## How about more categories?

## One-hot

- There are a few ways of modeling predictors with many categories:
  - **Contrasts**: Each category is compared to a **baseline**, and the coefficients are comparisons between baseline and levels
  - One-hot: coefficients are means of each level of the predictor
  - Residuals: an overall mean is measured, and coefficients are differences between each level and the global mean

```
"B" "A" "A" "B" "C" "B" "B" "C" "B"
onehot
xA xB xC
```

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