

A primer on network analysis for business

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1. Definitions

A network is a dataset made of entities and their relations

Scientists use the term "graph" to discuss networks.



Figure 1. This is a network

a. Social networks

As users, we are very familiar with one type of networks - social networks:



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[width=150]



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[width=150]



[width=150]



Figure 2. source: <http://www.minanacheva.com/getting-visual-with-facebook-data/>

b. Other networks

It is important to realize that networks cover more than relations between humans. For example, it is possible to imagine a network made out of cooking recipes. 2 ingredients are connected if they appear frequently in the same recipes.

Scanning all recipes and their ingredients from a website of cooking recipes, this gives:

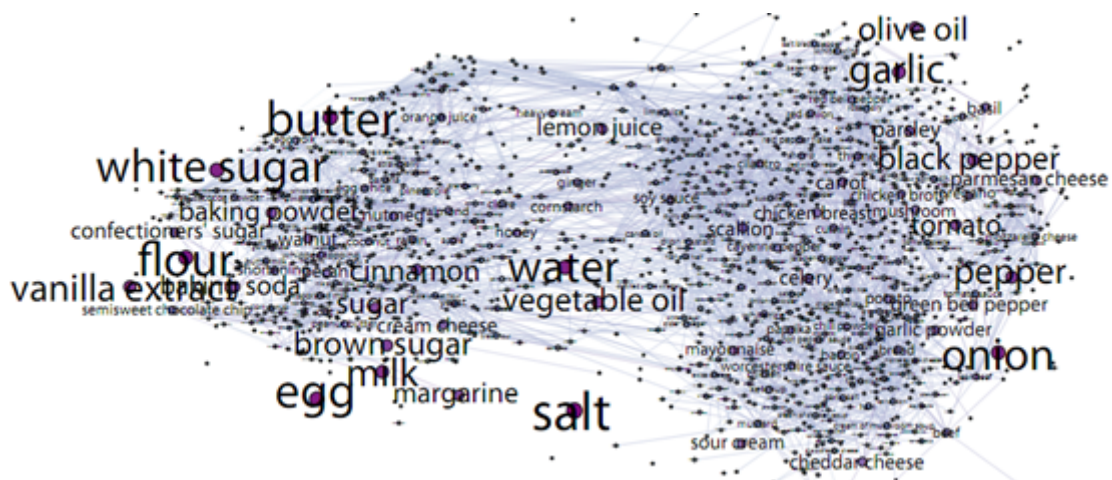


Figure 3. source: <http://arxiv.org/abs/1111.3919>

Semantic networks are another broad category of networks. The method is the same: we need to find a way to "relate" words in a text, then we get a network. The general idea is the same as in cooking recipes: 2 terms of a text will be connected in the network if they frequently appeared in same paragraphs.

Figure 4. source: <http://www.nature.com/nature/journal/v463/n7278/full/463157a.html>

With a surge in computing power in the age of big data, and the adequate NOSQL databases (such as [Neo4J](#) or [OrientDB](#)), we can deal with huge networks:

→ study of 721 million active Facebook users and the 69 billion (!) friendship links connecting them.

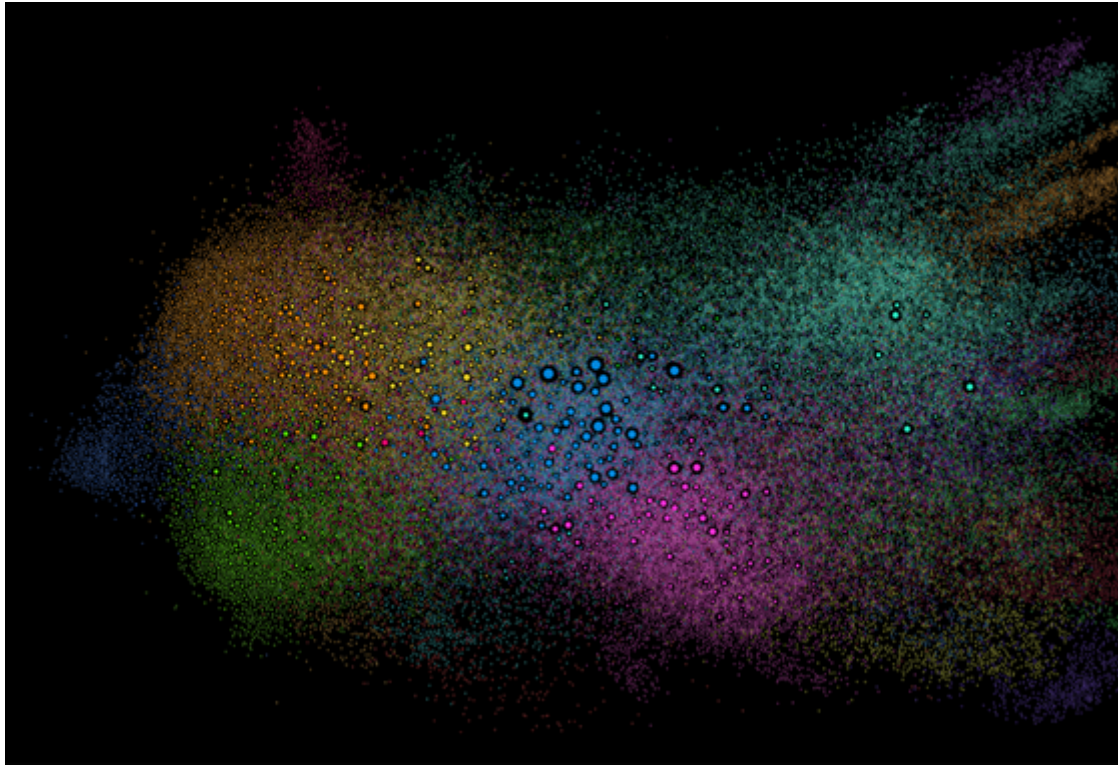


Figure 5. source: <http://twittercensus.se/graph2015/>

d. How to discuss networks? Some vocabulary

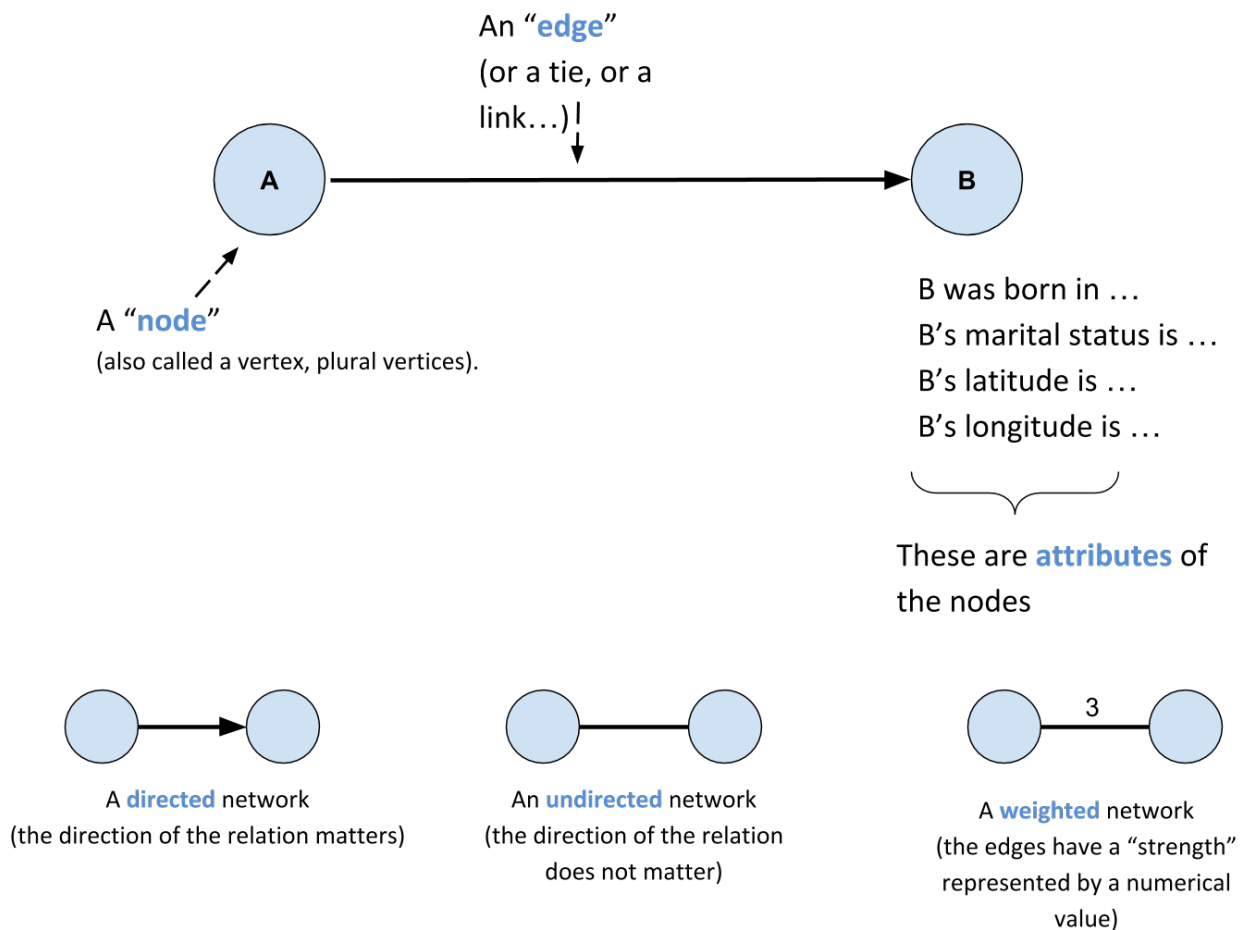


Figure 6. Terminology

2. Networks: what use for business?

a. Segmentation

If a network is made of entities and their relations, then a segment is a subgroup of entities in the network, which has some cohesion or something in common.

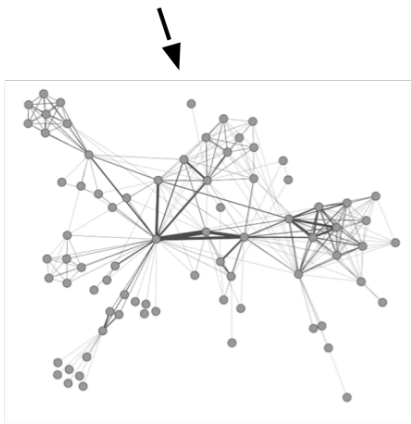
This subgroup of nodes in the network is often called a **"community"**.

Detecting communities in a network, also called "clustering", consists in finding nodes that have many connections in common.

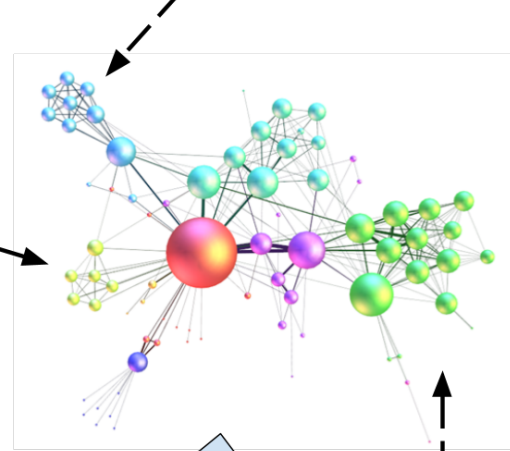
This is a mathematical and algorithmic procedure, but it is very simple to understand visually:

SEGMENTATION

Car drivers and their similarities



Families with young children



Professionals who
need pick-up trucks

Single men with sports
tastes

Same network, with segments highlighted

Figure 7. segmentation with community detection in networks

b. Finding key players

FINDING KEY PLAYERS

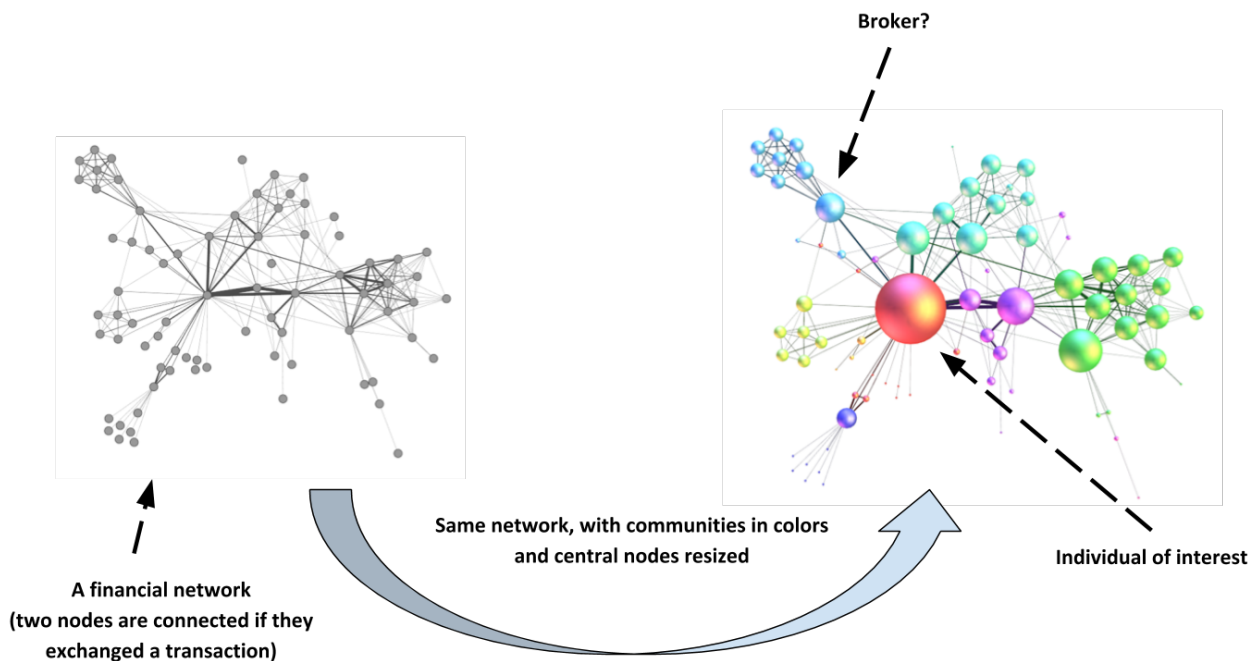


Figure 8. Key players visualized by resizing nodes

c. Understanding how information spreads

A data science company created "Where does my tweet go", which traces how a given tweet spreads through retweets. The service is now discontinued (Twitter data was too expensive to buy) but the mechanism can be explained:

Understanding info spread

Initial tweet (appears at the center)

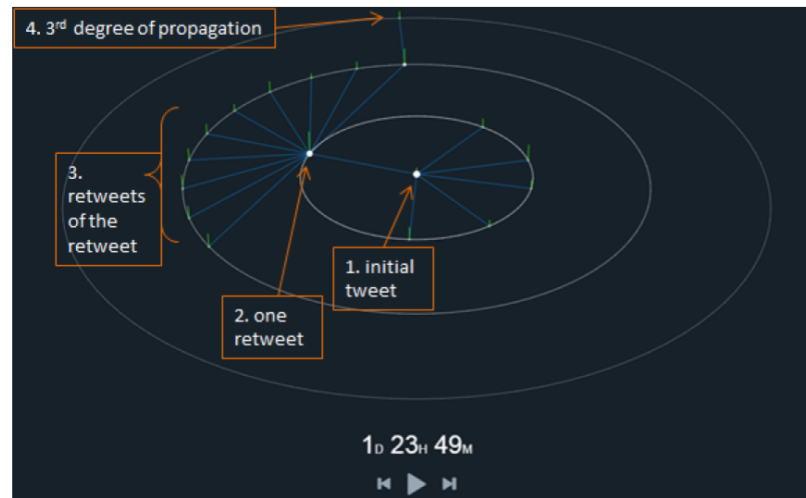
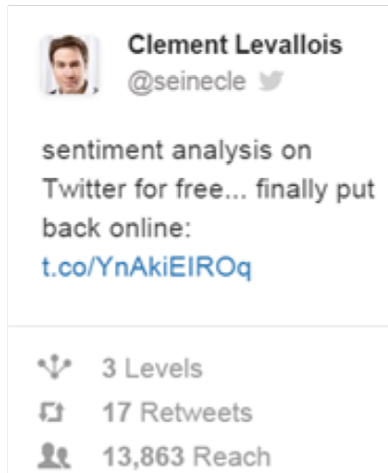


Figure 9. Where Does my Tweet Go by MFGLabs

d. Identifying patterns - for fraud detection, control or intelligence.

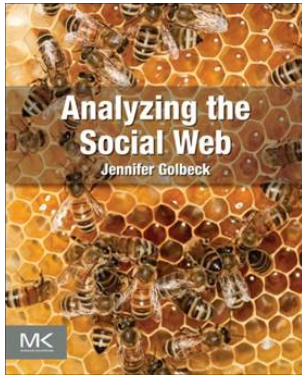
In the following video, we see [participants in the money market \(short term loans between banks\) in Europe](#). 2 banks are connected if one lends to the other. The pattern of exchanges shifts through years - banks withdraw from the market.

► <https://www.youtube.com/watch?v=YvauCrHGWYc> (YouTube video)

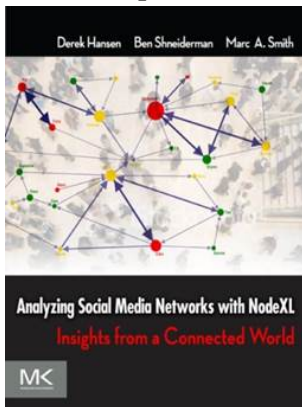
Another example: connecting seemingly unrelated measures of business performance with [Oracle BI](#) and [Linkurious](#):

► <https://www.youtube.com/watch?v=KBIZoUikfwo> (YouTube video)

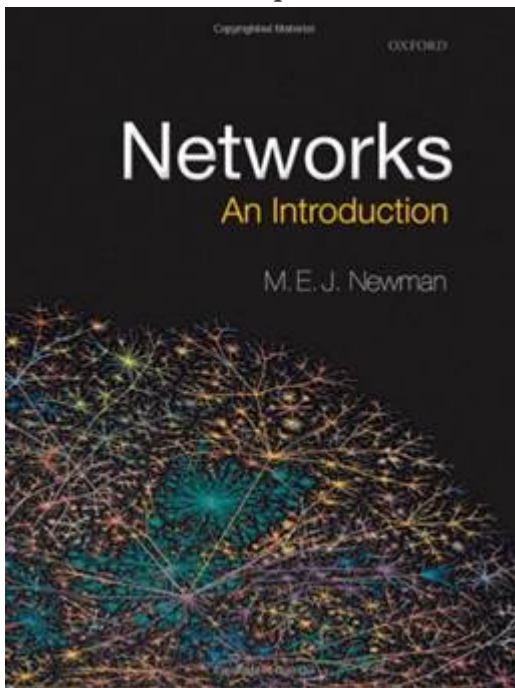
3. To go further



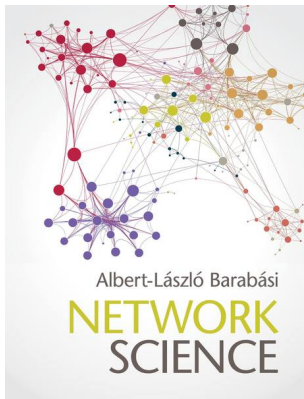
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You can also visit my tutorials on Gephi, the leading software to visualize large graphs:

<https://seinecle.github.io/gephi-tutorials/>

The end

Find references for this lesson, and other lessons, [here](#).



[align="center", role="right"] This course is made by Clement Levallois.

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