



Recap....

- > **Calculation and Interpretation of Single Quantity measure in Azureml**





Guess Your Topic





Example....

.





Understand Relationship.....

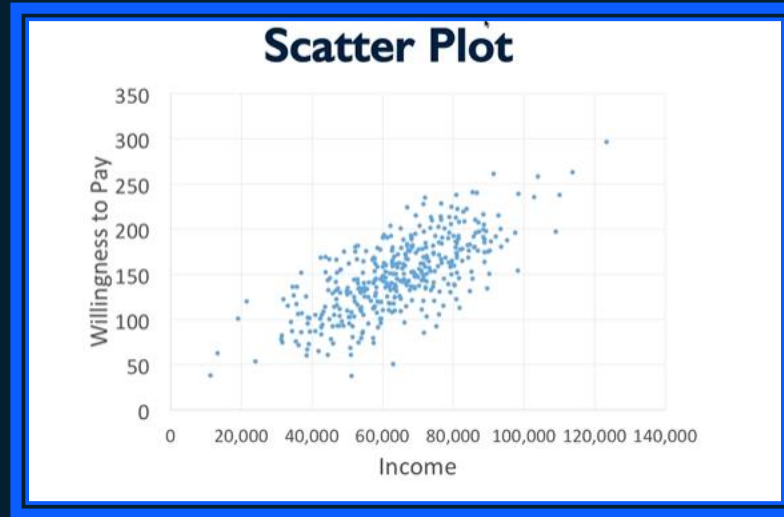
Selling Sunglasses



Is willingness to pay related to income?

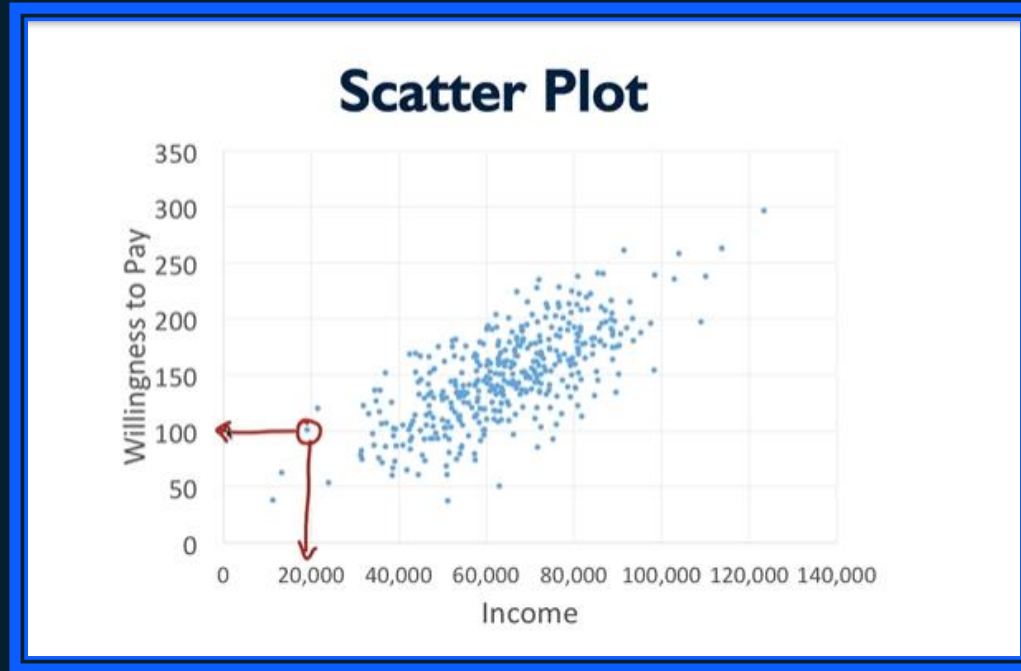


Scatter Plot....



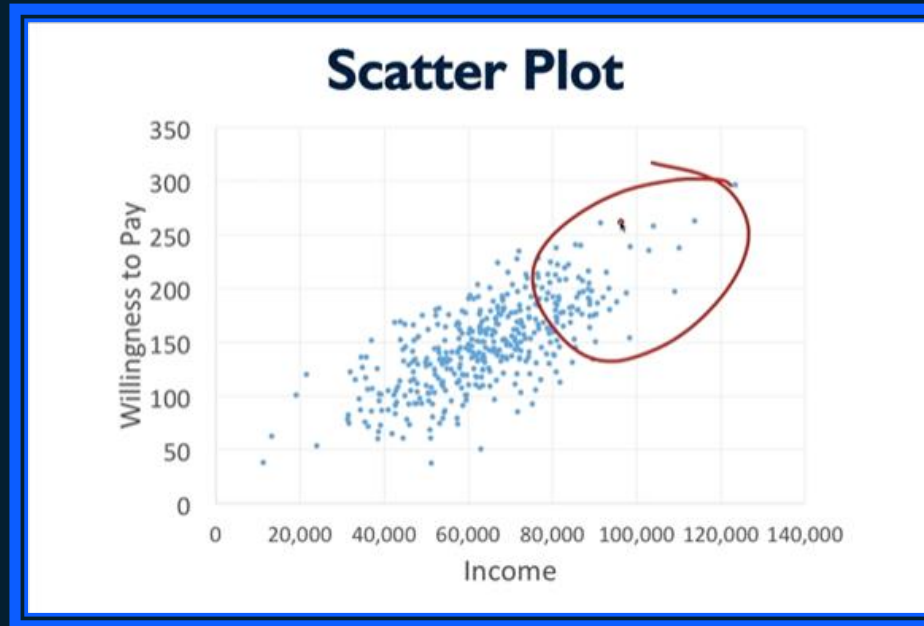


Interpretation.....





Higher Income People.....





Lower & Higher Income People.....





Scatter Plot....





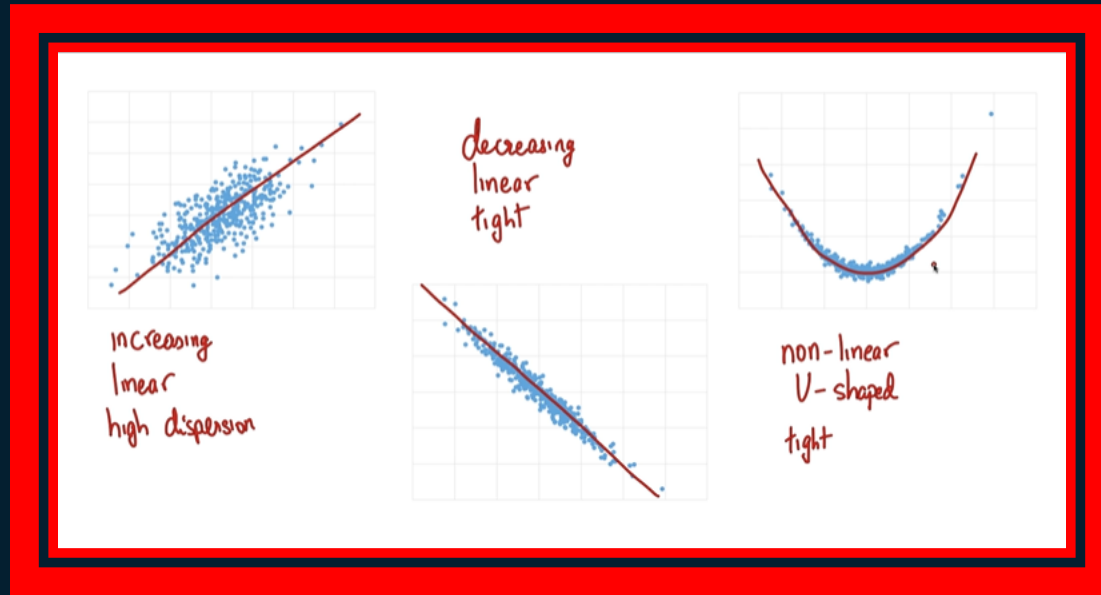
Attention...

Things To Look For

- Direction: Increasing? Decreasing? Neither? Both?
- Shape: Linear? U-shaped? Cyclical?
- Strength: How tight is the relationship?

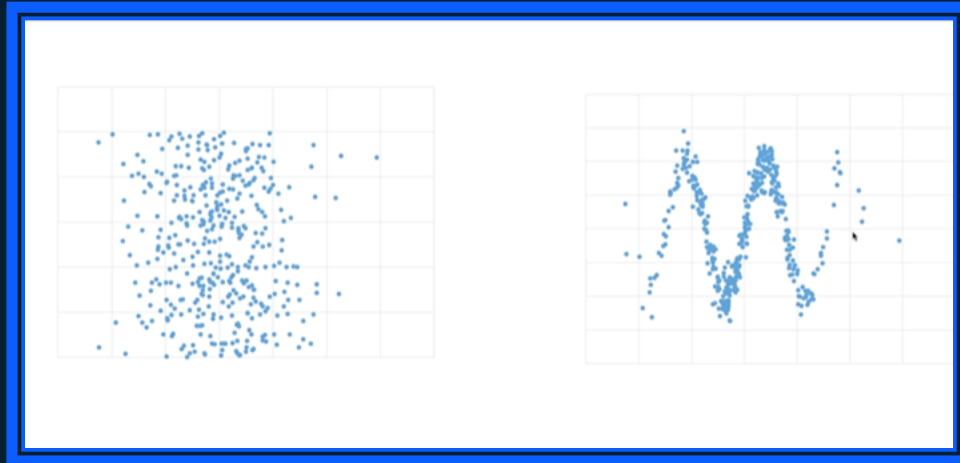


Shapes.....





Other Examples...





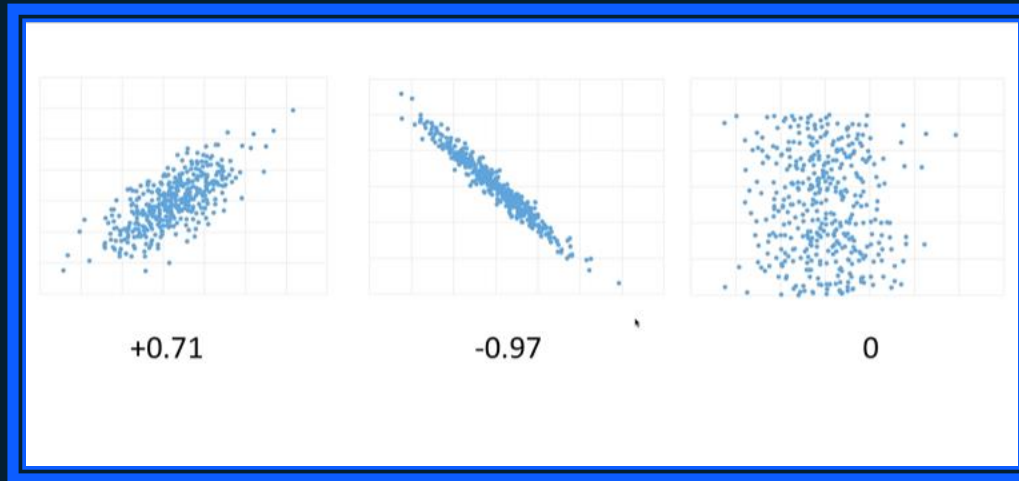
Correlation Coefficient.....

Correlation Coefficient

- Often denoted ρ (Greek rho) or r
- Number between -1 and +1
- Measures strength of linear relationship
- Sign indicates direction; magnitude indicates tightness

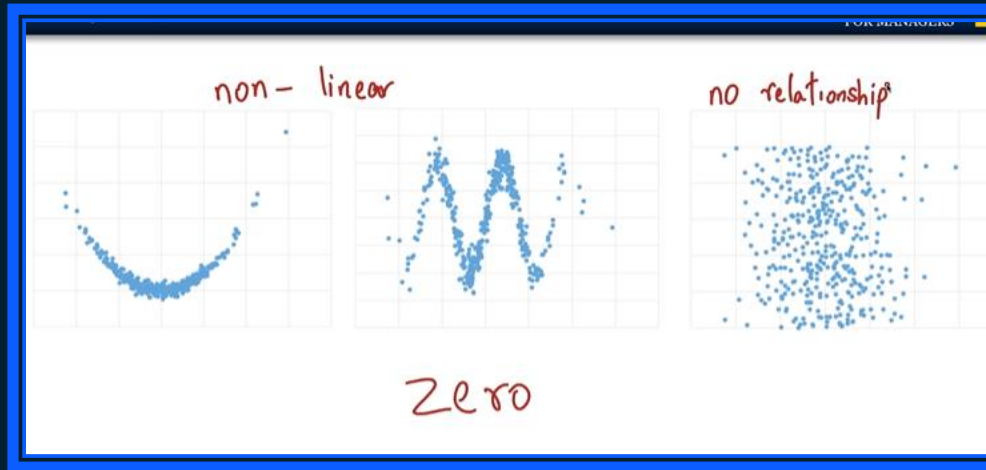


Intrepretation.....





Another Example....





Correlation Coefficient.....

Correlation Coefficient

Slope is not related to correlation.

Correlation is not causation.

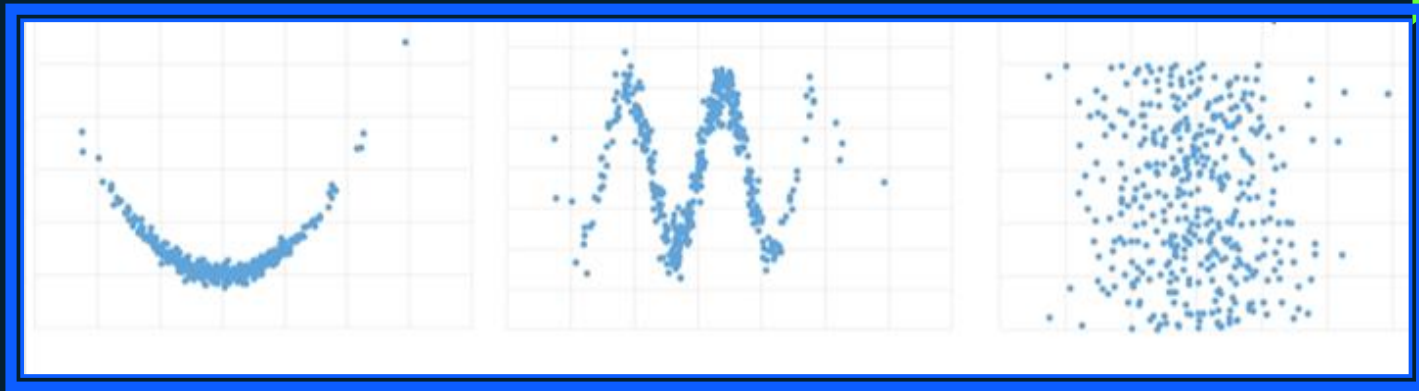
Correlation only measures relationship between 2 quantities.

E.g. What if willingness to pay was related to both income and age?



Time for Assessment.....

Identify the correlation coefficient





SUMMARY.....

- ❖ **Describing Two Quantities**
- ❖ **Scatter plot**
- ❖ **Different Shapes**



Reference.....

https://www.jmp.com/en_us/statistics-knowledge-portal/what-is-correlation.html

THANKS!