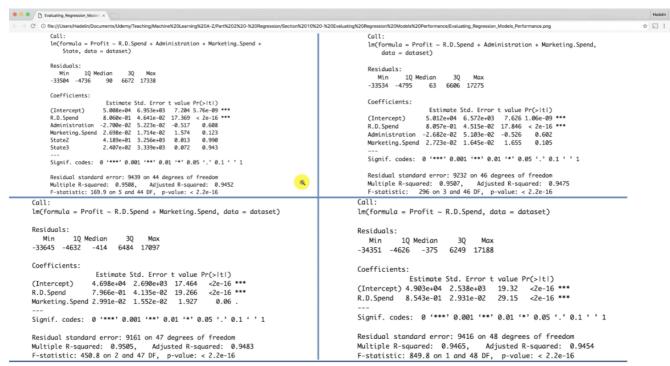
Interpreting Linear Regression Coefficients



Machine Learning A-Z

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- In our model 3, β_1 is 7.966e-01 and our β_2 is 2.991e-01
- If the sign of β were positive, it means that our independent variable is correlated with our dependent variable. It means that whether increase in β , also will cause to increase in dependent variable or not.
- In here we can see that the magnitude for R.D Speed is bigger than magnitude for the Marketing Speed. Be careful about it. It's a little tricky in Regression.
- In here you might say that the R.D. Speed has a higher impact on our dependent variable than the Marketing Speed. Well, it is only true when both of their units are same. For example, both of them are in dollars.
- If the unit of R.D. Speed is in cents and the units of the Marketing Speed is in dollars then it means that Marketing Speed has a higher impact.
- We always measure in units of dependent variable. For example, if one of independent variable were in cents but the dependent variable was in dollars that we measure in dollars
- Every time we run a model, its coefficient changes, it's because that the coefficients only talk about the additional effect of every single variable and with this consideration that other coefficients are fixed.