



Reading the Data

Univariate Analysis

Missing Value Treatment

Transformation

Variable Identification

Analysis

Missing Value Treatment

Variable Treatment

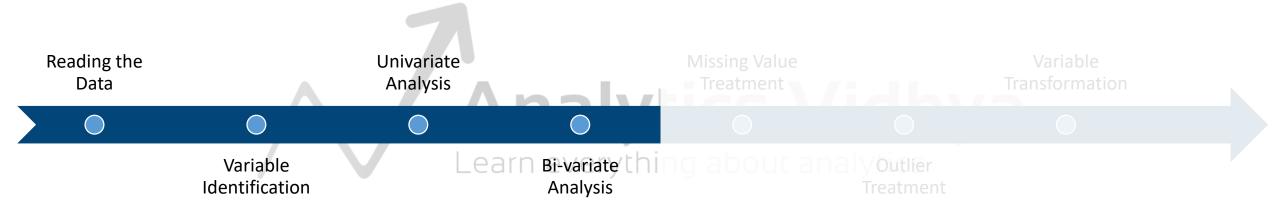
Treatment

Treatment

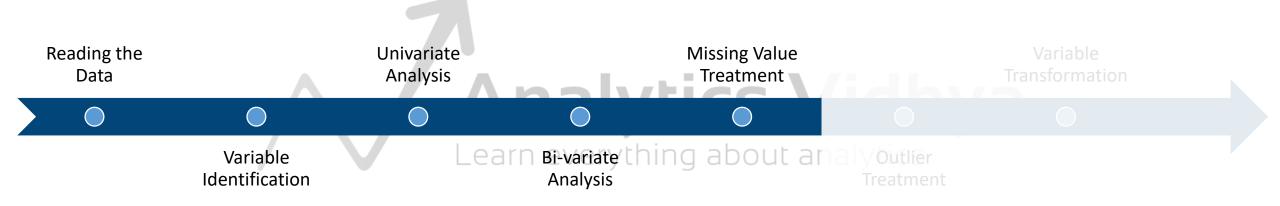




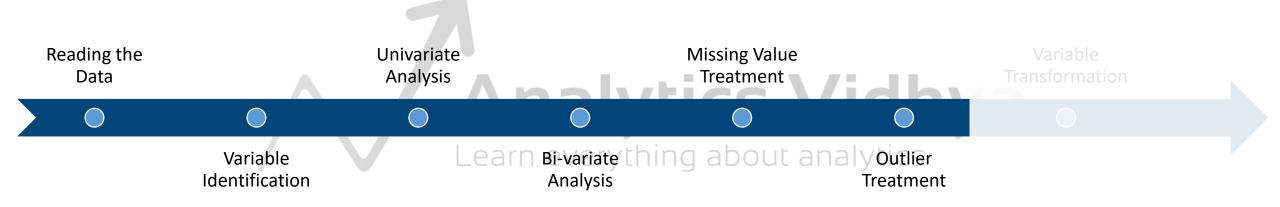


















Reading the Data Univariate Analysis Missing Value Treatment Variable Transformation

Variable Identification Bivariate Analysis Outlier Treatment

Topics to be covered Analytics Variable Learn everything about analytics

- 1. What is Variable Transformation?
- 2. What do we use Variable Transformation?
- 3. Common methods for Variable Transformation



### Variable Transformation

#### What is Variable Transformation?

Variable transformation is the process by which –

We replace a variable with some function of that variable. Example – replacing a variable x with its logarithm.

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2. We change the distribution or relationship of a variable with others



### Variable Transformation

#### Why do we use Variable Transformation?

Variable Transformation is used to -

- able Transformation is used to –

  Change the scale of a variable. For example If 10 variables are measured in km and 1 in miles Learn everything about analytics
- Transforming non linear relationships into linear relationships
- Create symmetric distributions from skewed distributions



### Variable Transformation

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#### **Common methods of Variable Transformation?**

- .. Logarithm Taking log of the variable reduces right skewedness of the variable.
- 2. Square root Used for right skewed variable with positive values only.
- 3. Cube root Used for right skewed variable with positive or negative values.
- 4. Binning Used for converting Continuous variables to Categorical variables.





