# Big Data Analytics: Applications & Opportunities in On-line Predictive Modeling

Usama Fayyad, Ph.D.

Chairman & CTO

ChoozOn Corporation

Twitter: @usamaf

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BigMine: BigData Mining Workshop

KDD-2012 - Beijing, China



#### Outline

- Big Data all around us
- Introduction to Data Mining and Predictive Analytics
- On-line data and facts
- Case studies from multiple verticals:
  - 1. Yahoo! Big Data
  - 2. Social Network Data
  - 3. Case Study from nPario Applications
  - 4. ChoozOn Big Data from offers
- High-level view: don't forget the basics
- Summary and conclusions



#### What Matters in the Age of Analytics?

- 1. Being Able to exploit all the data that is available
  - not just what you've got available
  - what you can acquire and use to enhance your actions
- 2. Proliferating analytics throughout your organization
  - make every part of your business smarter
- 3. Driving significant business value
  - embedding analytics into every area of your business can help you drive top line revenues and/or bottom line cost efficiencies



#### What Organizations Are Struggling With

- Data Strategy how much data? why data? how does it impact my business?
- Prioritization conducted based on business need, not IT
  - Business justifications for Big Data
  - Demonstrating value of data in impacting the business
  - Looking at specialized stores to reduce TCO
  - File systems for grid computing (Hadoop)
- We do need to stay on top of our basic business ops
  - billing, monitoring, inventory management, etc...
  - Most can be handled by stream processing and traditional BI
- But, a new generation of requirements are becoming a priority for data-driven business
  - Predictive analytics, advanced forecasting, automated detection of events of interest



#### Why Big Data?

#### A new term, with associated "Data Scientist" positions:

- Big Data: is a mix of structured, semi-structured, and unstructured data:
  - Typically breaks barriers for traditional RDB storage
  - Typically breaks limits of indexing by "rows"
  - Typically requires intensive pre-processing before each query to extract "some structure" – usually using Map-Reduce type operations
- Above leads to "messy" situations with no standard recipes or architecture: hence the need for "data scientists"
  - conduct "Data Expeditions"
  - Discovery and learning on the spot



#### What Makes Data "Big Data"?

- Big Data is Characterized by the 3-V's:
  - Volume: larger than "normal" challenging to load/process
    - Expensive to do ETL
    - Expensive to figure out how to index and retrieve
    - Multiple dimensions that are "key"
  - Velocity: Rate of arrival poses real-time constraints on what are typically "batch ETL" operations
    - If you fall behind catching up is extremely expensive (replicate very expensive systems)
    - Must keep up with rate and service queries on-the-fly
  - Variety: Mix of data types and varying degrees of structure
    - Non-standard schema
    - Lots of BLOB's and CLOB's
    - DB queries don't know what to do with semi-structured and unstructured data.



# The Distinction between "Data" and "Big Data" is fast disappearing

- Most real data sets nowadays come with a serious mix of semi-structured and unstructured components:
  - Images
  - Video
  - Text descriptions and news, blogs, etc...
  - User and customer commentary
  - Reactions on social media: e.g. Twitter is a mix of data anyway
- Using standard transforms, entity extraction, and new generation tools to transform unstructured raw data into semi-structured analyzable data
- Hadoop vs. Not Hadoop when to use what kind of techniques requiring Map-Reduce and grid computing



#### Text Data: The Big Driver

- While we speak of "big data" and the "Variety" in 3-V's
- Reality: biggest driver of growth of Big Data has been text data
- In fact Map-Reduce became popularized by Google to address the problem of processing large amounts of text data:
  - Indexing a full copy of the web
  - Frequent re-indexing
  - Many operations with each being a simple operation but done at large scale
- Most work on analysis of "images" and "video" data has really been reduced to analysis of surrounding text



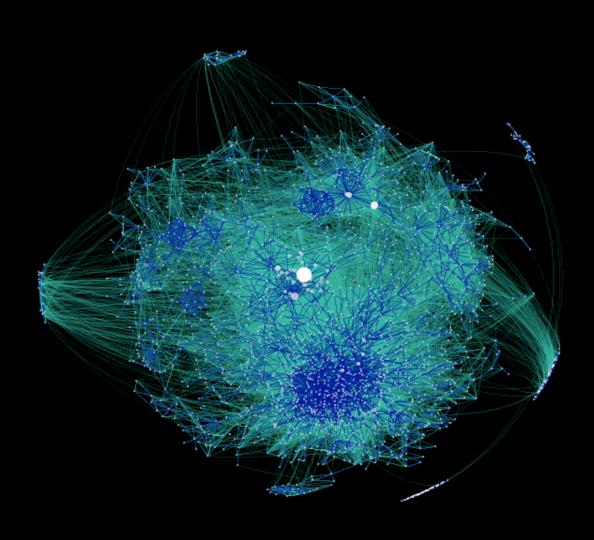
## To Hadoop or not to Hadoop?

#### when to use techniques requiring Map-Reduce and grid computing?

- Typically organizations try to use Map-Reduce for everything to do with Big Data
  - This is actually very inefficient and often irrational
  - Certain operations require specialized storage
    - Updating segment memberships over large numbers of users
    - · Defining new segments on user or usage data
- Map-Reduce is useful when a very simple operation is to be applied on a large body of unstructured data
  - Typically this is during entity and attribute extraction
  - Still need Big Data analysis post Hadoop
- Map-Reduce is not efficient or effective for tasks involving deeper statistical modeling
  - good for gathering counts and simple (sufficient) statistics
    - E.g. how many times a keyword occurs, quick aggregation of simple facts in unstructured data, estimates of variances, density, etc...
  - Mostly pre-processing for Data Mining



# This is data of people blogging and tweeting about your products on the internet? How do you react to this?

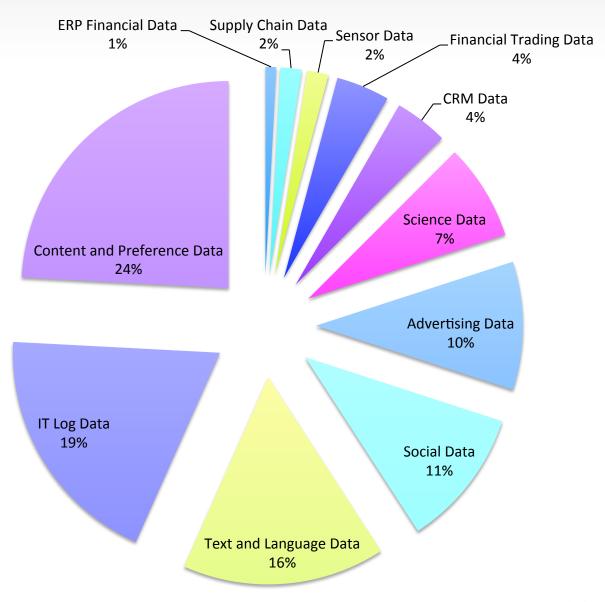


# Can you analyze data from these companies and integrate the results with your strategy?



How about in real time and then change your business on the fly?

#### **Hadoop Use Cases by Data Type**





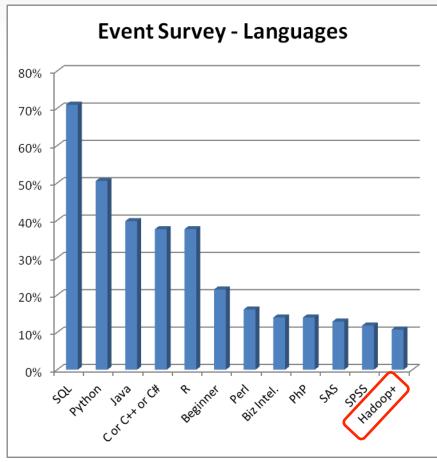
#### **Big Data Applications and Uses**

malware DOOOL	IT Log & Security Forensics & Analytics	100% Capture Find New Signal Predict Events
See 2	Automated Device Data Analytics	Product Planning Failure Analysis Proactive Fixes
Marketing	Advertising Analytics	Recommendation Segmentation Social Media
N.	Big Data Warehouse Analytics	Hadoop + MPP + EDW  Cost Reduction Ad Hoc Insight  Predictive Analytics



### **Analysis & Programming Software**









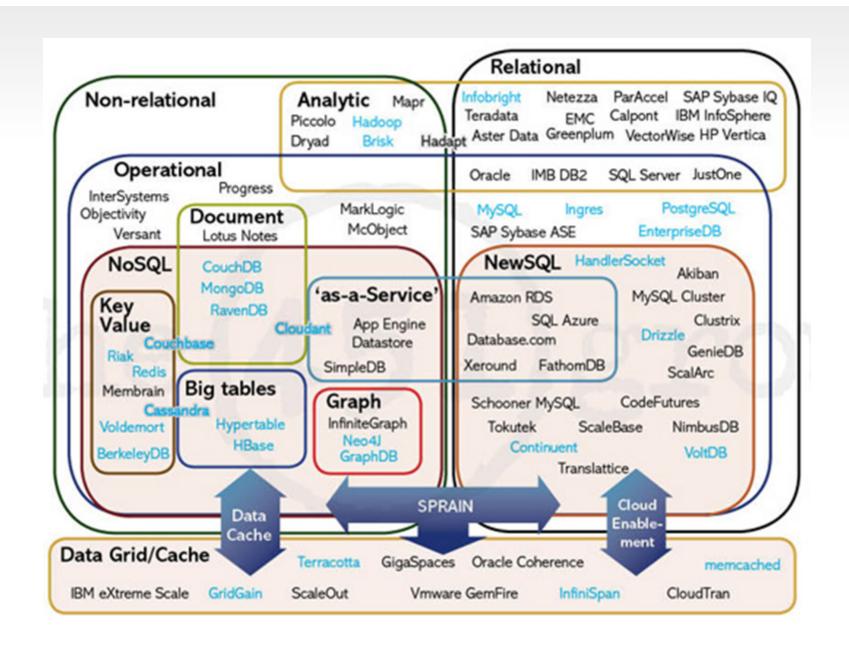




disco massive data - minimal code

RevolutionAnalytics / RHadoop







#### From Basic Dashboards to Advanced Analytics

- Data Reduction to get
  - Advanced views oriented by customer or product
  - Segmentation
  - Pattern analysis and summaries
- Predictive Analytics
  - Data Mining
  - Statistical analysis
  - Optimization of processes and spend

The **same** analytics technique apply across many industries: fraud detection is fraud detection, is fraud detection



#### What is Data Mining?

#### Finding interesting structure in data

- Structure: refers to statistical patterns, predictive models, hidden relationships
- Interesting: Accurate predictions, associated with new revenue potential, associated with cost savings, enables optimization

- Examples of tasks addressed by Data Mining
  - Predictive Modeling (classification, regression)
  - Segmentation (Data Clustering)
  - Affinity (Summarization)
    - relations between fields, associations, visualization



#### Data Mining and Databases

Many interesting analysis queries are difficult to state precisely

- Examples:
  - which records represent fraudulent transactions?
  - which households are likely to prefer a Ford over a Toyota?
  - Who is a good credit risk in my customer DB?
  - Why are these automobiles in need of unusual repairs?
- Yet database contains the information
  - good/bad customer, profitability
  - did/didn't respond to mailout/survey/campaign/...
  - automobile repair and warranty records



## Many Business Uses

Analytic technique	Uses in business	
Marketing and sales	Identify potential customers; establish the effectiveness of a campaign	
<b>Understanding customer behavior</b>	model churn, affinities, propensities,	
Web analytics & metrics	model user preferences from data, collaborative filtering, targeting, etc.	
Fraud detection	Identify fraudulent transactions	
Credit scoring	Establish credit worthiness of a customer requesting a loan	
Manufacturing process analysis	Identify the causes of manufacturing problems	
Portfolio trading	optimize a portfolio of financial instruments by maximizing returns & minimizing risks	
Healthcare Application	fraud detection, cost optimization, detection of events like epidemics, etc	
Insurance	fraudulent claim detection, risk assessment	
Security and Surveillance	intrusion detection, sensor data analysis, remote sensing, object/person detection, link analysis, etc	

# So this Internet thing is going to be big!

Big opportunity, Big Data, Big Challenges!

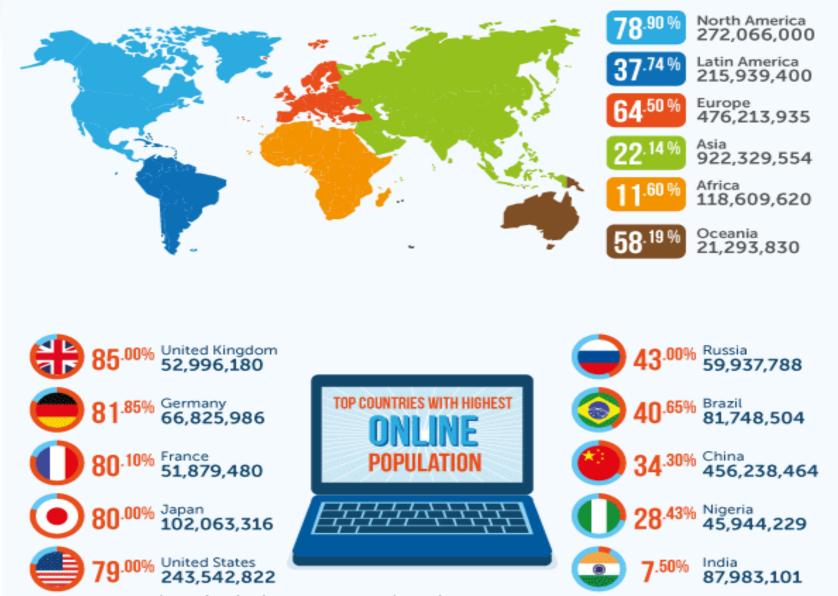


#### Stats about on-line usage

- How many people are on-line today?
  - 2.1 Billion (per Comscore estimates)
  - 30% of world Population
- How much time is spent on-line per month by the whole world?
  - 4M person-years per month
- How many hours per month per Internet User?
  - 16 hours (global average)
  - 32 hours (U.S. Average)

\*Sources: Feb.2012 - from Go-Gulf.com compiled from Comscoredatamine.com, Nielsen.com, thisDigitalLife.com, PewInternet.org

#### How Are Users Distributed Geographically



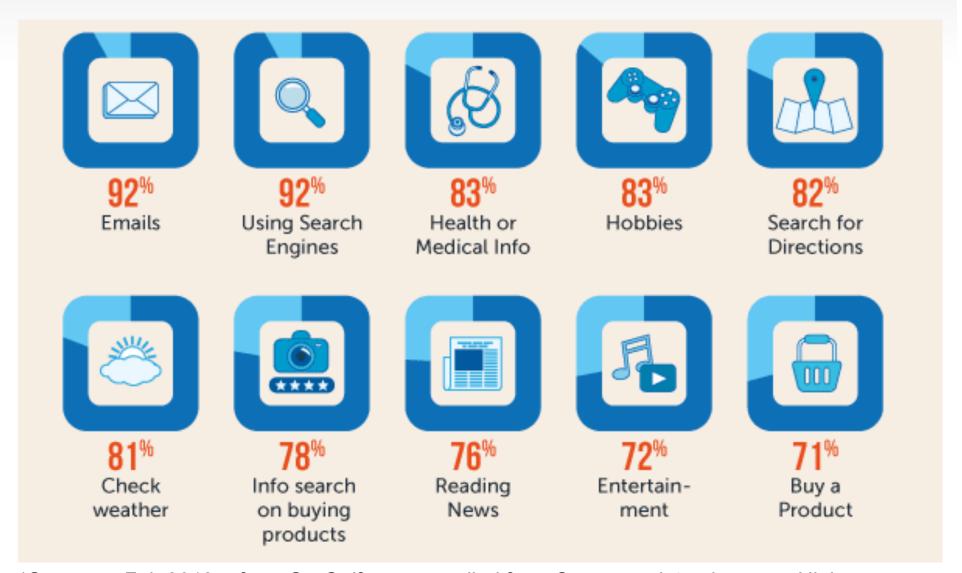
\*Sources: Feb.2012 - from Go-Gulf.com compiled from Comscoredatamine.com, Nielsen.com, thisDigitalLife.com, PewInternet.org 22

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#### How Do People Spend Their On-line Time?

•	On-line Shopping?	5%
•	Searches?	21%
•	Email/Communication?	19%
•	Reading Content?	20%
•	Social Networking?	22%
•	Multimedia Sites?	13%

#### Most Popular Activities On-Line?



<sup>\*</sup>Sources: Feb.2012 - from Go-Gulf.com compiled from Comscoredatamine.com, Nielsen.com, thisDigitalLife.com, PewInternet.org

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#### Top 10 Sites Visited?

- Google: 153.4M visitors/month
  - each spending 1h 47mins
- Facebook: 137.6M visitors
  - each spending 7h 50mins

	Unique Visitors Per Month	Time Spent Per Person Per Month in hh:mm:ss
<b>Y</b> AH00!	130,121,000	2:12:08
msn. bing	115,890,000	1:43:45
You Tube	106,692,000	1:41:27
Microsoft <sup>.</sup>	83,691,000	0:45:05
Aol.	74,633,000	2:52:52
	62,097,000	0:18:03
ć	61,608,000	1:06:15
Ask	60,552,000	0:12:27

#### **Interesting Events**

- Google: How many queries per day?
  - More than 1 Billion
- Twitter: How many Tweets/day?
  - More than 250M
- Facebook: Updates per day?
  - More than 800M
- YouTube: Views/day
  - 4 Billion views
  - 60 hours of video uploaded every minute!
- Social Networks: users who have used sites for spying on their partners?
  - **-56%**

<sup>\*</sup>Sources: Feb.2012 - from Go-Gulf.com compiled from Comscoredatamine.com, Nielsen.com, thisDigitalLife.com, PewInternet.org



#### **Interesting Events**

- Country with Highest online friends?
  - Brazil
  - 481 friends per user
  - Japan has least at 29
- Country with maximum time spent shopping on-line??
  - China: 5 hours/week

<sup>\*</sup>Sources: Feb.2012 - from Go-Gulf.com compiled from Comscoredatamine.com, Nielsen.com, thisDigitalLife.com, PewInternet.org

# So Internet is a big place with lots happening?

## Do we understand what each individual is trying to achieve?

- What is user intent?
- Critical in monetization, advertising, etc...

#### Do we understand what a community's sentiment is?

- What is the emotion?
- Is it negative or positive?
- What is the health of my brand online?

#### Do we understand context and content?

- What are appropriate ads?
- Is it Ok to associate my brand with this content?
- Is content sad?, happy?, serious?, informative?



## **Case Studies**

Yahoo! Big Data

# Yahoo! – One of Largest Destinations on the Web



80% of the U.S. Internet population uses Yahoo!

- Over 600 million users per month globally!
- Global network of content, commerce, media, search and access products
- 100+ properties including mail, TV, news, shopping, finance, autos, travel, games, movies, health, etc.
- 25+ terabytes of data collected each day
  - Representing 1000's of cataloged consumer behaviors

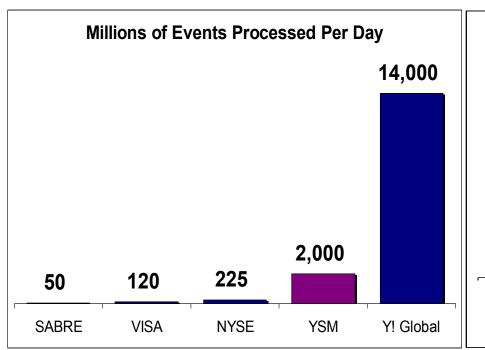
Data is used to develop content, consumer, category and campaign insights for our key content partners and large advertisers

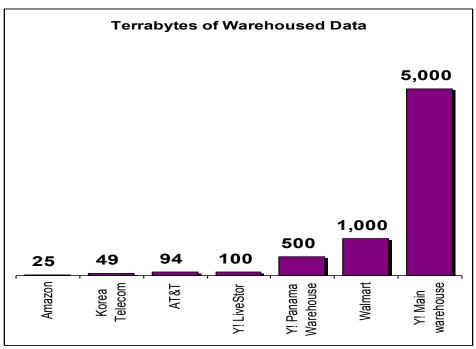
More people visited Yahoo! in the past month than:

- Use coupons
- Vote
- Recycle
- Exercise regularly
- Have children living at home
- Wear sunscreen regularly



#### Yahoo! Big Data – A league of its own...





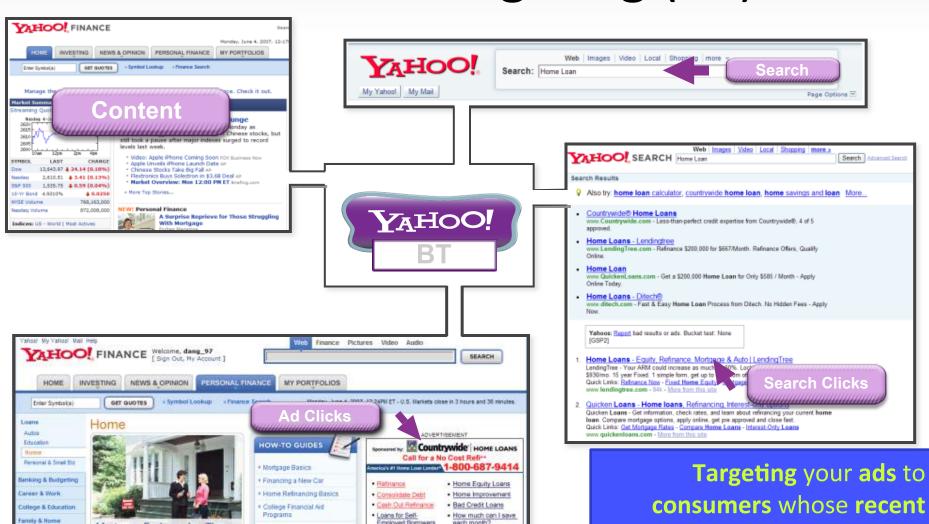
#### GRAND CHALLENGE PROBLEMS OF DATA PROCESSING

TRAVEL, CREDIT CARD PROCESSING, STOCK EXCHANGE, RETAIL, INTERNET

Y! Data Challenge Exceeds others by 2 orders of magnitude



## Behavioral Targeting (BT)



consumers whose recent behaviors online indicate that your product category is relevant to them

Options

Jumbo Loans

Can I lock in a low rate - Flexible Payment.

How much cash can i

Mortgage Brokers: Are They

Borrowers often see mortgage brokers as allies,

but many brokers don't put oustomers' interests

first. Here's what you should know... read more

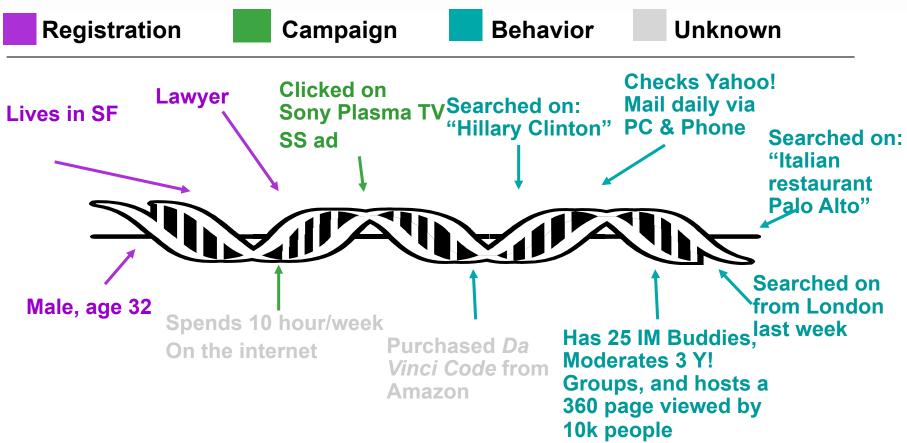
Your Friends or Foes?

Real Estate

View more how-to guides

CALCULATORS





 On a per consumer basis: maintain a behavioral/interests profile and profitability (user value and LTV) metrics



#### How it works | Network + Interests + *Modelling*



Analyze predictive patterns for purchase cycles in over 100 product categories

In each category, build models to describe behaviour most likely to lead to an ad response (i.e. click).

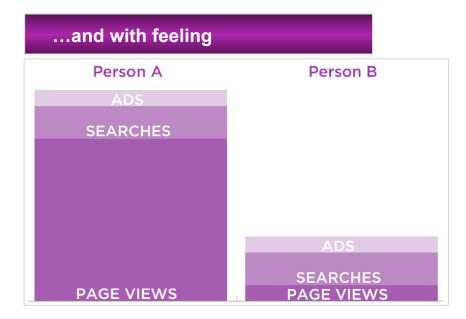
Score each user for fit with every category...daily.

Target ads to users who get highest 'relevance' scores in the targeting categories



### Recency Matters, So Does Intensity

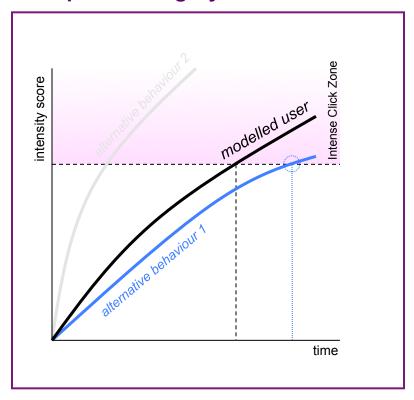






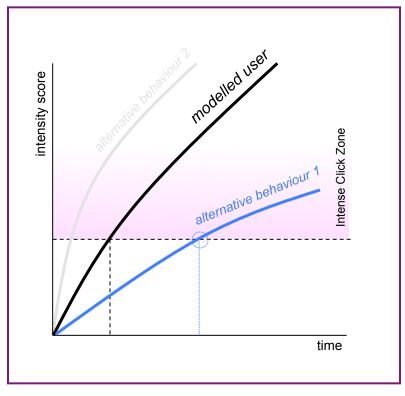
#### Differentiation | Category specific modelling

**Example 1: Category Automotive** 



Alt Behaviour 1: 5 pages, 2 search keywords, 1 search click, 1 ad click

**Example 2: Category Travel/Last Minute** 



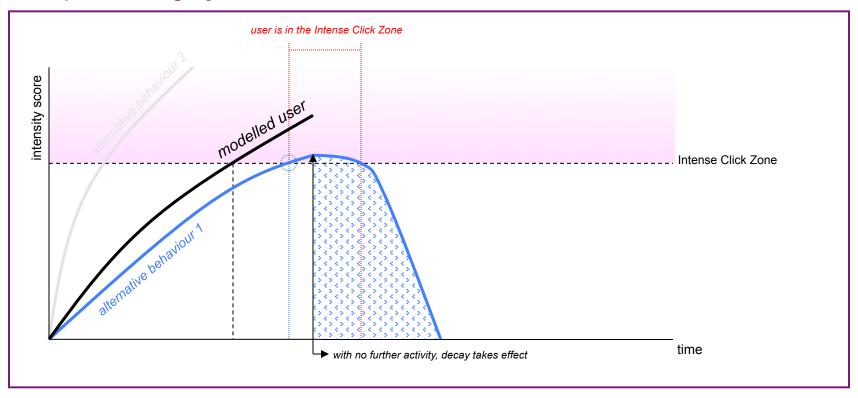
Alt Behaviour 1: 5 pages, 2 search keywords, 1 search click, 1 ad click

Different models allow us to weight and determine intensity and recency



# Differentiation | Category specific modelling

#### **Example 1: Category Automotive**



Alt Behaviour 1: 5 pages, 2 search keywords, 1 search click, 1 ad click

Different models allow us to weight and determine intensity and recency



# Automobile Purchase Intender Example

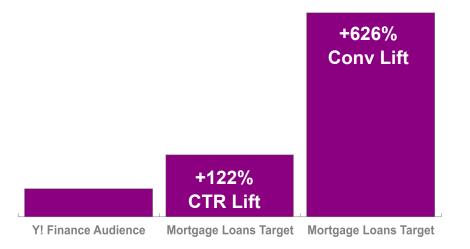
- A test ad-campaign with a major Euro automobile manufacturer
  - Designed a test that served the same ad creative to test and control groups on Yahoo
  - Success metric: performing specific actions on Jaguar website
- Test results: 900% conversion lift vs. control group
  - Purchase Intenders were 9 times more likely to configure a vehicle, request
     a price quote or locate a dealer than consumers in the control group
  - ~3x higher click through rates vs. control group



# Mortgage Intender Example

Example: Mortgages

We found: 1,900,000 people looking for mortgage loans. Results from a client campaign on Yahoo! Network



Example search terms qualified for this target:

Mortgages Home Loans Refinancing Ditech

Example Yahoo! Pages visited:

Financing section in Real Estate Mortgage Loans area in Finance Real Estate section in Yellow Pages

Source: Campaign Click thru Rate lift is determined by Yahoo! Internal research. Conversion is the number of qualified leads from clicks over number of impressions served. Audience size represents the audience 9 within this behavioral interest category that has the highest propensity to engage with a brand or product and to click on an offer.



# Experience summary at Yahoo!

- Dealing with the largest data source in the world (25 Terabyte per day)
- BT business was grown from \$20M to about \$500M in 3 years of investment!
- Building the largest database systems:
  - World's largest Oracle data warehouse
  - World's largest single DB
  - Over 300 data mart data
  - Analytics with thousands of KPI's
  - Over 5000 users of reports
  - Largest targeting system in the world
- Big demands for grid computing (Hadoop)



# Social Network

Social Graph Analysis (no time)
Social Network Marketing
Understanding Context for Ads



# Case Study: TWITTER Social Marketing?

### Viacom's VH1 Twitter campaign on ANVIL (the movie)

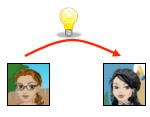
(week of May 14th, 2009 – see AdAge article)

#### **Marketing ANVIL movie**

Very niche audience, how do you reach them?

#### **Diffusion**

Give 20 free DVD's to major related artists/groups, ask them To notify Twitter groups – reached over 2M people



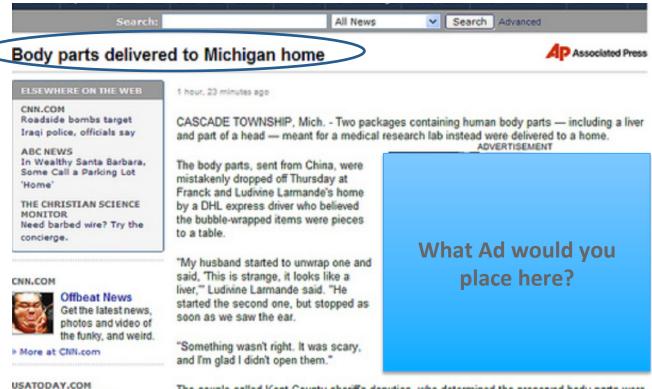
#### Social Identity: power of word of mouth...

What is the Cost to VH-1?

Compare with traditional approach: TV commercials to promote a documentary film?







Offbeat Digest

just plain odd.

More at USATODAY.com

Latest news on the strange, quirky and The couple called Kent County sheriffs deputies, who determined the preserved body parts were for medical research, Lt. Roger Parent said.

Authorities believe 28 more bubble-wrapped human organs and body parts could be dispersed across the country, The Grand Rapids Press reported. Two of five packages headed to the northern Michigan lab broke open, scattering their contents.

"There will definitely be a shock to people if they see these things, but there is no hazard to health," Parent said.



**Damaging to Brand?** 



#### **ELSEWHERE ON THE WEB**

CNN.COM Roadside bombs target Iraqi police, officials say

ABC NEWS In Wealthy Santa Barbara, Some Call a Parking Lot 'Home'

THE CHRISTIAN SCIENCE MONITOR Need barbed wire? Try the concierge.

CNN.COM



Offbeat News Get the latest news, photos and video of the funky, and weird.

More at CNN.com

#### USATODAY.COM



Offbeat Digest Latest news on the strange, quirky and just plain odd.

More at USATODAY.com

1 hour, 23 minutes ago

CASCADE TOWNSHIP, Mich. - Two packages containing human body parts — including a liver and part of a head — meant for a medical research lab instead were delivered to a home.

The body parts, sent from China, were mistakenly dropped off Thursday at Franck and Ludivine Larmande's home by a DHL express driver who believed the bubble-wrapped items were pieces to a table.

"My husband started to unwrap one and said, 'This is strange, it looks like a liver," Ludwine Larmande said. "He started the second one, but stopped as soon as we saw the ear.

"Something wasn't right. It was scary, and I'm glad I didn't open them."

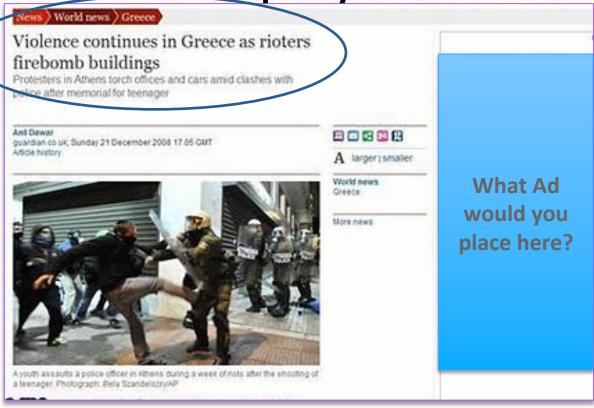


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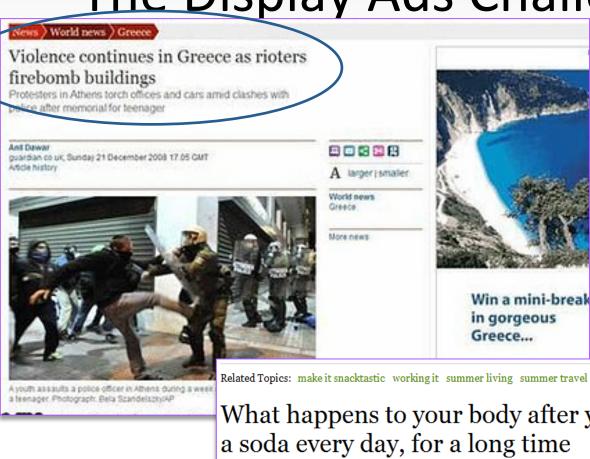
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Irrelevant and **Damaging to Brand** 

**Completely Irrelevant** 

Related Topics: make it snacktastic working it summer living summer travel summer beauty

What happens to your body after you drink



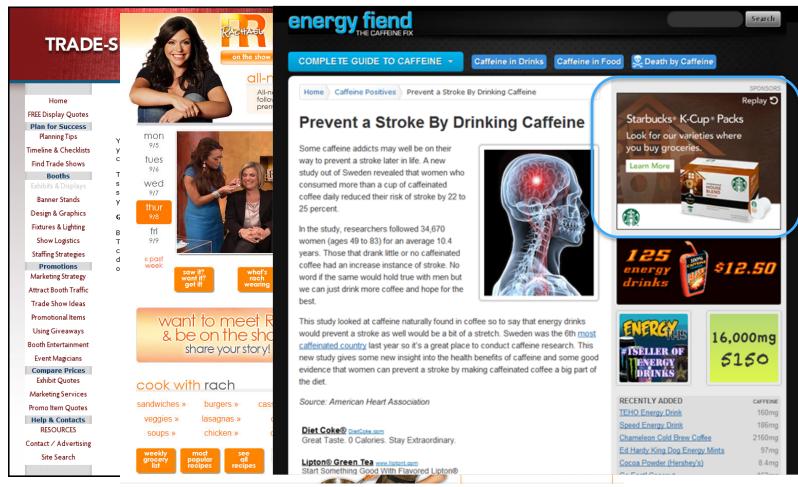
Sugar rushes and caffeine highs followed by a depressing energy crash are what happens to your body if you drink a soda right now, but plenty of Blisstree readers actually seem to be okay with that. Some of you think it's alarmist to compare a caffeine and sugar rush to doing drugs, and some just don't really care about the slump they'll find themselves in after drinking 39 grams of curar, but what makes us really worried about a coda-cluroing



Shine on facebook

# NetSeer: Intent for Display

Currently Processing 4 Billion Impressions per Day





# Problem: Hard to Understand User Intent



#### What NetSeer Sees:





# **Case Studies**

nPario – Data Management Platform ChoozOn – Big Data over Offers Universe



# Example of a Big Data DMP PARIO

#### **Scale**

nPario builds an infinitely scalable data management platform (DMP) that allows advertisers and marketers to **manage**, **understand**, and **monetize** their data. Their technology has been proven at companies such as Yahoo and EA.

#### **Applications**

nPario applications include **segmentation** of audiences for increasing the value of advertising, **reporting/analytics** for examining performance, **attribution** to show which advertising works, and **experimentation** to test ideas.

#### **Access**

nPario emphasizes putting access to data in the hands of marketing, advertising and other business users



# PARIO Powerful Technology. 540m Users, 8+ Petabytes, & 16 Patents

nPario has the only **commercially available** Big Data management technology built for one of the "Big Five".

#### **Significant Investment**

nPario's technology is the result of more than \$50m investment in development and 16 issued patents.

#### In Production at Yahoo

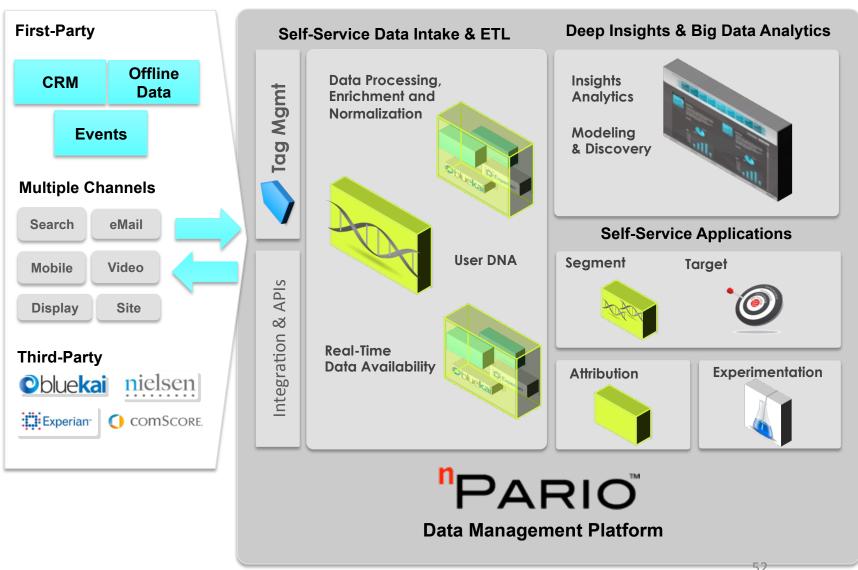
nPario technology manages the world's largest data system. Used for Yahoo's Marketing and Advertising business. Used across Yahoo's platforms and 120 online properties. Used by hundreds of analysts





## **DMP**

#### **Data Sources**



nPario Cas

# Marketing to 100+ million Gamers

**Challenge:** Provide cross-platform campaign insights for advertisers and enable audience discovery across channels.

**Result**: Unified view of gamers across multiple cross platform data sources.

Pogo (online), sponsored content, Console game interaction and ad interaction (Xbox, PS3), Mobile, Playfish (facebook), external sources (Collective Media, Comscore, Omniture, Dynamic Logic)



"EA increased its worldwide audience reach by 30% this year [...]. Combining that major jump in reach with the launch of *EA Legend* puts us in perfect position to compete"

Dave Madden, Senior Vice President of Global Media Solutions
Electronic Arts.





Advertiser Advertiser Campaign

Media Channel

Date

June, 2011

Save To PDF

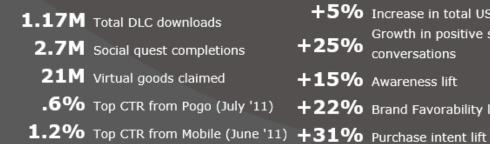


**Total Reach** 





#### Performance



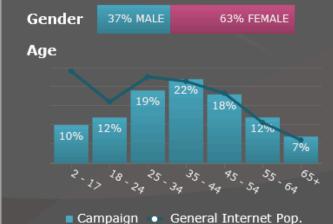
#### **Brand Impact**

+5% Increase in total US sales Growth in positive social conversations

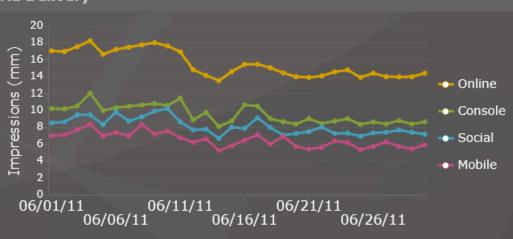
Save To Excel

- +15% Awareness lift
- +22% Brand Favorability lift

#### **Audience**



#### **Ad Delivery**



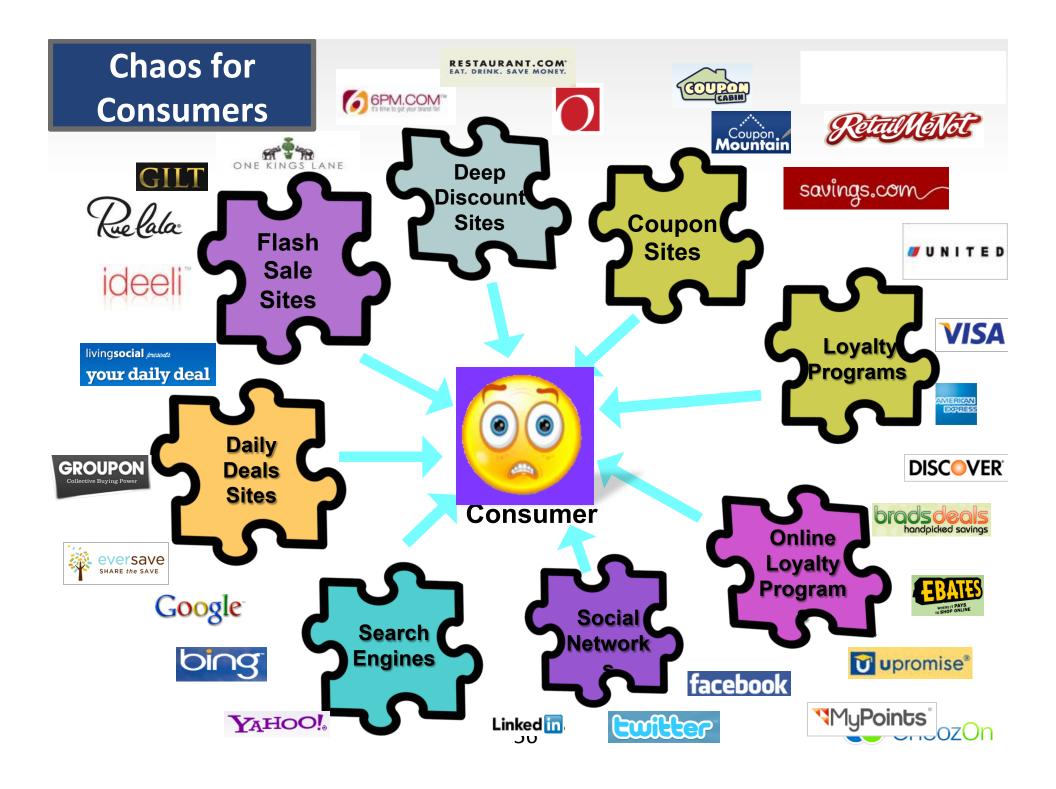
Campaigns Audience Admin

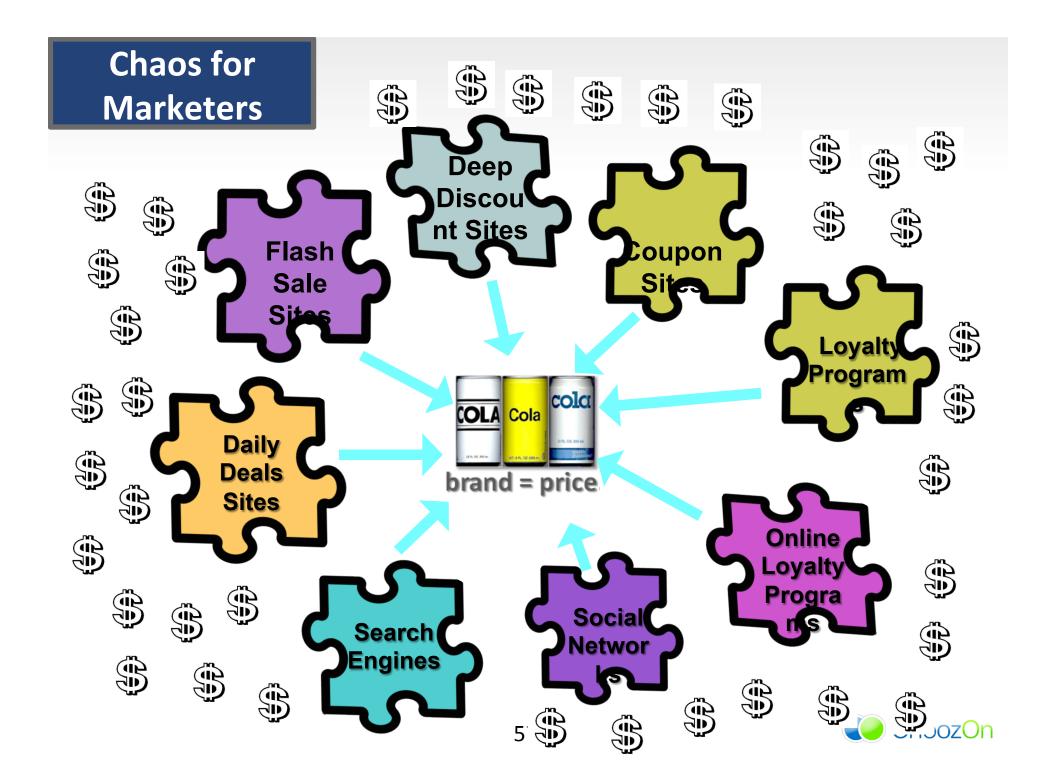




# Specialized Search through Big Data Analytics over the Offers Universe







#### **What Consumers & Marketers Want**

### **Consumers**

- Value from brands they love
- Tame the deal chaos

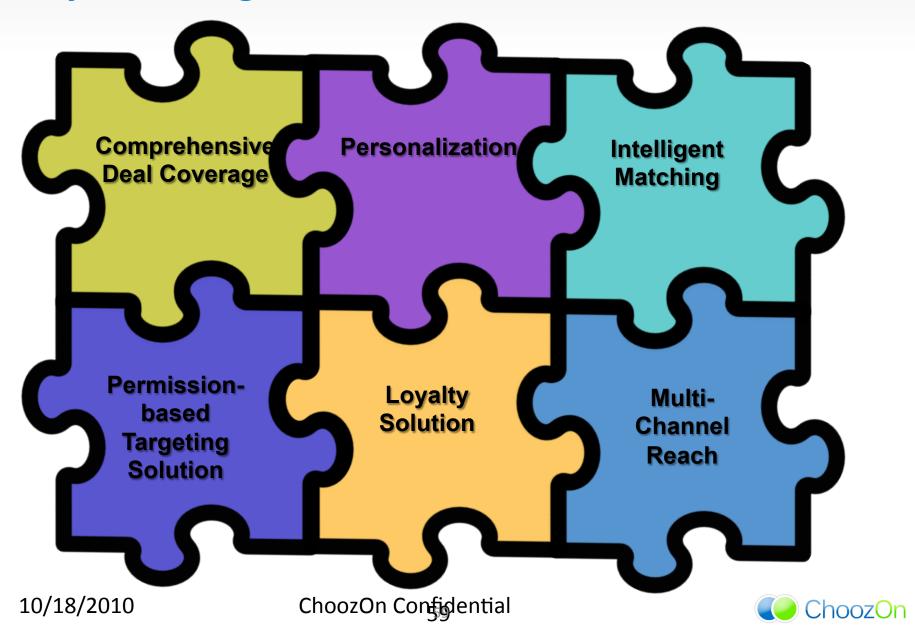




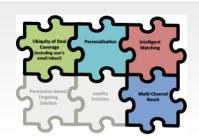
- Reach targeted consumers
- Build loyalty
- Create brand evangelists



### **Keys to Being THE Consumer Network**



#### **Solution for Consumers**



Daily Deals Sites

Flash Sale Sites

Deep Discounters

Affiliate Deals & Coupon Sites

Loyalty Programs





















**Choozer Interests & Preferences** 

Machinebased Intelligent Matching

Social (Pals,Clubs)

Web App Mobile App

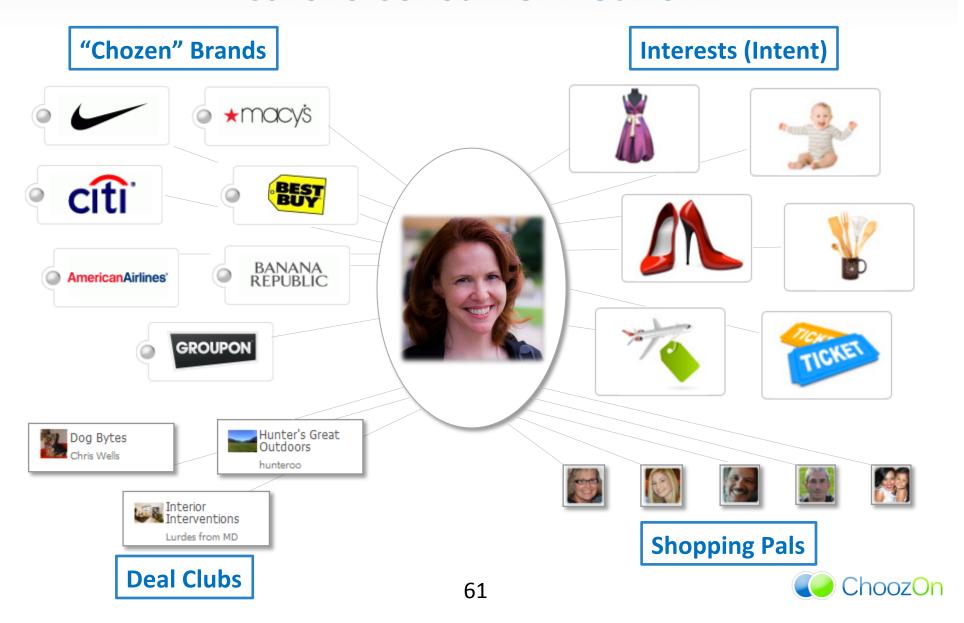


**Email** 

Digital Media



#### **Carol's Consumer Network**



#### **What Carol Gets**



#### The Universe of Deals

**Affiliate Deals** 

**Loyalty Programs** 

1,500+ brands

**Daily Deals** 

Flash Sales

100,000+ offers

**Deep Discounters** 

PLUS her ( ChoozOn Inbox™



**Intelligent Matching** 



# A Personal Shopper for Deals



# Big Picture on Big Data Analytics

Key points



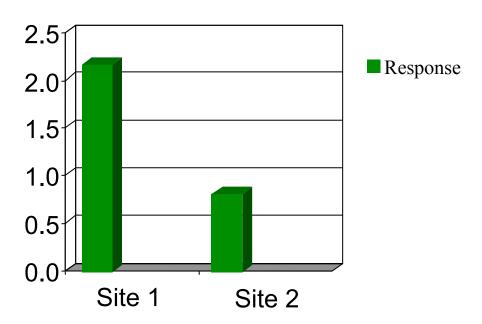
### Don't Forget The Basics

- Metrics and Scorecards are the first steps to awareness
- Plays a huge role in deploying predictive models and monitoring and proving their effectiveness
- Often scorecards require
  - Going through huge amounts of data to produce the required metrics
  - Ability to get to the metrics in low latency
  - Ability to modify metrics and update quickly
  - Integration with data warehouse



# Focus On The Right Measure

#### Referral Site Metrics



- Total traffic not a good performance measure
- High-traffic referral sites often produce poorer quality click throughs
- Ads best response not most effective
- Target the message



# Focus On The Right Measure

#### Referral Site Metrics

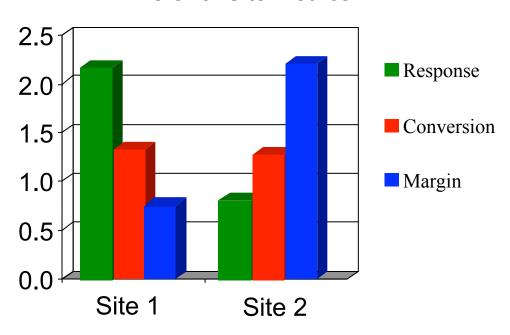


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#### Referral Site Metrics



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# Sometimes, Simple is Very Powerful!

Retaining New Yahoo! Mail Registrants



# Integrating Mail and News

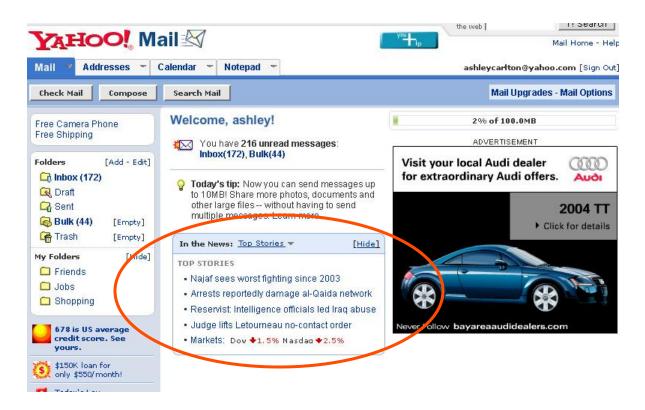
- Data showed that users often check their mail and news in the same session
  - But no easy way to navigate to Y! News from Y! Mail
- Mail users who also visit Y! News are 3X more active on Yahoo
  - Higher retention, repeat visits and time-spent on Yahoo





### "In the news" Module on Mail Welcome Page

- Increased retention on Mail for light users by 40%!
  - Est. Incremental revenue of \$16m a year on Y! Mail alone





# Benefits of Advanced Analytics

- Advanced Analytics brings out the real value of data
- The business begins to understand the true value and role of data in moving the big needles
- Focus on useful requirements from data, rather than "data acrobatics"
- Value creation from data leads to proper investment scoping
  - Many are realizing predictive analytics and data mining are much more useful than reporting
  - Integration of analytics story with data storage very critical
- Big data makes analytics even more essential and more useful
  - Avoiding the challenges of separating analytics from big data are increasingly important





# Thank You! & Questions?

Twitter: @usamaf

Usama@choozOn.net www.ChoozOn.com