Recap....

- Calculation and Interpretation of Single Quantity measure in Azureml

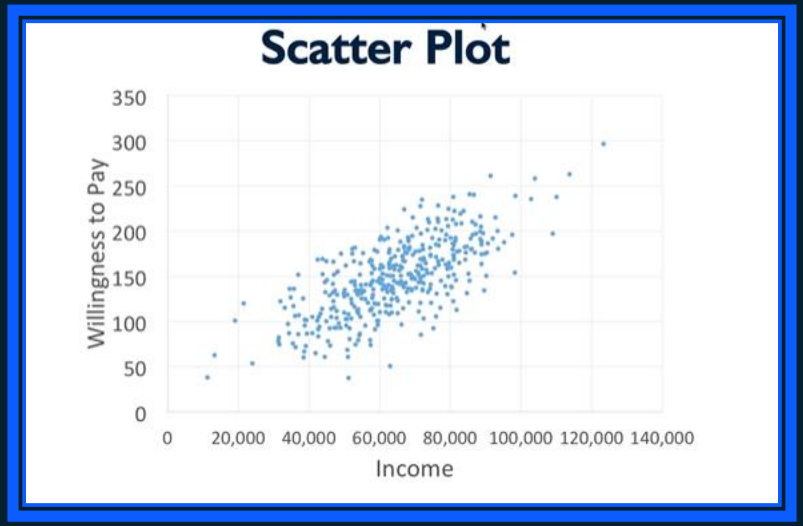
Guess Your Topic

Example....

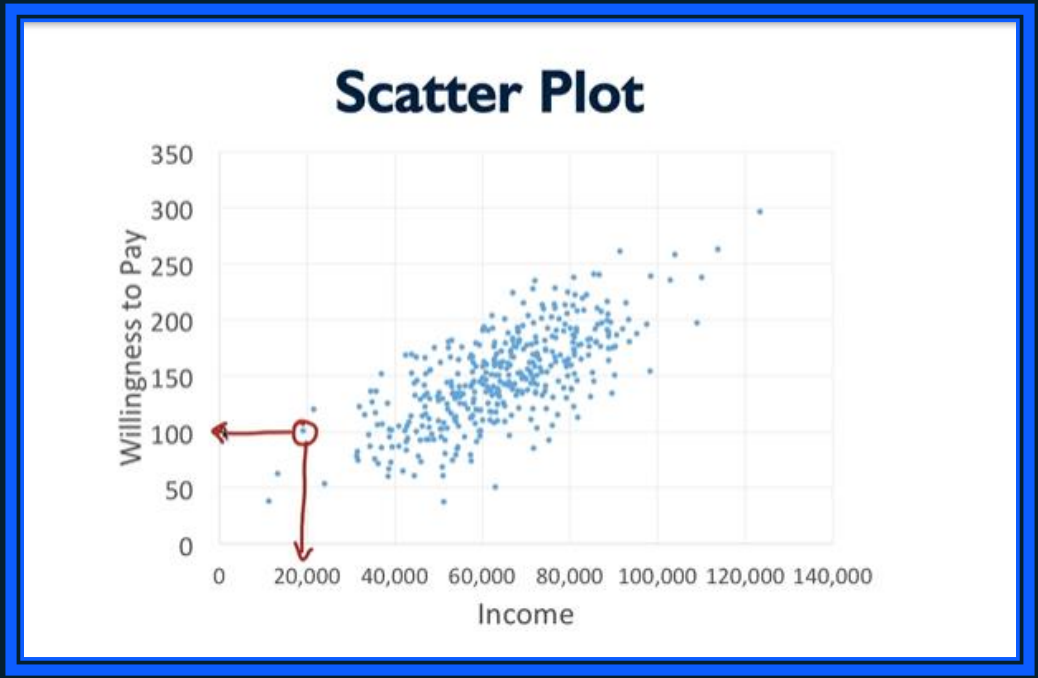
•

Understand Relationship…..

Scatter Plot....



Interpretation……



Higher Income People……

Lower & Higher Income People……

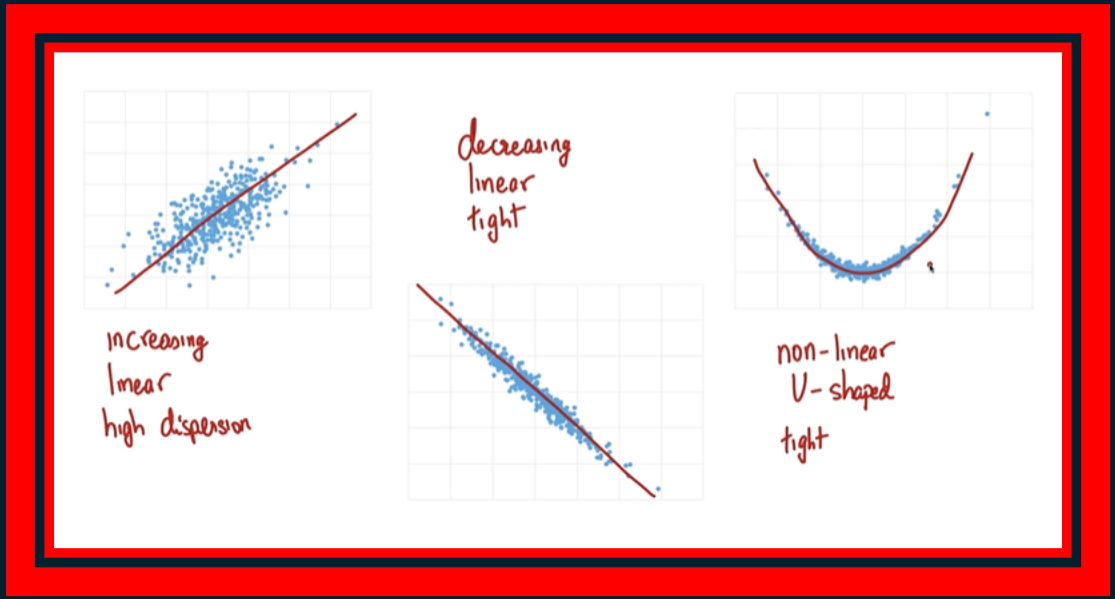
Scatter Plot….

Attention…

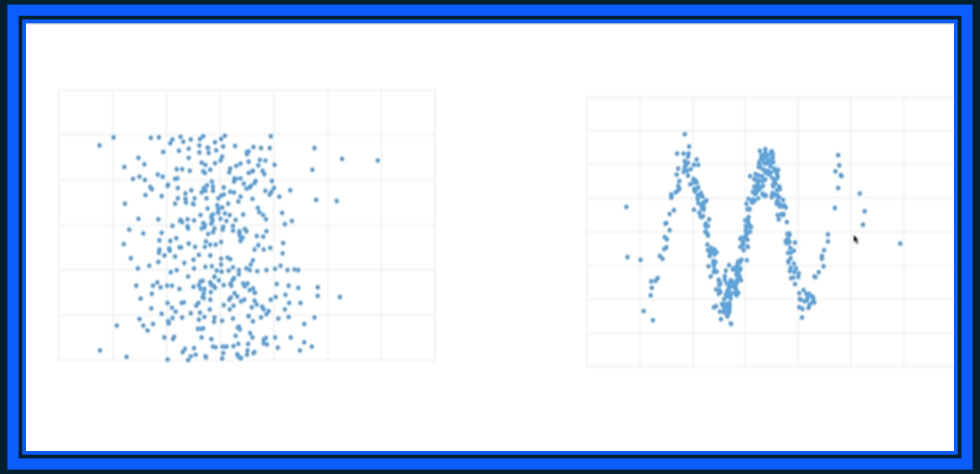
Things To Look For

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

Shapes.....


increasing
linear
high dispersion
decreasing
linear
tight
non-linear
U-shaped
tight

Other Examples…

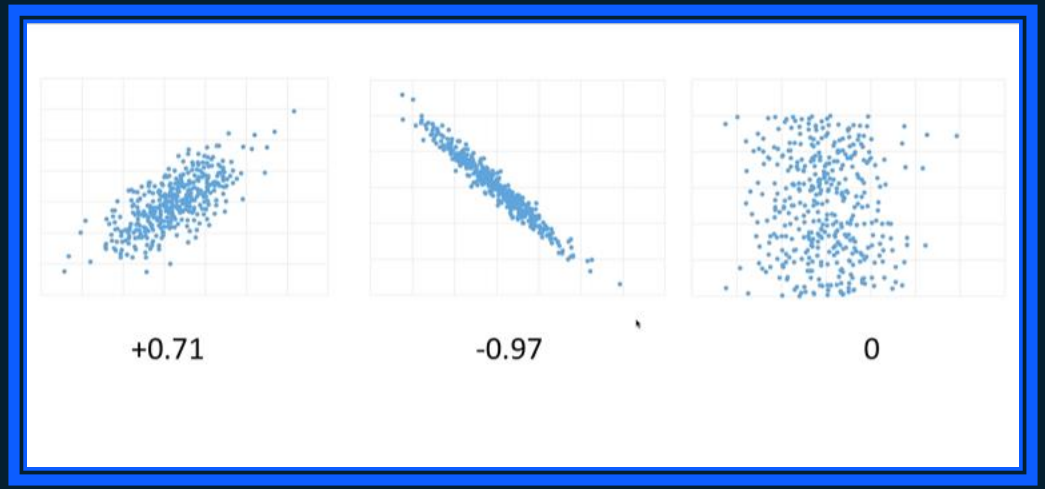


Correlation Coefficient.....

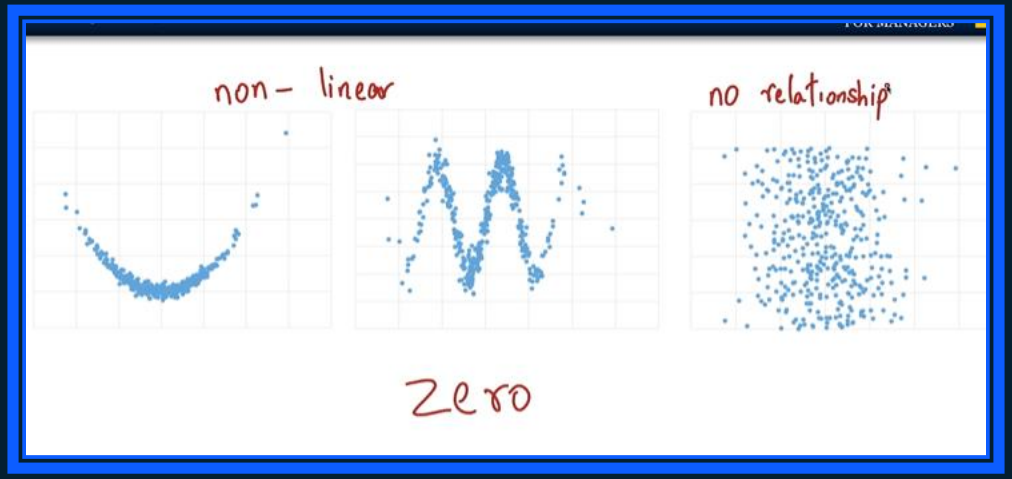
Correlation Coefficient

- 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

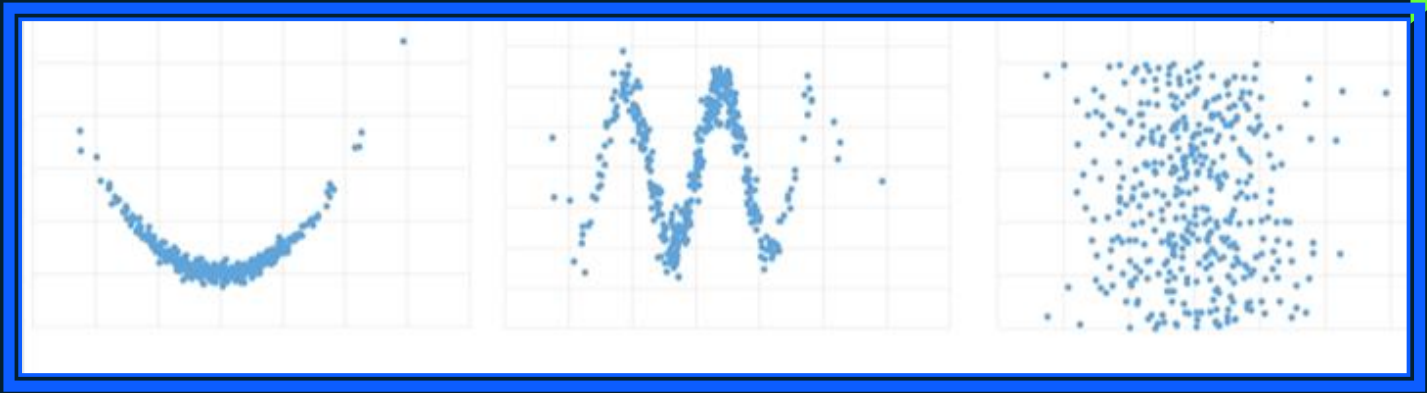
Slope is not related to correlation.

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!