height |
|--------|
| Tall |
| Medium |
| Short |

| Height |
|--------|
| 0 |
| 1 |
| 2 |

2. One-hot encoding:

One-Hot Encoding creates new binary variables (dummy variables) for each category of the categorical variable. Each category is represented by a binary feature, where 1 indicates the presence of that category and 0 indicates the absence. For example, encoding colors as Red [1, 0, 0], Green [0, 1, 0], Blue [0, 0, 1].

| Index | Animal | <div>One-Hot code</div> <div></div> | Index | Dog | Cat | Sheep | Lion | Horse |
|-------|--------|--|-------|-----|-----|-------|------|-------|
| 0 | Dog | | 0 | 1 | 0 | 0 | 0 | 0 |
| 1 | Cat | | 1 | 0 | 1 | 0 | 0 | 0 |
| 2 | Sheep | | 2 | 0 | 0 | 1 | 0 | 0 |
| 3 | Horse | | 3 | 0 | 0 | 0 | 0 | 1 |
| 4 | Lion | | 4 | 0 | 0 | 0 | 1 | 0 |

3. Effect Encoding:

Effect encoding (also known as Helmert encoding) is similar to one-hot encoding, but with a slight difference. In effect encoding, each category is represented by a series of values (-1, 0, 1), indicating the contrast between that category and the average of the subsequent categories. It is commonly used in regression models.

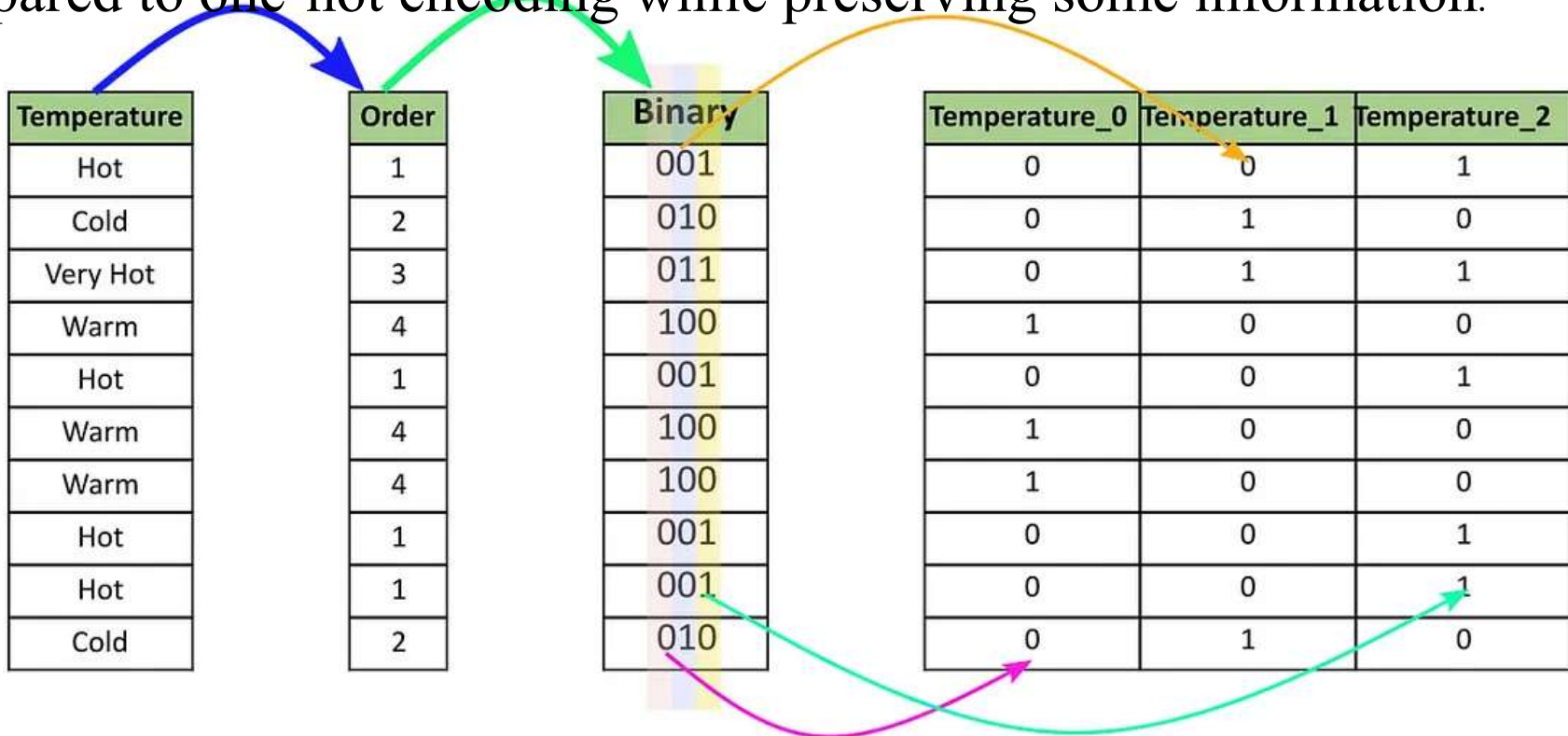
| | City |
|---|-----------|
| 0 | Delhi |
| 1 | Mumbai |
| 2 | Hyderabad |
| 3 | Chennai |
| 4 | Bangalore |
| 5 | Delhi |
| 6 | Hyderabad |



| | intercept | City_0 | City_1 | City_2 | City_3 |
|---|-----------|--------|--------|--------|--------|
| 0 | 1 | 1.0 | 0.0 | 0.0 | 0.0 |
| 1 | 1 | 0.0 | 1.0 | 0.0 | 0.0 |
| 2 | 1 | 0.0 | 0.0 | 1.0 | 0.0 |
| 3 | 1 | 0.0 | 0.0 | 0.0 | 1.0 |
| 4 | 1 | -1.0 | -1.0 | -1.0 | -1.0 |
| 5 | 1 | 1.0 | 0.0 | 0.0 | 0.0 |
| 6 | 1 | 0.0 | 0.0 | 1.0 | 0.0 |

4. Binary Encoding:

Binary encoding combines the advantages of hashing and one-hot encoding. It represents each category with binary digits, where each digit corresponds to a new binary variable. This encoding reduces the dimensionality compared to one-hot encoding while preserving some information.



5. Base-N Encoding:

Base-N encoding converts each category into a numerical form based on a specified base or radix. For example, in base 2 (binary), each category is encoded using its binary representation. Changing the base can lead to different numeric representations.

| | City |
|---|-----------|
| 0 | Delhi |
| 1 | Mumbai |
| 2 | Hyderabad |
| 3 | Chennai |
| 4 | Bangalore |
| 5 | Delhi |
| 6 | Hyderabad |
| 7 | Mumbai |
| 8 | Agra |



| | city_0 | city_1 | city_2 |
|---|--------|--------|--------|
| 0 | 0 | 0 | 1 |
| 1 | 0 | 0 | 2 |
| 2 | 0 | 0 | 3 |
| 3 | 0 | 0 | 4 |
| 4 | 0 | 1 | 0 |
| 5 | 0 | 0 | 1 |
| 6 | 0 | 0 | 3 |
| 7 | 0 | 0 | 2 |
| 8 | 0 | 1 | 1 |

Here used base 5

6. Hash Encoding:

Hash encoding converts categories into a fixed number of new variables using hashing techniques. The number of new variables is predefined, and hashing allows mapping the categories to these variables. However, there is a possibility of information loss due to collisions in the hashing process.

| | Month |
|---|-----------|
| 0 | January |
| 1 | April |
| 2 | March |
| 3 | April |
| 4 | February |
| 5 | June |
| 6 | July |
| 7 | June |
| 8 | September |



| | col_0 | col_1 | col_2 | col_3 | col_4 | col_5 |
|---|-------|-------|-------|-------|-------|-------|
| 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| 1 | 0 | 0 | 0 | 1 | 0 | 0 |
| 2 | 0 | 0 | 0 | 0 | 1 | 0 |
| 3 | 0 | 0 | 0 | 1 | 0 | 0 |
| 4 | 0 | 0 | 0 | 1 | 0 | 0 |
| 5 | 0 | 1 | 0 | 0 | 0 | 0 |
| 6 | 1 | 0 | 0 | 0 | 0 | 0 |
| 7 | 0 | 1 | 0 | 0 | 0 | 0 |
| 8 | 0 | 0 | 0 | 0 | 1 | 0 |

7. Target Encoding:

Target encoding (also known as mean encoding) uses the target variable to encode the categorical values. It replaces each category with the mean value of the target variable for that category. Target encoding is useful when the categorical variable is believed to have a predictive relationship with the target variable.

| Color | Target |
|--------|--------|
| Yellow | 0 |
| Yellow | 1 |
| Blue | 1 |
| Yellow | 1 |
| Red | 1 |
| Yellow | 0 |
| Red | 1 |
| Red | 0 |
| Yellow | 1 |
| Blue | 0 |

| Color | Target Mean |
|--------|-------------|
| Yellow | 0.6 |
| Blue | 0.5 |
| Red | 0.66 |

| Color | Target |
|-------|--------|
| 0.6 | 0 |
| 0.6 | 1 |
| 0.5 | 1 |
| 0.6 | 1 |
| 0.66 | 1 |
| 0.6 | 0 |
| 0.66 | 1 |
| 0.66 | 0 |
| 0.6 | 1 |
| 0.5 | 0 |

5. Feature Scaling

Feature Scaling is a technique to standardize the independent features present in the data in a fixed range. It is performed during the data pre-processing to handle highly varying magnitudes or values or units. Scaling guarantees that all features are on a comparable scale and have comparable ranges. There are two common ways for scaling :

- Normalization
- Standardization

- **Normalization.**

The goal of normalization is to change the values of numeric columns in the dataset to use a common scale, without distorting differences in the ranges of values or losing information. All values are scaled in a specified range between 0 and 1 via normalisation (or min-max normalisation).

Formula:

$$X_scaled = (X - X_min) / (X_max - X_min),$$

where X is the original feature, X_scaled is the scaled feature,

X_min is the minimum value of X, and X_max is the maximum value of X.

| Feature | Value |
|----------|-------|
| Feature1 | 10 |
| Feature2 | 20 |
| Feature3 | 15 |
| Feature4 | 30 |



| Feature | Value |
|----------|-------|
| Feature1 | 0.0 |
| Feature2 | 0.333 |
| Feature3 | 0.167 |
| Feature4 | 1.0 |

In this example, min-max scaling rescales the values of each feature to a specific range (typically between 0 and 1). The minimum value in the original dataset becomes 0, and the maximum value becomes 1. The other values are scaled proportionally within this range.

- **Standardization:**

Standardization (also known as z-score normalisation) is the process of scaling values while accounting for standard deviation. The values are centered around the mean with a unit standard deviation. This means that the mean of the attribute becomes zero, and the resultant distribution has a unit standard

Formula:

$$X_scaled = (X - X_mean) / X_std,$$

where X is the original feature, X_scaled is the scaled feature, X_mean is the mean of X , and X_std is the standard deviation of X .

| Feature | Value |
|----------|-------|
| Feature1 | 10 |
| Feature2 | 20 |
| Feature3 | 15 |
| Feature4 | 30 |



| Feature | Value |
|----------|--------|
| Feature1 | -1.161 |
| Feature2 | 0.387 |
| Feature3 | -0.387 |
| Feature4 | 1.161 |

In this example, standardization (Z-score scaling) transforms the values of each feature to have a mean of 0 and a standard deviation of 1. The original values are shifted and rescaled according to the mean and standard deviation of the feature.

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THANKS